FORTY-SECOND ANNUAL REPORT

OF THE BOARD OF DIRECTORS

OF

THE NEW YORK CENTRAL

AND

HUDSON RIVER RAILROAD COMPANY

TO THE STOCKHOLDERS

FOR THE YEAR ENDED

DECEMBER 31 1910

GRAND CENTRAL TERMINAL

NEW YORK

ORGANIZATION OF
THE NEW YORK CENTRAL AND HUDSON RIVER RAILROAD COMPANY

DECEMBER 31, 1910

DIRECTORS

Elected at the annual meeting of stockholders held at Albany, New York, April 20, 1910

CHAUNCEY M. DEPEW, *Chairman*

WILLIAM K. VANDERBILT	WILLIAM H. NEWMAN
FREDERICK W. VANDERBILT	GEORGE F. BAKER
WILLIAM C. BROWN	GEORGE S. BOWDOIN
J. PIERPONT MORGAN	WILLIAM ROCKEFELLER
JAMES STILLMAN	MARVIN HUGHITT
WILLIAM K. VANDERBILT, JR	LEWIS CASS LEDYARD

EXECUTIVE COMMITTEE

CHAUNCEY M. DEPEW*	WILLIAM C. BROWN*
WILLIAM K. VANDERBILT	WILLIAM H. NEWMAN
FREDERICK W. VANDERBILT	WILLIAM ROCKEFELLER
J. PIERPONT MORGAN	GEORGE F. BAKER

JAMES STILLMAN

* *Members ex-officio*

OFFICERS

President	WILLIAM C. BROWN	New York
Assistant to President	WILLIAM K. VANDERBILT, JR	New York
Vice President	JOHN CARSTENSEN	New York
Vice President and General Manager	ALFRED H. SMITH	New York
Vice President	IRA A. PLACE	New York
Vice President	CHARLES F. DALY	New York
Secretary	DWIGHT W. PARDEE	New York
Treasurer	EDWARD L. ROSSITER	New York
General Auditor	RICHARD A. WHITE	New York
Auditor	CHARLES H. CHAMBERS	New York
General Counsel	ALBERT H. HARRIS	New York
General Solicitor	CLYDE BROWN	New York
General Attorney	ALEXANDER S. LYMAN	New York
General Land and Tax Agent	OSCAR G. GETZEN-DANNER	New York
Chief Engineer	GEORGE W. KITTREDGE	New York
General Superintendent M P R S & M	JOHN F. DEEMS	New York
Superintendent Motive Power	JOHN HOWARD	New York
Superintendent Rolling Stock	FREDERICK W. BRAZIER	New York
General Purchasing Agent	FRANCIS H. GREENE	New York
Purchasing Agent	SYDNEY B. WIGHT	New York
Freight Traffic Manager	FRANCIS LA BAU	New York
General Freight Agent	IRA H. HUBBEL	New York
Coal Traffic Manager	FRANK E. HERRIMAN	New York
General Passenger Agent	LOREN F. VOSBURGH	New York

The annual meeting of stockholders for the election of directors is held in the city of Albany, New York, on the third Wednesday in April

REPORT

To the Stockholders of

THE NEW YORK CENTRAL AND HUDSON RIVER RAILROAD COMPANY:

The Board of Directors herewith submits its report for the year ended December 31, 1910, with statements showing the 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 owned	805·49
Proprietary lines	3·06
Lines leased *	2,621·11
Lines operated under contract	81·70
Trackage rights	273·67
Total road operated	3,785·03

The slight increase in road mileage operated is due to change of alinement and measurement at various points on the system and the extension of two branches of the Beech Creek Extension Railroad by 2·94 miles. A statement showing in detail miles of road and track operated will be found upon another page.

The capital stock authorized to December 31, 1910, is		$250,000,000 00
There was issued and outstanding on December 31, 1909		$178,632,000 00
There was issued during the year 1910		44,097,300 00
the amount outstanding on December 31, 1910, being		$222,729,300 00
leaving a balance authorized but not issued of		27,270,700 00
The funded debt outstanding on December 31, 1909, was		$249,914,845 00
There has been issued and sold during the year a part of the issue of gold debentures of 1904 amounting to		5,000,000 00
making the total bonded debt outstanding on December 31, 1910		$254,914,845 00
There has also been placed upon the general books of the company its pro rata liability in connection with the certificates issued under the trust agreements, as follows:		
Equipment trust certificates of 1907	$10,317,581 54	
Less payment in the month of November	793,660 12	
Net amount outstanding December 31, 1910	$9,523,921 42	
Equipment trust certificates of 1910	6,509,466 30	16,033,387 72
Mortgage on real estate in the city of New York bringing the total funded debt as shown on the balance sheet of December 31, 1910, to		150,000 00
		$271,098,232 72

* The Dunkirk Allegheny Valley and Pittsburgh Railroad, 20·51 miles, is also leased by this company, but its mileage and operations are not included in this report. Separate accounts are kept and independent returns prepared in its behalf.

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

OPERATING INCOME	1910	1909	INCREASE	DECREASE
RAIL OPERATIONS	*3,785·03 miles operated*	*3,781·83 miles operated*	*3·20 miles*	
Revenues	$99,908,478 17	$93,171,860 69	$6,736,617 48	
Expenses	74,079,086 58	64,593,826 35	9,485,260 23	
NET REVENUE FROM RAIL OPERATIONS	$25,829,391 59	$28,578,034 34		$2,748,642 75
Percentage of expenses to revenues	(74·15%)	(69·33%)	(4·82%)	
OUTSIDE OPERATIONS				
Revenues	$4,791,030 30	$4,517,996 90	$273,033 40	
Expenses	4,909,808 90	4,312,028 96	597,779 94	
NET REVENUE FROM OUTSIDE OPERATIONS		$205,967 94		
NET LOSS ON OUTSIDE OPERATIONS	$118,778 60			$324,746 54
NET REVENUE FROM ALL OPERATIONS	$25,710,612 99	$28,784,002 28		$3,073,389 29
TAXES ACCRUED	4,697,826 30	4,434,504 32	$263,321 98	
OPERATING INCOME	$21,012,786 69	$24,349,497 96		$3,336,711 27
OTHER INCOME				
Joint facilities rents	$1,451,212 04	$1,274,627 35	$176,584 69	
Miscellaneous rents	319,527 90	506,611 57		$187,083 67
Dividends on stocks owned or controlled	11,150,915 74	7,692,497 79	3,458,417 95	
Interest on funded debt owned	573,754 67	577,901 13		4,146 46
Interest on other securities, loans and accounts	1,595,601 41	1,080,595 14	515,006 27	
Miscellaneous income	355,321 51	260,625 88	94,695 63	
TOTAL OTHER INCOME	$15,446,333 27	$11,392,858 86	$4,053,474 41	
GROSS CORPORATE INCOME	$36,459,119 96	$35,742,356 82	$716,763 14	
DEDUCTIONS FROM GROSS CORPORATE INCOME				
Rentals of leased lines	$10,058,290 85	$9,943,576 81	$114,714 04	
Hire of equipment	972,557 08	959,684 09	12,872 99	
Joint facilities rents	538,131 73	449,441 42	88,690 31	
Miscellaneous rents	504,395 88	83,057 29	421,338 59	
Interest on funded debt	9,162,019 59	8,913,651 53	248,368 06	
Interest on equipment trust certificates	630,097 20	548,948 26	81,148 94	
Other interest	80,848 89	940,970 39		$860,121 50
St. L. & A. Railway: interest, rental, etc	74,000 00	74,000 00		
N. Y. & Ottawa Railway: interest on bonds	58,240 00	58,240 00		
Other deductions	91,866 67	75,366 67	16,500 00	
TOTAL DEDUCTIONS FROM GROSS CORPORATE INCOME	$22,170,447 89	$22,046,936 46	$123,511 43	
NET CORPORATE INCOME	$14,288,672 07	$13,695,420 36	$593,251 71	
DIVIDENDS, four each year *	13,363,738 00	8,931,600 00	4,432,158 00	
SURPLUS FOR THE YEAR	$924,914 07	$4,763,820 36		$3,838,906 29
APPROPRIATIONS FOR ADDITIONS AND BETTERMENTS	924,914 07		$924,914 07	
BALANCE FOR YEAR CARRIED TO PROFIT AND LOSS		$4,763,820 36		$4,763,820 36

Balance to credit of profit and loss December 31, 1909		$15,409,187 67
Against this there has been charged:		
Discount or loss on sundry securities	$35,352 33	
Uncollectible charges, sundry adjustments, etc (net)	323,033 96	
Commissions, discounts and expenses account of Equipment Trust of 1910	141,376 76	
Abandoned property at various places	979,650 41	
Cash payments and 1910 installments on account New York Central Lines Equipment Trusts transferred to appropriated surplus	1,592,157 84	3,071,571 30
BALANCE DECEMBER 31, 1910		$12,337,616 37

*DIVIDEND in 1910, 6% on 2,227,293 shares of stock; in 1909, 5% on 1,786,320 shares

For the year covered by this report the revenue from transportation was $98,685,744.75, an increase of $6,447,221.47; revenue from operations other than transportation was $1,222,733.42, an increase of $289,396.01; revenue from outside operations (connected with, but in addition to transportation by rail) was $4,791,030.30, an increase of $273,033.40.

The total gross revenue from all operations was $104,699,508.47, an increase of $7,009,650.88.

All sources of revenue from transportation have shown an increase with the exception of the mail service.

Freight revenue was $58,411,234.14, an increase of $3,961,952.67. The revenue freight carried amounted to 47,066,839 tons, an increase of 2,894,885 tons over last year, nearly reaching the tonnage of 1907 which still represents the highest level. Substantial increases show in all commodities with few exceptions, the largest increases occurring in coal and other minerals, metals and building material.

The revenue from passengers amounted to $30,992,855.71, an increase of $1,990,944.53. An increase in the number of local passengers carried of 1,317,999 and an increase of 967,489 in commutation passengers carried, with a slight increase in the average distance of travel and in the average receipts per mile, show that the passenger traffic over this company's lines continues in a satisfactory condition.

The revenue from express traffic was $4,122,283.51, an increase of $40,708.02 due to an enlarged volume of business.

The expenses of rail operations amounted to $74,079,086.58, an increase of $9,485,260.23.

The operating expenses, by groups, were:

Maintenance of way and structures	$14,060,177 83
Maintenance of equipment	16,936,253 24
Traffic expenses	2,487,227 74
Transportation expenses	37,938,526 75
General expenses	2,656,901 02
Outside operations	4,909,808 90

In maintenance of way and structures the cost has increased largely in every item due to a greater amount of work being necessary than in the previous year; 12,094 tons of new rails, most of them of the 80 lb. size, at an increased average cost, having been laid in excess of the total of the year 1909 and approximately 300,000 additional new ties placed; these two items accounting for $578,072.29 of the increase. Signal and interlocking plants called for an outlay of $503,165.24 larger than in 1909, buildings, fixtures and grounds an additional $346,531.12 and repairs of bridges, trestles and culverts added $201,617.58 to the increase.

In maintenance of equipment an increase of $1,514,605.03 is shown due mainly to a largely increased charge for repairs of steam locomotives and passenger cars.

Traffic expenses, being those charges incurred in soliciting and procuring traffic outside of its actual movement by rail, amounted to $2,487,227.74, an increase of $213,400.06 mainly due to larger payments for outside agencies and expenses of fast freight lines.

The cost of transportation shows large increases in nearly all of the accounts, the most noticeable being in fuel for locomotives, those engaged in yards being charged with $176,481.65 more than in 1909, and those in general service on the road $1,000,248.52 due to increased cost and to the greater amount of work performed, represented by an increase of 3,610,899 miles, each engine having averaged 1,486 more miles. The new rates of pay arranged in the early part of the year have been responsible for heavy increases in the cost of transportation. Enginemen have received $817,569.48 and trainmen $1,143,989.46 more than in the year 1909. Some of these increases are due to larger operations, indicated by the greater mileage of locomotives, an increase of 2,531,528 miles travelled by trains, and of 26,939,577 miles by cars, but the larger portion of them is caused by the increase in the rates of wages. The total increase in cost of transportation is $4,629,211.93, nearly 14%.

General expenses show an increase of $561,888.46, principally in the items of pensions and general office clerks and expenses. The increase in pensions is due to the development of the pension plan which was adopted on November 10, 1909, by which, effective January 1, 1910, employees who had reached seventy years of age, or were incapacitated for further work by reason of disabilities were, under certain restrictions, granted a life pension based on previous compensation and service, in lieu of the former rule of granting gratuities. The increase in the item of general office salaries and expenses was due to a great extent to the increasing exactions of the federal and state commissions, affecting the executive and accounting departments, together with the unusual number of elaborate and exhaustive studies, reports and data prepared during the year.

In outside operations a loss of $118,778.60 is shown. Deficits of $287,756.66 in harbor terminal transfers, $209,093.82 in the operation of dining and special cars and $90,157.81 in ferry lines have been more than the profits from other outside operations could offset, although electric light and power plants, gas producing plants, grain elevators, stock yards, freight storage plants and the restaurant services have all produced fairly satisfactory profits.

Taxes have increased $263,321.98, in which is included $150,564.54 for the tax on the income of corporations levied by the Federal Government and paid by this company on behalf of itself and various leased lines.

In other income an increase of $3,458,417.95 is shown in dividends on stocks owned or controlled, and an increase of $515,006.27 in interest on other securities, loans and accounts. The increase in dividends is due principally to an extra dividend of six per cent declared and paid by the Lake Shore and Michigan Southern Railway Company in March.

In deductions from gross corporate income rentals of leased lines increased $114,714.04 due principally to the charge for interest on improvement bonds issued in 1910 by the Boston and Albany Railroad Company and a full year's interest on similar bonds issued in 1909.

Interest on bonds of this company shows an increase of $248,368.06 due to the issue during 1910 of $5,000,000 additional Gold debentures of 1904 and the payment of a full year's interest upon the Spuyten Duyvil and Port Morris Railroad mortgage bonds. Interest on equipment trust certificates increased $81,148.94 due to the issue of certificates under the trust agreement of 1910. Other interest decreased $860,121.50 due principally to the retirement of the three year gold notes of 1907.

The surplus for the year, after paying a dividend of $13,363,758.00 representing six per cent upon the capital stock, was $924,914.07, which amount was appropriated for improvements made upon the property.

Extraordinary expenditures during the year were as follows:

For additions to property, other than equipment		$4,960,177 90
For equipment, in excess of value of equipment retired		6,272,537 62
For construction work on leased lines and for Grand Central Terminal improvement	$10,492,007 60	
Less amount refunded from proceeds of securities of lessor companies	2,000,000 00	8,492,007 60
		$19,724,723 12

In addition to the above, there has been added to the property, under the head of trust equipment, $16,873,001.65, to cover the value of the equipment delivered under the agreements of 1907 and 1910; the value of the remaining equipment, represented by outstanding certificates, is covered by a special deposit in the hands of the Guaranty Trust Company awaiting the delivery of the equipment, and appears in its proper place on the balance sheet.

Details of the above mentioned expenditures are shown on subsequent pages.

The operation of trains by electricity has been extended to Hastings on the Hudson River division, for trains equipped with the multiple unit system, and the extension of electric operation on the Harlem division from Wakefield to North White Plains has been accomplished.

Satisfactory progress has been made in the work on the new Grand Central Terminal and increased facilities for the operation of trains have been provided.

The new office building on Lexington Avenue was occupied by the executive, financial and accounting departments early in the year and other departments followed

as space was provided. The old Grand Central Station building was abandoned and is now almost entirely demolished. Work upon the street viaducts has been vigorously carried forward and this portion of the improvement is expected to be completed by the end of the year 1912. The new main station building is far advanced and the engineers in charge of the project estimate that it will be ready for use by the middle of the year 1912. The Merchants and Manufacturers loft building, erected on a portion of the Terminal site as a joint investment of this company and the New York New Haven and Hartford Railroad Company, is nearing completion.

To obtain the locomotives and cars necessary for immediate requirements, The New York Central and Hudson River Railroad Company, together with The Lake Shore and Michigan Southern Railway Company, The Michigan Central Railroad Company, The Cleveland Cincinnati Chicago and St Louis Railway Company and the Chicago Indiana and Southern Railroad Company, has become a party to an equipment trust agreement and lease dated January 1, 1910, known as the "New York Central Lines Equipment Trust of 1910." This agreement provides for an issue of $30,000,000 of equipment trust certificates bearing interest at four and one-half per cent per annum, being ninety per cent of the total cost of the equipment to be furnished under the terms of said agreement. These certificates are to be paid off in fifteen annual installments of $2,000,000 each, the first installment being payable January 1, 1911. The cost of the equipment to be leased under the terms of the agreement by this company will be $7,232,740.33, and its pro rata liability for certificates representing ninety per cent of the cost is $6,509,466.30. Full particulars as to the character of the equipment acquired will be found upon another page.

The company acquired in exchange for $5,000,000 gold debentures of 1904 the entire issue of preferred stock of the Geneva Corning and Southern Railroad Company, amounting to $5,000,000.

The Board of Directors has recorded the death of two of its active members and of two who had formerly been Directors.

Darius Ogden Mills, who was elected a member of the Board January 24, 1900, died on January 3, 1910.

Hamilton McKown Twombly, who was elected a member of the Board April 21, 1897, died on January 11, 1910.

Charles Cameron Clarke died on May 25, 1910. He entered the service of the Hudson River Railroad Company early in 1854 and was appointed Auditor on June 6 of that year, became Treasurer July 25, 1856, and on December 9, 1871, was appointed Treasurer of The New York Central and Hudson River Railroad Company. He was elected a Director May 4, 1883, and on the same day was appointed First Vice President, which office he retained until November 9, 1900. He resigned from the directorate January 27, 1909, and died at Briarcliff Manor at the age of eighty-seven years. His life was a busy one, characterized by extraordinary energy and unswerving loyalty to the company during a period covering more than fifty years.

Edward V. W. Rossiter, one of the oldest and most valued officers of the company, died December 11, 1910, and his loss was felt as a personal one by all who had been his associates or subordinates. He entered the service of the company as a boy of sixteen in the year 1859, was appointed Treasurer in 1883 and a Vice President in 1900. Able, faithful, hard-working and patient, he influenced all who came in contact with him, and fully deserved the promotions which he received. During the last period of his life he was in charge of the finances of this company and nine allied companies, and from April 15, 1903, to November 10, 1903, was a member of the Board of Directors.

The results of the operation of the property for the fiscal year have not been as favorable as, at the beginning of the year, it was expected they would be.

Early in the year demands were made by employees in train, engine and yard service on the Baltimore and Ohio Railroad for an increase in pay. After prolonged negotiations, in order to avoid a strike, the question was, under the provisions of the Erdman Act, referred to the Chairman of the Interstate Commerce Commission and the Commissioner of Labor. The result substantially increased the wage scale of the employees involved. Reference is here made to this decision because it formed a basis for demands upon all other carriers in eastern territory.

Our employees in train and yard service immediately presented demands for the adoption of the Baltimore and Ohio schedule of pay. Conferences were held and every possible effort exerted to avoid making any increases. These conferences finally resulted in a deadlock, the organizations insisting on their full demands which the management felt could not be conceded.

A vote of employees was taken, resulting almost unanimously in favor of a strike. A further conference was then had and arbitration under the Erdman Act suggested, which was declined by the employees. It was then suggested that the matter be left to the New York Public Service Commission and this suggestion was also declined.

Finally, in order to avoid a strike, which would have been disastrous to the railroads, the employees and the communities served by our lines, an offer was made to submit the matter to Mr. E. E. Clark, a member of the Interstate Commerce Commission and formerly Grand Chief of the Order of Railway Conductors, and Mr. P. H. Morrissey, formerly President of the Brotherhood of Railroad Trainmen. After twenty four hours' deliberation the proposition was accepted.

By this arbitration an increase of about $3,600,000 per annum in wages of employees was made and changed conditions of service included in the finding very materially increased this amount.

Similar increases were demanded and, by similar arbitration, enforced, on substantially all the lines between Chicago and the Atlantic seaboard.

After carefully measuring the effect of this increased cost of operation, it was felt that an increase in revenue must be provided, which could best be accomplished by an

increase in class rates and certain commodity rates, on which little or no increase had been made in something like thirty years, during which time wages and the cost of materials used in railroad service had greatly increased. Tariffs were filed with the Interstate Commerce Commission on May 31, 1910, which would, under existing law, have become effective thirty days thereafter. A bill had been introduced in Congress very largely increasing the authority of the Commission, including, among other things, the right to suspend the taking effect of any proposed increase in rates for a period not exceeding ten months, and it was feared that the filing of the tariffs might be construed as an effort to evade the provision of the proposed law. This company, therefore, in conjunction with other roads in interest, announced through the press, and subsequently advised the President of the United States and the Interstate Commerce Commission, that the rates filed would be subject to the provisions of any amendment to the Interstate Commerce Law that might be passed and that the Commission could fix the date on which the increased rates should become effective.

Under this arrangement, successive suspensions of the proposed increases were made by the Commission, the last one on January 30 to March 15, 1911.

On February 22, 1911, while this report was being compiled, the case was decided by the Commission, denying all increases asked for, requiring the withdrawal of the proposed tariffs on or before March 10, 1911, and giving notice that if they were not so withdrawn, an order would be issued directing the maintenance of the present rates for a period of two years from that date.

The amendment to the Interstate Commerce Act above referred to, which was introduced and became effective after the filing of the tariffs, contained a provision that:

"At any hearing involving a rate increased after January 1, 1910, or of a rate sought to be increased after the passage of this act, the burden of proof to show that the increased rate or proposed increased rate is just and reasonable shall be upon the common carrier."

The increased expenses became effective April 1; the public hearings on the applications for increased rates began during the summer and were concluded in November.

In deciding the case in the territory east of Chicago, the Commission said in part:

"Upon a view of the whole situation we hold that these defendants have not established such a need for additional revenue as justified, at this time, an increase in these rates.

"It has been several times stated in the course of this discussion, and should be repeated here, that in view of the complex character of this problem, nothing but an actual test can satisfactorily determine the financial results from the operations of these several carriers. There is no evidence before us which establishes the necessity for higher rates. The probability is that increased rates will not be necessary in the future. In view of the liberal returns received by these defendants in the past ten years, they should be required to show, with reasonable certainty, the necessity before the increase is allowed."

The earnings of the fiscal year ended June 30, 1910, were the largest in the history of the carriers in Official Classification Territory, reflecting the rebound from the depression of 1908-09, coupled with a full, normal crop of agricultural products; while the

year previous, with which comparison was frequently made, showed the smallest gross earnings of any year in the five-year period, 1906 to 1910, inclusive. Furthermore, the fiscal year ended June 30, 1910, included but three months of the augmented expense of operation caused by the increase in wages, and the carriers felt that it could not be regarded as a normal year or be accepted as a safe basis for judging the probable results of future operations upon the higher basis of expenses.

In presenting the case to the Commission, the evidence adduced by the carriers, of necessity, consisted largely of expressions of opinion and estimates based upon the best judgment and experience of the witness. Under these circumstances, success was doubtful. Under the test exacted by the Commission that "nothing but an actual test can satisfactorily determine the financial results from the operation of these several carriers," it was impossible, because the time available between the filing of the proposed tariffs and the decision of the case did not admit of the application of that test.

To apply a rule of this character to every appeal for relief on the part of the carriers might involve great injustice and it should be stated that the language of the decision indicates that it applies only to this particular case.

The decision is qualified as follows:

"If actual results should determine that our forecast of the future is wrong, there might be grounds for asking a further consideration of the subject.

"But it should be further said that, before any general advance can be permitted, it must appear with reasonable certainty that carriers have exercised proper economy in the purchase of their supplies, in the payment of their wages and in the general conduct of their business."

This assurance of the Commission of its willingness to give further consideration to this subject, if results shall demonstrate that the forecast upon which the decision is based was mistaken, is eminently fair, and no exception can be taken to the conditions imposed that the carriers must show that proper economy in the payment of wages, purchase of supplies, etc, is exercised. In this connection, however, it is due the management that the shareholders be advised that over the one item of wages, representing from sixty-three to sixty-five per cent of the total operating expense, the railroads have been by statute deprived of very substantial control.

Under the Erdman Act passed by Congress in June, 1898, it is provided among other things:

"That whenever a controversy concerning wages, hours of labor or conditions of employment shall arise between a carrier subject to this act and the employees of such carrier, seriously interrupting or threatening to interrupt the business of said carrier, the Chairman of the Interstate Commerce Commission and the Commissioner of Labor shall, upon the request of either party to the controversy, with all practicable expedition, put themselves in communication with the parties to such controversy, and shall use their best efforts, by mediation and conciliation, to amicably settle the same, and if such efforts shall be unsuccessful, shall at once endeavor to bring about an arbitration of such controversy in accordance with the provisions of this act."

The act provides that one arbitrator shall be named by the carrier or employer,

another by the labor organization to which the employees directly interested belong, the two thus chosen to name the third; and in the event of a failure to so name a third arbitrator, then the Chairman of the Interstate Commerce Commission and the Commissioner of Labor shall make the selection. Arbitration almost invariably means compromise and this is especially true where labor is involved on one hand and an employing corporation on the other.

Labor is so thoroughly organized that a strike on one system would very rapidly spread to all roads in common territory and the effect of such a struggle would be so wide-spread and so disastrous that no railroad would, even with the most ample justification, undertake it except as a last resort. With the aid of public opinion, inspired by a statement from the Chairman of the Interstate Commerce Commission and the Commissioner of Labor, that in their opinion a demand for an increase in wages was not justified, a railroad might enter upon a contest of this kind with hope for a favorable result; without this support, the struggle would be well nigh hopeless.

Without entering upon a discussion of the fairness of the general basis of wages paid employees of the carriers, it may be said that the present level is largely the result of successive mediations and arbitrations under the Erdman Act and is higher than can, in the judgment of railroad managers of long experience, be continued by many of the roads upon the present basis of freight and passenger rates in the territory east of Chicago.

Increased cost of living, the rising cost of commodities of almost all kinds, has been a compelling argument in favor of advancing wages. In recognizing these conditions as affecting the employee, it is not unreasonable to hope the Commission will realize that the same conditions apply to the employer and that increases to the former, made effective by mediation or arbitration, involve some measure of responsibility for the effect of such increase upon the ability to pay, of the latter.

In regard to the purchase of the millions of dollars worth of supplies and materials bought by the railroads annually, while absolute honesty and the highest commercial ability may not be found in every transaction, it is doubtful if, taken as a whole, any other business of like magnitude will show a cleaner record.

Fuel represents nearly one-third of the cost of all material used by the railroads and investigation will show that the railroads buy coal at a substantially lower price than almost any other large consumer; as a rule, at a price that leaves an exceedingly slender margin above cost.

Fuel, rail, ties, lumber, locomotives, cars and other large items in the list of material and supplies, are purchased very largely on contracts, which are open to the inspection of agents and inspectors of the Interstate Commerce Commission, who have as full access to the books and records of the railroads as National Bank examiners have to those of the national banks. In any investigation which the Commission may find necessary or

desirable, the responsible officers of the railroad in any department may be required to submit, under oath, to the most rigid examination.

Under these circumstances, substantially exact knowledge is possible and any doubt that may exist in the minds of the Commission may be confirmed or dissipated by such an investigation.

Pursuant to the suggestion of the Commission the advanced tariffs have been withdrawn.

The decision has been accepted in good faith and every method of economy that can be enforced without resulting in deterioration of the property or impairment of the efficiency of the service is being adopted.

In March, 1910, it was the judgment of your Board of Directors that the financial results of the year ended December 31, 1909, and the outlook for the ensuing year, justified increasing the rate of dividend on the capital stock of the company from five to six per cent per annum.

As a first measure of retrenchment, at a meeting of the Board held on March 8, 1911, the dividend was reduced to a five per cent basis.

If the forecast of the Interstate Commerce Commission—that increased volume of business and such economies as can wisely be adopted will offset the large increase in cost of operation—is realized, then the railroads will very gladly acknowledge that they were mistaken in their apprehensions.

On the other hand, if the results of operation, as they shall be developed month by month, demonstrate that those apprehensions were not entirely groundless, further appeal will, in due time, be made to the Commission with full confidence that needed relief will be granted.

The management is under renewed obligation to the Public Service Commissions of the State of New York and to the Massachusetts Board of Railroad Commissioners for helpful co-operation in improving the service and in fostering cordial relations between the road and its patrons.

The following appointments were made during the year: February 1, Richard A. White, General Auditor; Charles H. Chambers, Auditor; James H. Foulds, Jr, Auditor of Disbursements; William T. McCulloch, Auditor of Revenue; Frank E. Briggs, Auditor of Freight Accounts; John F. Fairlamb, Auditor of Miscellaneous Accounts; Arthur L. Linn, Jr, Auditor of Subsidiary Lines; July 15, William K. Vanderbilt, Jr, Assistant to President; September 1, Loren F. Vosburgh, General Passenger Agent.

Appreciative acknowledgment is made of the faithful, efficient performance of duty by employees in every department of the service during the year.

WILLIAM C. BROWN,
President.

DETAIL OF OPERATING REVENUES

REVENUES FROM TRANSPORTATION

	1910	1909	Increase	Decrease
Freight revenue	$58,411,234 14	$54,449,281 47	$3,961,952 67	
Passenger revenue	30,092,855 71	29,001,911 18	1,990,944 53	
Excess baggage revenue	307,296 91	305,568 56	1,728 35	
Parlor and chair car revenue	10,930 00	16,218 50		$5,288 50
Mail revenue	2,554,059 76	2,633,969 85		79,910 09
Express revenue	4,122,283 51	4,081,575 49	40,708 02	
Milk revenue (on passenger trains)	97,720 10	96,098 60	1 621 50	
Other passenger train revenue	496,406 32	417,540 17	78,866 15	
Switching revenue	1,428,378 04	1,057,246 93	371,131 11	
Special service train revenue	72,315 06	55,555 85	16,759 21	
Miscellaneous transportation revenue	192,265 20	123,556 68	68,708 52	
Total transportation revenues	$98,685,744 75	$92,238,523 28	$6,447,221 47	

REVENUES FROM OPERATIONS OTHER THAN TRANSPORTATION

Station and train privileges	$191,252 63	$174,086 27	$17,166 36	
Parcel room receipts	95,914 84	85,979 65	9,935 19	
Storage—freight	89,551 46	70,555 45	18,996 01	
Storage—passenger	49,044 71	46,757 70	2.287 01	
Car service	308,285 50	258,796 89	49,488 61	
Telegraph and telephone service	3,436 89	6,431 99		$2,995 10
Rents of buildings and other property	415,704 62	199,815 87	215,888 75	
Miscellaneous	65,033 15	83,963 91		18,930 76
Joint facilities revenue—Dr.	58,470 68	49,597 18		8,873 50
Joint facilities revenue—Cr.	62,980 30	56,546 86	6,433 44	
Total non-transportation revenues	$1,222,733 42	$933,337 41	$289,396 01	
Total operating revenues	$99,908,478 17	$93,171,860 69	$6,736,617 48	

The New York Central and Hudson River Railroad Company

OPERATING EXPENSES IN DETAIL

(Rail operations only)

MAINTENANCE OF WAY AND STRUCTURES

	1910	1909	Increase	Decrease
Superintendence	$807,347 75	$711,919 91	$95,427 84	
Ballast	396,894 86	321,062 85	75,832 01	
Ties	1,705,016 25	1,429,220 49	275,795 76	
Rails	1,019,767 99	717,491 46	302,276 53	
Other track material	822,309 17	758,182 74	64,126 43	
Roadway and track	4,211,493 31	3,949,854 95	261,638 36	
Removal of snow, sand and ice	437,851 45	250,282 31	187,569 14	
Tunnels	36,235 12	35,024 82	1,210 30	
Bridges, trestles and culverts	729,531 96	524,914 38	204,617 58	
Over and under grade crossings	162,608 80	64,586 60	98,022 20	
Grade crossings, fences, cattle guards and signs	218,864 33	191,055 74	27,808 59	
Snow and sand fences and snowsheds	5,203 00	3,259 53	1,943 47	
Signals and interlocking plants	1,526,684 83	1,023,519 59	503,165 24	
Telegraph and telephone lines	136,139 04	73,638 54	62,500 50	
Electric power transmission	91,900 27	62,249 11	29,651 16	
Buildings, fixtures and grounds	1,697,190 74	1,350,659 62	346,531 12	
Docks and wharves	110,788 62	103,161 24	7,627 38	
Roadway tools and supplies	152,055 06	112,040 62	40,014 44	
Injuries to persons	158,035 25	133,827 51	24,207 74	
Stationery and printing	48,656 16	31,239 57	17,416 59	
Other expenses	12,268 88	18,587 25		$6,318 37
Maintaining joint tracks, yards and other facilities—Dr.	309,119 50	321,813 77		12,694 27
Maintaining joint tracks, yards and other facilities—Cr.	735,784 51	693,569 52		42,214 99
Totals	$14,060,177 83	$11,494,023 08	$2,566,154 75	

MAINTENANCE OF EQUIPMENT

Superintendence	$437,443 46	$403,254 27	$34,189 19	
Steam locomotives—repairs	5,349,250 09	4,432,438 21	916,811 88	
Steam locomotives—renewals	694,629 42	507,294 37	187,335 05	
Electric locomotives—repairs	53,062 81	35,864 15	17,198 66	
Passenger-train cars—repairs	1,733,844 14	1,481,125 68	252,718 46	
Passenger-train cars—renewals	192,335 66	85,532 21	106,803 45	
Freight-train cars—repairs	5,944,361 32	6,062,776 94		$118,415 62
Freight-train cars—renewals	1,383,779 03	1,629,468 19		245,689 16
Electric equipment of cars—repairs	20,089 79	15,564 85	4,524 94	
Work equipment—repairs	154,392 06	103,368 22	51,023 84	
Work equipment—renewals	241,732 53	205,571 75	36,160 78	
Shop machinery and tools	498,897 05	320,942 17	177,954 88	
Power plant equipment	29,522 12	37,547 70		8,025 58
Injuries to persons	160,234 71	86,115 82	74,118 89	
Stationery and printing	42,530 54	33,990 08	8,540 46	
Other expenses	6,872 53	4,637 40	2,235 13	
Maintaining joint equipment at terminals—Dr.	373 91	765 26		391 35
Maintaining joint equipment at terminals—Cr.	7,097 93	24,609 06	17,511 13	
Totals	$16,936,253 24	$15,421,648 21	$1,514,605 03	

OPERATING EXPENSES IN DETAIL (*continued*)

(*Rail operations only*)

TRAFFIC EXPENSES

	1910	1909	Increase	Decrease
Superintendence	$468,881 73	$432,840 96	$36,040 77	
Outside agencies	629,069 11	529,652 06	99,417 05	
Advertising	336,392 63	333,192 61	3,200 02	
Traffic associations	102,780 92	110,349 34		$7,568 42
Fast freight lines	766,560 21	716,767 39	49,792 82	
Industrial and immigration bureaus	16,975 15	11,949 33	5,025 82	
Stationery and printing	155,996 02	134,328 84	21,667 18	
Other expenses	10,571 97	4,747 15	5,824 82	
Totals	$2,487,227 74	$2,273,827 68	$213,400 06	

TRANSPORTATION EXPENSES

Superintendence	$1,022,681 93	$906,232 03	$116,449 90	
Despatching trains	506,344 82	476,152 06	30,192 76	
Station employees	5,605,413 86	4,954,906 98	650,506 88	
Weighing and car-service associations	14,740 21	14,755 79		$15 58
Station supplies and expenses	719,560 48	933,389 05		213,828 57
Yardmasters and their clerks	628,016 32	560,892 00	67,124 32	
Yard conductors and brakemen	1,924,221 70	1,592,157 82	332,063 88	
Yard switch and signal tenders	408,963 81	369,501 48	39,462 33	
Yard supplies and expenses	71,426 75	53,796 39	17,630 36	
Yard enginemen	1,389,543 99	1,145,619 10	243,924 89	
Enginehouse expenses—yard	405,461 65	369,297 35	36,164 30	
Fuel for yard locomotives	1,219,005 95	1,042,524 30	176,481 65	
Water for yard locomotives	98,973 90	77,895 41	21,078 49	
Lubricants for yard locomotives	26,709 84	33,398 30		6,688 46
Other supplies for yard locomotives	21,730 93	19,013 25	2,717 68	
Operating joint yards and terminals—Dr.	249,576 03	213,953 47	35,622 56	
Operating joint yards and terminals—Cr.	823,705 05	997,524 77	173,819 72	
Motormen	140,451 23	179,866 57		39,415 34
Road enginemen	4,579,025 91	4,005,381 32	573,644 59	
Enginehouse expenses—road	1,499,183 67	1,352,179 45	147,004 22	
Fuel for road locomotives	7,074,202 49	6,073,953 97	1,000,248 52	
Water for road locomotives	463,456 06	373,898 27	89,557 79	
Lubricants for road locomotives	143,036 66	167,586 64		24,549 98
Other supplies for road locomotives	127,707 32	121,719 29	5,988 03	
Operating power plants	230,750 08	187,256 61	43,493 47	
Purchased power	1,979 20	2,291 20		312 00
Road trainmen	4,721,921 30	3,909,995 72	811,925 58	
Train supplies and expenses	1,515,691 93	1,113,011 46	402,680 47	
Interlocker, block and other signal operation	1,228,725 98	1,166,957 05	61,768 93	
Crossing flagmen and gatemen	433,963 55	399,699 33	34,264 22	
Drawbridge operation	37,838 07	36,021 90	1,816 17	
Clearing wrecks	126,803 10	106,738 40	20,064 70	
Telegraph and telephone operation	109,691 18	103,129 52	6,561 66	
Operating floating equipment	*519 78	519 78		1,039 56
Carried forward	$35,922,575 07	$31,066,166 49		

* Credit

OPERATING EXPENSES IN DETAIL (*concluded*)

(*Rail operations only*)

TRANSPORTATION EXPENSES (continued)

	1910	1909	Increase	Decrease
Brought forward	$35,922,575 07	$31,060,166 49		
Stationery and printing	285,738 09	231,482 75	$54,255 34	
Other expenses	41,412 60	8,329 73	33,082 87	
Loss and damage—freight	790,539 68	877,975 51		$87,435 83
Loss and damage—baggage	15,713 86	11,147 35	4,566 51	
Damage to property	170,350 81	211,929 74		41,578 93
Damage to stock on right of way	43,382 38	35,113 01	8,269 37	
Injuries to persons	849,122 41	837,748 86	11,373 55	
Operating joint tracks and facilities—Dr.	115,001 80	142,194 13		27,192 33
Operating joint tracks and facilities—Cr.	296,309 95	112,772 75		183,537 20
Totals	$37,938,526 75	$33,309,314 82	$4,629,211 93	

GENERAL EXPENSES

Salaries and expenses of general officers	$263,288 24	$235,945 62	$27,342 62	
Salaries and expenses of clerks and attendants	1,136,883 39	878,193 90	258,689 49	
General office supplies and expenses	155,750 92	109,074 41	46,676 51	
Law expenses	455,467 44	414,321 86	41,145 58	
Insurance	255,287 47	244,113 12	11,174 35	
Pensions	152,160 50	54,641 20	97,519 30	
Stationery and printing	108,339 60	84,258 31	24,081 29	
Other expenses	128,649 45	68,882 58	59,766 87	
General administration joint tracks, yards and terminals—Dr.	7,507 72	7,789 67		$281 95
General administration joint tracks, yards and terminals—Cr.	6,433 71	2,208 11		4,225 60
Totals	$2,656,901 02	$2,095,012 56	$561,888 46	

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

	1910	1909
Maintenance of way and structures	14·07	12·34
Maintenance of equipment	16·98	16·55
Traffic expenses	2·49	2·44
Transportation expenses	37·95	35·75
General expenses	2·66	2·25
Totals	74·15	69·33

DETAIL OF OUTSIDE OPERATIONS

	1910	1909	Increase in earnings or decrease in cost	Decrease in earnings or increase in cost
FERRY LINES				
Revenues	$426,191 95	$425,049 00	$1,142 95	
Expenses	516,349 76	512,289 99		$4,059 77
Deficit	$90,157 81	$87,240 99		$2,916 82
HARBOR TERMINAL TRANSFERS				
Revenues	$1,867,494 45	$1,858,392 24	$9,102 21	
Expenses	2,155,251 11	1,935,106 25		$220,144 86
Deficit	$287,756 66	$76,714 01		$211,042 65
DINING AND SPECIAL CAR SERVICE				
Revenues	$988,718 87	$878,849 73	$109,869 14	
Expenses	1,197,812 69	965,505 87		$232,306 82
Deficit	$209,093 82	$86,656 14		$122,437 68
ELECTRIC LIGHT AND POWER PLANTS				
Revenues	$205,217 09	$199,529 26	$5,687 83	
Expenses	106,804 87	134,061 18	27,256 31	
Net revenue	$98,412 22	$65,468 08	$32,944 14	
GAS PRODUCING PLANTS				
Revenues	$39,974 32	$38,461 24	$1,513 08	
Expenses	10,315 65	10,104 52		$211 13
Net revenue	$29,658 67	$28,356 72	$1,301 95	
GRAIN ELEVATORS				
Revenues	$260,020 74	$270,980 46		$10,959 72
Expenses	221,820 26	152,361 30		69,458 96
Net revenue	$38,200 48	$118,619 16		$80,418 68
STOCK YARDS				
Revenues	$541,279 40	$409,484 27	$131,795 13	
Expenses	317,915 89	249,347 50		$68,568 39
Net revenue	$223,363 51	$160,136 77	$63,226 74	
STATION RESTAURANTS				
Revenues	$322,465 99	$315,688 50	$6,777 49	
Expenses	293,244 71	273,946 13		$19,298 58
Net revenue	$29,221 28	$41,742 37		$12,521 09
FREIGHT STORAGE PLANTS				
Revenues	$138,104 90	$121,562 20	$16,542 70	
Expenses	76,104 16	79,236 30	3,132 14	
Net revenue	$62,000 74	$42,325 90	$19,674 84	
MISCELLANEOUS				
Revenues	$1,562 59		$1,562 59	
Expenses	14,189 80	$69 92		$14,119 88
Deficit	$12,627 21	$69 92		$12,557 29
GRAND TOTALS				
Revenues	$4,791,030 30	$4,517,996 90	$273,033 40	
Expenses	4,909,808 90	4,312,028 96		$597,779 94
Net revenue		$205,967 94		
Deficit	$118,778 60			$324,746 54

TAXES ACCRUED

ON CAPITAL STOCK		
State of New York		
New York Central & Hudson River Railroad Co	$248,382 77	
New York & Harlem Railroad Co	18,446 22	
Rome Watertown & Ogdensburg Railroad Co	18,450 00	
Mohawk & Malone Railway Co	7,500 00	
Geneva Corning & Southern Railroad Co	2,857 32	
Boston & Albany Railroad Co	7,354 69	
West Shore Railroad Co	6,235 50	
New York & Putnam Railroad Co	4,875 00	
Spuyten Duyvil & Port Morris Railroad Co	1,978 00	
Utica & Black River Railroad Co	1,930 25	
New York & Ottawa Railway Co	1,274 53	
Carthage Watertown & Sackets Harbor Railroad Co	1,824 38	
St Lawrence & Adirondack Railway Co	696 39	
Walkill Valley Railroad Co	550 32	
Troy & Greenbush Railroad Association	481 25	
Niagara Falls Branch Railroad Co	437 50	
Carthage & Adirondack Railway Co	375 00	
Gouverneur & Oswegatchie Railroad Co	262 50	
Oswego & Rome Railroad Co	168 75	
Mohawk Falls Railroad Co	75 00	
Tivoli Hollow Railroad Co	14 38	
New York Central Niagara River Railroad Co	21 09	
Buffalo Belt Basin Railroad Co	10 13	$323,930 66
Commonwealth of Massachusetts		
Boston & Albany Railroad Co and its leased lines		305,287 89
Commonwealth of Pennsylvania		
Beech Creek Railroad Co	$31,701 25	
Geneva Corning & Southern Railroad Co	22,541 30	
Beech Creek Extension Railroad Co	2,657 50	
Pennsylvania & Western Railroad Co	28 97	
Chest Creek Railroad Co	10 00	
Gallitzin Coal & Coke Co	5 00	56,943 92
State of New Jersey		
New York & Ottawa Bridge Co and Cornwall Bridge Co		252 00
ON BONDED DEBT OF LEASED LINES		5,611 19
ON GROSS EARNINGS		167,518 01
ON REAL ESTATE (including leased lines)		3,240,687 49
ON SPECIAL FRANCHISES (including leased lines)		421,049 50
CANADIAN PROVINCIAL		5,231 72
RAILROAD COMMISSIONERS' ASSESSMENTS (Massachusetts)		7,626 57
FEDERAL GOVERNMENT INCOME TAX		150,564 54
COUNTY TAXES ON NEW MORTGAGES		8,471 81
Total of all taxes		$4,697,926 30

DIVIDENDS

Four at 1½% on 2,227,293 shares of capital stock, payable April 15, July 15, October 15, 1910, and January 16, 1911, aggregating 6%	$13,363,758 00

DEDUCTIONS FROM INCOME

Interest on bonds

Interest at 3½% on Gold mortgage bonds		$3,115,000 00
Interest at 3½% on Lake Shore collateral bonds		3,170,244 00
Interest at 3½% on Michigan Central collateral bonds		676,775 58
Interest at 3½% on Debenture of 1900		192,500 00
Interest at 4 % on Gold debentures of 1904		1,920,000 01
Interest at 3½% on Gold mortgage on Spuyten Duyvil & Port Morris Railroad		87,500 00
Total		$9,162,019 59

Miscellaneous obligations

Interest on equipment trust certificates		$630,097 20
Interest on three year gold notes of 1907		42,619 66
Interest on loans, notes and bills payable		38,229 23
On account of St Lawrence & Adirondack Railway Co:		
Interest at 5% on $800,000 First mortgage bonds	$40,000 00	
Interest at 6% on $400,000 Second mortgage bonds	24,000 00	
Rental of leased line	10,000 00	74,000 00
On account of New York & Ottawa Railway Co:		
Interest at 4% on $1,456,000 First mortgage bonds		58,240 00
Total		$843,186 09

Rentals of leased lines

NEW YORK AND HARLEM RAILROAD		
Interest at 3½% on $12,000,000 Gold mortgage bonds	$420,000 00	
Dividend at 10% on 200,000 shares of capital stock ($50 per share)	1,000,000 00	$1,420,000 00
SPUYTEN DUYVIL AND PORT MORRIS RAILROAD		
Dividend at 8% on 9,890 shares of capital stock		79,120 00
TROY AND GREENBUSH RAILROAD		
Rental at 7% on 5,500 shares of capital stock ($50 per share)		19,250 00
NEW YORK AND PUTNAM RAILROAD		
Interest at 5% on $1,200,000 New York & Northern First mortgage bonds	$60,000 00	
Interest at 4% on $4,025,000 New York & Putnam First consolidated mortgage bonds	161,000 00	221,000 00
MOHAWK AND MALONE RAILWAY		
Interest at 4 % on $2,500,000 First mortgage gold bonds	$100,000 00	
Interest at 3½% on $3,900,000 Consolidated mortgage bonds	136,500 00	
Dividend at 4% on 50,000 shares of capital stock	200,000 00	436,500 00
WEST SHORE RAILROAD		
Interest at 4% on $50,000,000 First mortgage bonds		2,000,000 00
NEW JERSEY JUNCTION RAILROAD		
Interest at 4% on $1,700,000 First mortgage bonds		68,000 00
WALLKILL VALLEY RAILROAD		
Interest at 3½% on $250,000 First mortgage bonds	$8,750 00	
Interest at 3½% on $330,000 Second mortgage bonds	11,550 00	
Dividend at 3½% on 3,300 shares of capital stock	11,550 00	31,850 00
CARTHAGE AND ADIRONDACK RAILWAY		
Interest at 4% on $1,100,000 First mortgage bonds		44,000 00
Carried forward		$4,319,720 00

DEDUCTIONS FROM INCOME—(*continued*)

Rentals of leased lines—(continued)

Brought forward			$4,319,720 00
ROME WATERTOWN AND OGDENSBURG RAILROAD			
Organization expenses		$7,000 00	
Interest at 5 % on $9,076,000 R W & O First consolidated mortgage bonds	$453,800 00		
Interest at 4 % on $419,000 R W & O First consolidated mortgage bonds from September 1, 1910	5,585 27		
Interest at 3½% on $500,000 R W & O First consolidated mortgage bonds	17,500 00		
Interest at 5 % on $375,000 R W & O Terminal bonds	18,750 00		
Interest at 6 % on $100,000 Oswego Railroad Bridge bonds	6,000 00		
Interest at 6 % on $175,000 Syracuse Phœnix & Oswego bonds	10,500 00		
Interest at 6 % on $417,800 Watertown & Rome bonds for eight months	16,712 00		
Interest at 5 % on $130,000 Norwood & Montreal bonds	6,500 00	535,347 27	
Dividend at 5 % on 100,000 shares of capital stock		500,000 00	
Rental of Niagara Falls Branch Railroad			
Dividend at 7 % on 2,500 shares of capital stock		17,500 00	
Rental of Oswego & Rome Railroad			
Interest at 7 % on $350,000 First mortgage bonds	$24,500 00		
Interest at 5 % on $400,000 Second mortgage bonds	20,000 00	44,500 00	
Rental of Utica & Black River Railroad			
Organization expenses	$4,500 00		
Interest at 4 % on $1,950,000 First mortgage bonds	78,000 00		
Dividend at 7 % on 11,030 shares of capital stock	77,210 00	159,710 00	
Rental of Carthage Watertown & Sackets Harbor Railroad			
37½% of gross earnings for year ended December 31, 1910		72,486 88	1,336,544 15
GENEVA CORNING AND SOUTHERN RAILROAD			
Interest at 6% on $3,500,000 Pine Creek First mortgage bonds		$210,000 00	
Dividend at 3½% on 23,250 shares of common capital stock		81,375 00	
Dividend at 4% on 50,000 shares of preferred capital stock		200,000 00	491,375 00
BEECH CREEK RAILROAD			
Interest at 4% on $5,000,000 First mortgage bonds		$200,000 00	
Interest at 5% on $1,000,000 Second mortgage bonds		50,000 00	
Dividend at 4% on 120,000 shares of capital stock ($50 per share)		240,000 00	490,000 00
Carried forward			$6,637,639 15

DEDUCTIONS FROM INCOME—*(concluded)*

Rentals of leased lines—(concluded)

Brought forward		$6,637,639 15
BEECH CREEK EXTENSION RAILROAD		
Interest at 3½% on $3,500,000 First mortgage bonds	$122,500 00	
Interest at 4 % on $3,964,000 Consolidated mortgage gold bonds	158,560 00	281,060 00
BOSTON AND ALBANY RAILROAD		
Cash rental	$2,000,000 00	
Interest at 3½% on $3,858,000 Refunding bonds	135,030 00	
Interest at 4 % on $3,627,000 bonds of 1893	145,080 00	
Interest at 3½% on $1,000,000 Terminal bonds	35,000 00	
Interest at 4 % on $7,000,000 Improvement bonds of 1908	280,000 00	
Interest at 4 % on $4,500,000 Improvement bonds of 1909	180,000 00	
Interest at 4 % on $2,000,000 Improvement bonds of 1910, as issued	28,222 22	
Organization expenses	10,000 00	
Rental of Pittsfield & North Adams Railroad Dividend at 5% on 4,500 shares of capital stock	22,500 00	
Rental of Ware River Railroad Dividend at 7% on 7,500 shares of capital stock	52,500 00	
Cash rental of North Brookfield Railroad	3,000 00	
Rental of Providence Webster & Springfield Railroad 25% of gross earnings for year ended December 31, 1910	10,259 48	2,901,591 70
DUNKIRK ALLEGHENY VALLEY AND PITTSBURGH RAILROAD		
Interest at 7% on $1,000,000 Dunkirk Warren & Pittsburgh First mortgage bonds	$70,000 00	
Interest at 7% on $400,000 Dunkirk Warren & Pittsburgh Second mortgage bonds	28,000 00	
Interest at 7% on $200,000 Dunkirk Warren & Pittsburgh Third mortgage bonds	14,000 00	
Interest at 7% on $1,000,000 Warren & Venango First mortgage bonds	70,000 00	
Interest at 7% on $300,000 Warren & Venango Second mortgage bonds	21,000 00	
Dividend at 1½% on 13,000 shares of capital stock	19,500 00	
Organization expenses	500 00	223,000 00
GOUVERNEUR AND OSWEGATCHIE RAILROAD		
Interest at 5% on $300,000 First mortgage bonds		15,000 00
Total rentals of leased lines		$10,058,290 85

Hire of equipment

Amount paid for use of equipment	$5,871,713 77	
Amount received for use of equipment	4,899,156 69	
Net hire of equipment		$972,557 08

DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY

Improvements in station, yard and terminal facilities				
Poughkeepsie			$109,252 89	
Utica			118,291 88	
Extension of freight houses, Ohio Street and Carroll Street, Buffalo			222,171 77	
Addition to Rensselaer engine house (balance)			14,892 05	
New passenger station, Rochester			81,665 94	
West Albany shops			462,751 07	
East Buffalo shops			138,040 05	
New creosoting plant, Rome			73,898 02	
Other improvements			233,677 71	
			$1,454,641 38	
Less adjustment of cost of elevators at Buffalo			590,000 00	$864,641 38
Roadway and bridge improvements				
Four-tracking, Spuyten Duyvil to Peekskill			$1,686,164 52	
Four-tracking, Staatsburg to Germantown			105,475 96	
Third and fourth tracks, Greendale to Hudson			215,435 12	
Fifth track, Mines to Sullivan			58,146 07	
Tracks and sidings at various places			305,029 95	
Interlocking and automatic signal apparatus			428,016 14	
Electrification of line, Spuyten Duyvil to Croton			86,691 30	
Other improvements			211,798 57	3,096,757 63
Changes of grade crossings, Buffalo				635,284 02
New electric power station, Yonkers				41,287 57
Elimination of grade crossings				
Auburn			$12,539 94	
Rochester			117,565 72	
Batavia			4,308 51	134,414 17
Land at various places				187,793 13
Net increase in road account				$4,960,177 90
New equipment				
LOCOMOTIVES, on account 80 steam locomotives	$1,324,289 86			
On account electric locomotives	110 11	$1,324,399 97		
PASSENGER CARS, on account 91 passenger cars	$1,068,361 37			
On account parts for motor and other cars	104,306 45	1,172,667 82		
FREIGHT CARS, on account 7,490 freight-train cars		6,476,529 22		
WORK EQUIPMENT, on account 125 ballast cars	$134,066 25			
On account 3 steam cranes	28,000 00			
On account 6 hoisting engines	6,840 00			
On account parts for sundry equipment	22,834 00	191,740 25		
MARINE EQUIPMENT, on account 13 boats		387,762 65		
		$9,553,099 91		
Less sundry adjustments in accounts		3,751 81		
Total owned equipment added			$9,549,348 10	
Equipment retired				
94 steam locomotives		$805,205 33		
14 passenger-train cars		203,647 58		
3,279 freight-train cars		1,932,370 38		
578 pieces of work equipment		304,787 19		
2 boats		30,800 00		
Total owned equipment retired			3,276,810 48	
Net addition to owned equipment			$6,272,537 62	
TRUST EQUIPMENT (added to comply with rules of the Interstate Commerce Commission)				
435 steam locomotives, trust of 1907	$7,659,990 90			
12 electric locomotives, " " "	402,000 00			
88 passenger-train cars, " " "	886,427 75			
4,000 freight-train cars, " " "	4,279,250 00			
17 steam locomotives, trust of 1910	315,078 00			
3 passenger-train cars " " "	52,755 00			
3,250 freight-train cars " " "	3,277,500 00	$16,873,001 65		
Less installments included in owned equipment, December 31, 1909		1,846,433 20	15,026,568 45	
Net increase in equipment account				$21,299,106 07
Net increase in road and equipment account				$26,259,283 97

DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY

AMOUNTS EXPENDED FOR CONSTRUCTION ON LEASED LINES

Grand Central Terminal Improvement		$4,322,718 53
New York & Harlem Railroad		
Electrification, New York to North White Plains	$399,525 60	
Four-tracking, New York to North White Plains	294,919 30	
New 15-stall engine house, Brewster	254,093 24	
Classification yard, Brewster	30,367 63	
Highway bridge, East 167th Street, New York	15,276 58	
New passenger station, Katonah	12,123 53	
Station and other improvements	25,223 96	
Tracks and sidings at various places	19,541 18	
	$1,051,071 02	
Less Wakefield temporary terminal abandoned	240,000 00	$811,071 02
West Shore Railroad		
Double-tracking and grade revision, Syracuse to Buffalo	$314,355 32	
New 40-stall engine house, New Durham	307,486 35	
Interlocking signal apparatus, etc	174,566 43	
Tracks and sidings at various places	122,843 13	
Fire protection system, Weehawken	75,019 77	
Abolition of grade crossing, Bailey Avenue, Buffalo	51,211 70	
Tunnel improvements, West Point	49,868 27	
Bridge and drawbridge improvements	74,769 12	
Yard improvements at various places	34,602 01	
Interchange yard, Maplewood	31,817 65	
Station and other improvements	96,849 11	
	$1,333,388 86	
Less credits	32,355 08	1,301,033 78
Boston & Albany Railroad		
Reconstruction and restoration of piers, East Boston	$1,180,350 70	
Abolition of grade crossings	334,785 85	
Signal improvements	315,617 81	
Yard improvement and engine facilities, various places	140,562 56	
Third-tracking	100,284 27	
Bridge improvements	171,066 06	
Passing tracks and various sidings	80,337 04	
Station improvements	49,439 50	
Miscellaneous improvements	60,784 34	
	$2,433,228 13	
Less adjustment of amounts in previous years	67,134 13	2,366,094 00
Carried forward		$8,800,917 33

DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY

AMOUNTS EXPENDED FOR CONSTRUCTION ON LEASED LINES (*concluded*)

Brought forward		$8,800,917 33
Spuyten Duyvil & Port Morris Railroad		
Electrification of line	$21,098 32	
Improvements at various points	55,597 57	76,695 89
Rome Watertown & Ogdensburg Railroad		
Double-tracking	$179,760 17	
New passenger station, Watertown	103,504 17	
Signal, track and other improvements	83,660 06	
Detour, Watertown to Sanfords, 6 miles	80,449 37	
Shed over repair track, Oswego	65,811 92	
Tracks and sidings at various places	55,730 36	
Station improvements	32,444 37	
Bridge improvements	22,341 87	
Engine house and coaling plant, Salina	14,389 87	638,092 16
Utica & Black River Railroad		
New engine house, Carthage	$70,850 70	
Double-tracking, Utica to Stittaville	21,851 59	
Tracks and sidings at various places	30,913 37	
New yard facilities, Pine Camp	30,006 96	
Land at Clayton	38,413 35	
Various small improvements	16,195 73	208,243 70
Beech Creek Railroad		
Car repair shops, Avis	$134,634 71	
Replacing stations, Mill Hall	14,955 79	
Various small improvements	11,970 29	161,560 79
Genesa Corning & Southern Railroad		
New yard, engine house, coaling plant, etc, Corning	$371,350 40	
Track and sundry improvements	27,323 04	398,673 44
Various roads		
Bridge strengthening, track improvement, adjustments and completion of work at sundry places		
New Jersey Junction Railroad		50,880 53
New York & Putnam Railroad		50,394 78
Troy & Greenbush Railroad		35,177 78
Mohawk & Malone Railway		33,116 36
Beech Creek Extension Railroad		31,604 34
Elimination of grade crossings, Highbridge, Fordham Heights and Morris Heights		6,650 50
Total amount charged		$10,492,007 60
Less reimbursements		
Boston & Albany Railroad Company Improvement bonds		2,000,000 00
Net amount charged to leased lines construction		$8,492,007 60

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1910

ASSETS

PROPERTY OWNED AS INVESTMENT			
Physical property owned			
Road and equipment to June 30, 1907			
Road	$155,206,678 71		
Equipment	59,106,588 77	$214,313,267 48	
Road and equipment since June 30, 1907			
Road	$14,998,476 12		
Equipment	8,746,316 62		
General expenditures	384,182 62		
Trust equipment	16,873,001 65	41,002,177 01	$255,315,444 49
Securities owned			
Securities of controlled companies, pledged: stock		$109,920,970 00	
Securities of proprietary, affiliated and controlled companies, unpledged:			
Stock	$11,865,413 21		
Funded debt	9,771,327 69	21,636,740 90	131,557,710 90
Other permanent investments			
Physical property		$2,885,584 78	
Grand Central Terminal Improvement		19,439,969 05	
New York & Harlem Railroad Company		18,717,308 54	
Securities		8,631,690 68	49,674,553 05
Total property owned as investment			$436,547,708 44
WORKING ASSETS			
Cash		$6,777,901 21	
Securities issued or assumed, held in Treasury			
Treasury stock		300 00	
Marketable securities			
Stock	$26,172,573 07		
Funded debt	1,509,110 35	27,681,683 42	
Loans and bills receivable			
New York State Realty & Terminal Company	$19,645,000 00		
Mohawk Valley Company	1,540,000 00		
Terminal Railway of Buffalo	665,000 00		
Rutland Railroad Company	323,000 00		
New Jersey Shore Line Railroad Company	463,000 00		
New York & Ottawa Railway Company	288,880 00		
Clearfield Bituminous Coal Corporation	397,000 00		
Miscellaneous	1,402,591 58	24,724,471 58	
Net traffic, car mileage and per diem balance		3,226,409 78	
Net balance due from agents and conductors		3,439,083 49	
Miscellaneous accounts receivable		8,171,788 05	
Materials and supplies		9,144,817 29	83,166,406 82
DEFERRED DEBIT ITEMS			
Advances			
Working funds		$247,302 34	
Other advances			
West Shore Railroad Company	$9,804,885 92		
Geneva Corning & Southern Railroad Company	2,906,987 25		
Rome Watertown & Ogdensburg Railroad Company	1,950,666 57		
Other companies	2,486,835 35	17,149,375 09	
Insurance premiums paid in advance		15,016 78	
Special deposits		3,228,666 60	
Cash in redemption fund		2,000 00	
Items in suspense		1,879,577 94	22,522,028 75
			$542,236,144 01

The New York Central and Hudson River Railroad Company

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1910

LIABILITIES

STOCK			
Capital stock, common		$222,724,400 00	
Consolidation certificates		4,900 00	$222,729,300 00
MORTGAGE, BONDED AND SECURED DEBT			
Funded debt			
Mortgage bonds			
Gold mortgage bonds		$89,000,000 00	
Collateral trust bonds			
Lake Shore collateral	$90,578,400 00		
Michigan Central collateral	19,336,445 00	109,914,845 00	
Debentures			
Debenture of 1900	$5,500,000 00		
Gold debentures of 1904	48,000,000 00	53,500,000 00	
Equipment trust obligations			
Equipment trust certificates 1907	$9,523,921 42		
Equipment trust certificates 1910	6,509,466 30	16,033,387 72	
Miscellaneous			
Spuyten Duyvil & Port Morris Railroad mortgage bonds	$2,500,000 00		
Mortgage on real estate	150,000 00	2,650,000 00	271,098,232 72
WORKING LIABILITIES			
Loans and bills payable		$80,000 00	
Net traffic, car mileage and per diem balance		5,381,212 19	
Audited vouchers and wages unpaid		9,026,899 29	
Matured dividends, interest and rents unpaid		3,883,889 77	
Matured mortgage, bonded and secured debts unpaid		16,790 00	
Working advances due to other companies			
Boston & Albany Railroad Company	$3,871,615 73		
Rome Watertown & Ogdensburg Railroad Company	112,999 39		
Geneva Corning & Southern Railroad Company	544,533 75		
West Shore Railroad Company	91,159 89		
Carthage & Adirondack Railway Company	25,402 44		
Wallkill Valley Railroad Company	59,349 37	4,705,060 57	
Other working liabilities		4,835 60	23,098,687 42
ACCRUED LIABILITIES NOT DUE			
Dividends declared and interest and rents accrued, not due		$6,311,547 72	
Taxes accrued		1,800,258 23	8,111,805 95
DEFERRED CREDIT ITEMS			
Operating reserves			
Reserves for replacement of property			3,134 56
APPROPRIATED SURPLUS			
Additions to property through income since June 30, 1907			4,857,366 99
FREE SURPLUS			
Profit and loss			12,337,616 37
			$542,236,144 01

CAPITALIZATION

Capital stock

Number of shares issued	2,227,244	Total par value outstanding	$222,724,400 00
Consolidation certificates not converted	49	Consolidation certificates outstanding	4,900 00
Total number of shares outstanding	2,227,293	Total par value outstanding	$222,729,300 00
Number of shares authorized	2,500,000	Total par value authorized	$250,000,000 00
Par value per share	$100.00	Dividend for the year	six per cent

Amount of capital stock per mile of road owned (805·49 miles) $276,514.05

Bonded debt

Class of bond	Date of issue	Date of maturity	Amount of authorized issue	Amount issued and now outstanding	Rate of interest	Payable on the first day of
Gold mortgage	1897	July 1, 1997	$100,000,000	$89,000,000 00	3½%	January and July
Gold bonds, Lake Shore collateral	1898	Feb. 1, 1998	100,000,000	90,578,400 00	3½%	February and August
Gold bonds, Michigan Central collateral	1898	Feb. 1, 1998	21,550,000	19,336,445 00	3½%	February and August
Debenture	1900	July 1, 2000	5,500,000	5,500,000 00	3½%	January and July
Gold debentures	1904	May 1, 1934	50,000,000	48,000,000 00	4 %	May and November
Spuyten Duyvil and Port Morris Railroad mortgage	1909	June 1, 1959	20,000,000	2,500,000 00	3½%	June and December

Equipment trust obligations

(payable in fifteen annual installments)

Equipment trust certificates	1907	Nov. 1, 1922	$11,904,901 78	$9,523,921 42	5 %	May and November
Equipment trust certificates	1910	Jan. 1, 1926	6,509,466 30	6,509,466 30	4½%	January and July

Miscellaneous funded obligations

Mortgage on real estate in the city of New York	1901	1920	$150,000 00	$150,000 00	5 %	15th day of Feb., May, Aug., Nov.

Total amount of funded debt outstanding $271,098,232 72

Amount per mile of road owned (805·49 miles), excluding Lake Shore and Michigan Central collaterals, Debenture of 1900, and Spuyten Duyvil and Port Morris first mortgage bonds, $190,174.16

London fiscal agents

Messrs Morgan, Grenfell & Company, 22 Old Broad Street, London, E. C., England

Treasurer, New York	Transfers stock Pays dividends on stock issued in America Transfers registered bonds Pays interest on coupon and registered bonds
Union Trust Company of New York	Registers stock issued in America
Messrs Morgan, Grenfell & Company, London	Transfer stock issued in England Pay dividends on stock issued in England
Union of London and Smith's Bank, Limited	Registers stock issued in England

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 and 1910, together with the total amount of certificates issued and the amounts now outstanding:

EQUIPMENT TRUST OF 1907

Road	Locomotives	Passenger cars	Freight cars	Company service cars	Certificates issued for 80 per cent of value bearing interest at 5 per cent	Certificates redeemed	Balance certificates outstanding Dec. 31, 1919
N Y C & H R R R	447	88	4,000		$11,904,901 78	$2,380,980 36	$9,523,921 42
L S & M S Ry	125	25	4,000	200	6,708,392 73	1,341,678 54	5,366,714 19
C I & S R R	2	8	3,400	150	3,779,976 60	755,995 32	3,023,981 28
M C R R	5	15	3,500	200	3,906,381 73	781,276 35	3,125,105 38
C C C & St L Ry	112	17	1,525	100	3,700,347 16	740,069 43	2,960,277 73
Totals	691	153	16,425	650	$30,000,000 00	$6,000,000 00	$24,000,000 00

EQUIPMENT TRUST OF 1910

Road	Locomotives	Passenger cars	Freight cars	Company service cars	Certificates issued for 80 per cent of value bearing interest at 4½ per cent
N Y C & H R R R	127	30	4,000		$6,509,466 30
L S & M S Ry	100	60	12,500	250	13,771,065 60
C I & S R R	31	2	1,000		1,638,607 50
M C R R	87	34	3,300		5,086,473 30
C C C & St L Ry	80	6	1,600		2,994,387 30
Totals	425	132	22,400	250	$30,000,000 00

STOCK AND BONDS OWNED OR ACQUIRED UNDER LEASE

Stock

	No of shares	Par value
Albany Southern Railroad Co	36	$3,600 00
American Express Co	30,000	3,000,000 00
Beech Creek Extension Railroad Co	51,790	5,179,000 00
Beech Creek Railroad Co	25	1,250 00
Boston Terminal Company	1,000	100,000 00
Buffalo Erie Basin Railroad Co	200	13,503 19
Carthage & Adirondack Railway Co	5,000	500,000 00
Carthage Watertown & Sackets Harbor Railroad Co	4,841	484,100 00
Central Dock & Terminal Railway Co	1,354	135,400 00
Cherry Tree & Dixonville Railroad Co	5,000	250,000 00
Chest Creek Railroad Co	200	20,000 00
Chester & Becket Railroad Co	288	28,800 00
Clearfield Bituminous Coal Corporation	16,500	825,000 00
Dunkirk Allegheny Valley & Pittsburgh Railroad Co	11,792 79/100	1,179,275 00
Fair Land Realty Co	25	2,500 00
Gallitzin Coal & Coke Co	200	20,000 00
Genesee Falls Railroad Co	250	25,000 00
Geneva Corning & Southern Railroad Co	68,208	6,820,800 00
Gouverneur & Oswegatchie Railroad Co	3,500	350,000 00
Hudson River Bridge Co	5,000	500,000 00
Jersey City & Bayonne Railroad Co	135	13,500 00
Lake Shore & Michigan Southern Railway Co	452,892	45,289,200 00
Little Falls & Dolgeville Railroad Co	2,434 18/100	243,418 00
Mahopac Falls Railroad Co	1,000	100,000 00
Merchants Despatch Transportation Co	26,560	2,656,000 00
Michigan Central Railroad Co	168,193	16,819,300 00
Mohawk & Malone Railway Co	50,000	5,000,000 00
Mohawk Valley Co	51,143	5,114,300 00
Mutual Terminal Company of Buffalo	150	15,000 00
New Jersey Junction Railroad Co	1,000	100,000 00
New Jersey Shore Line Railroad Co	310	31,000 00
New York & Fort Lee Railroad Co	10,000	1,000,000 00
New York & Ottawa Railway Co	12,500	1,250,000 00
New York & Putnam Railroad Co	65,000	6,500,000 00
New York Central Niagara River Railroad Co	281	28,100 00
New York New Haven & Hartford Railroad Co	11,248	1,124,800 00
New York Ontario & Western Railroad Co preferred	10	1,000 00
New York State Railways first preferred	6	600 00
New York State Railways common	136,043	13,604,300 00
New York State Realty & Terminal Co	1,000	100,000 00
Niagara Falls Branch Railroad Co	2,500	250,000 00
Oswego & Rome Railroad Co	2,022	202,200 00
Pennsylvania Coal & Coke Co preferred	5,000	500,000 00
Pennsylvania Coal & Coke Co common	5,000	500,000 00
Pennsylvania & Western Railroad Co	2,000	100,000 00
Pittsfield & North Adams Railroad Co	722	72,200 00
Queenston Suspension Bridge Co (£25 each)	335¼	40,000 00
Rutland Railroad Co preferred	47,041	4,704,100 00
St Lawrence & Adirondack Railway Co	16,150	1,615,000 00
Spuyten Duyvil & Port Morris Railroad Co	9,890	989,000 00
State Line & Stony Point Railroad Co (ten per cent paid)	185	18,500 00
Terminal Railway of Buffalo	5,000	500,000 00
Tivoli Hollow Railroad Co	325	32,500 00
Tonawanda Island Bridge Co	2,000	50,000 00
Toronto Hamilton & Buffalo Railway Co	9,285	928,800 00
Troy Union Railroad Co	150	15,000 00
Utica & Black River Railroad Co	11,200	1,120,000 00
Wallkill Valley Railroad Co	3,300	330,000 00
West Branch Coal Co	2,000	2 0,000 00
Western Transit Co	10,000	1,000,000 00
West Shore Railroad Co	100,000	10,000,000 00
Miscellaneous		346,5.2 99
Total par value of stock		$141,942,319 18

STOCK AND BONDS OWNED OR ACQUIRED UNDER LEASE (*concluded*)

Bonds

	Total amount held
Beech Creek Railroad Co	$500,000 00
Beech Creek Extension Railroad Co	3,964,000 00
Cherry Tree & Dixonville Railroad Co Debenture certificates	534,332 45
Chester & Becket Railroad Co	50,000 00
Clearfield Bituminous Coal Corporation	275,000 00
Dunkirk Warren & Pittsburgh Railroad Co First mortgage	1,000,000 00
Dunkirk Warren & Pittsburgh Railroad Co Second mortgage	400,000 00
Dunkirk Warren & Pittsburgh Railroad Co Third mortgage	200,000 00
New York & Ottawa Railway Co	1,456,000 00
New York Central & Hudson River Railroad Co Lake Shore collateral	10,000 00
New York Central & Hudson River Railroad Co Michigan Central collateral scrip	445 00
New York New Haven & Hartford Railroad Co Convertible debentures 3½%	206,300 00
New York New Haven & Hartford Railroad Co Convertible debentures 6%	421,000 00
Pennsylvania Coal & Coke Co First consolidated mortgage	500,000 00
Pennsylvania Coal & Coke Co Receivers certificates	100,000 00
Syracuse Geneva & Corning Railway Co Second mortgage	600,000 00
Terminal Railway of Buffalo	500,000 00
Toronto Hamilton & Buffalo Railway Co Second mortgage	372,000 00
Wallkill Valley Railroad Co First mortgage	250,000 00
Wallkill Valley Railroad Co Second mortgage	330,000 00
Warren & Venango Railroad Co First mortgage	1,000,000 00
Warren & Venango Railroad Co Second mortgage	300,000 00
Miscellaneous	178,916 28
Total par value of bonds	$13,147,993.73
Grand total par value of stock and bonds	$155,090,312.91

The securities held by the company are carried on its books at a total value of $167,871,385.00

MILEAGE STATISTICS

LOCOMOTIVE MILEAGE

Revenue service	1910	1909	Increase	Decrease
Freight locomotive-miles	26,347,289	25,353,638	993,651	
Passenger locomotive-miles	28,056,091	26,516,230	1,539,861	
Mixed locomotive-miles	68,236	51,937	16,299	
Special locomotive-miles	46,614	33,475	13,139	
Switching locomotive-miles	14,363,691	13,405,076	958,615	
Total revenue locomotive mileage	68,881,921	65,360,356	3,521,565	
Non-revenue locomotive mileage	3,107,910	3,018,576	89,334	
Total locomotive mileage	71,989,831	68,378,932	3,610,899	

TRAIN MILEAGE

Revenue service				
Freight train-miles	22,167,573	21,288,697	878,876	
Passenger train-miles	26,620,312	25,271,672	1,348,640	
Mixed train-miles	65,350	50,321	15,029	
Special train-miles	40,561	29,474	11,087	
Total revenue train mileage	48,893,796	46,640,164	2,253,632	
Non-revenue train mileage	2,542,049	2,264,153	277,896	
Total train mileage	51,435,845	48,904,317	2,531,528	

CAR MILEAGE

Revenue service				
Freight car-miles				
Loaded	550,407,284	529,327,605	21,079,679	
Empty	245,826,911	249,827,429		4,000,518
Caboose	22,590,468	21,378,900	1,211,568	
Total freight car-miles	818,824,663	800,533,934	18,290,729	
Passenger car-miles				
Passenger	65,401,915	62,771,262	2,630,653	
Sleeping, parlor and observation	44,509,766	42,146,178	2,363,588	
Other passenger-train cars	48,686,064	45,745,360	2,940,704	
Total passenger car-miles	158,597,745	150,662,800	7,934,945	
Special car-miles				
Freight—loaded	241,343	250,715		9,372
Freight—empty	2,673		2,673	
Caboose	13,132	12,814	318	
Passenger	98,565	56,683	41,882	
Sleeping, parlor and observation	150	2,400		2,250
Other passenger-train cars	19,019	18,724	295	
Total special car-miles	374,882	341,336	33,546	
Total revenue car mileage	977,797,290	951,538,070	26,259,220	
Non-revenue car mileage	7,543,266	6,862,909	680,357	
Total car mileage	985,340,556	958,400,979	26,939,577	

TRAFFIC STATISTICS

DESCRIPTION OF FREIGHT MOVED

PRODUCTS OF AGRICULTURE	1910 Tons	1909 Tons	Increase Tons	Decrease Tons
Grain	1,995,084	1,871,393	123,691	
Flour	893,216	924,448		31,232
Other mill products	845,328	861,634		16,306
Hay	496,852	491,964	4,888	
Tobacco	17,164	16,952	212	
Cotton	124,824	131,005		6,181
Fruit and vegetables	979,754	858,673	121,081	
Other articles	172,049	174,669		2,620
PRODUCTS OF ANIMALS				
Live stock	562,969	666,763		103,794
Dressed meats	262,044	265,140		3,096
Other packing house products	296,370	283,480	12,890	
Poultry, game and fish	85,615	82,584	3,031	
Wool	87,167	90,097		2,930
Hides and leather	142,257	156,395		14,138
Milk	367,652	338,991	28,661	
Dairy products	195,104	189,564	5,540	
Other articles	105,417	99,212	6,205	
PRODUCTS OF MINES				
Anthracite coal	5,742,847	5,215,439	527,408	
Bituminous coal	11,865,345	11,404,560	460,785	
Coke	886,442	838,325	48,117	
Ores	629,750	678,690		48,940
Stone, sand and other like articles	2,714,587	2,167,970	546,617	
Other articles	317,547	251,590	65,957	
PRODUCTS OF FORESTS				
Lumber	1,693,725	1,650,171	43,554	
Other articles	1,334,760	1,250,148	84,612	
MANUFACTURES				
Petroleum and other oils	496,400	459,289	37,111	
Sugar	308,040	378,304		70,264
Naval stores	102,699	135,998		33,299
Iron: pig and bloom	573,399	576,190		2,791
Iron and steel rails	97,628	81,257	16,371	
Other castings and machinery	1,222,570	1,028,470	194,100	
Bar and sheet metal	1,136,148	855,904	280,244	
Cement, brick and lime	1,977,214	1,799,991	177,223	
Agricultural implements	152,060	162,765		10,705
Wagons, carriages, tools, etc	182,900	118,663	64,237	
Wines, liquors and beers	372,452	337,605	34,847	
Household goods and furniture	169,338	147,731	21,607	
Other articles	6,339,435	6,358,947		19,512
MISCELLANEOUS				
Commodities not previously mentioned	1,122,687	770,983	351,704	
TOTALS	47,066,839	44,171,954	2,894,885	

TRAFFIC STATISTICS (*concluded*)

FREIGHT	1910	1909	Increase	Decrease
Tons of revenue freight carried	47,066,839	44,171,954	2,894,885	
Tons of company freight carried	7,964,088	6,924,084	1,040,004	
Total tons of freight carried	55,030,927	51,096,038	3,934,889	
Tons of revenue freight carried one mile	9,276,710,584	8,629,952,658	646,757,926	
Tons of company freight carried one mile	1,299,708,232	1,244,696,813	55,011,419	
Total tons of freight carried one mile	10,576,418,816	9,874,649,471	701,769,345	
Miles of road operated in freight service	3,770·07	3,766·65	3·42	
Tons of revenue freight carried one mile per mile of road	2,460,620	2,291,148	169,472	
Tons all freight carried one mile per mile of road	2,805,364	2,621,600	183,764	
Average distance haul of one ton of revenue freight	197·10	195·37	1·73	
Average distance haul of one ton of all freight	192·19	193·26		1·07
Average number of tons of revenue freight per train mile	417·25	404·42	12·83	
Average number of tons all freight per train mile	475·71	462·75	12·96	
Average number of tons of revenue freight per loaded car mile	16·85	16·30	·55	
Average number of tons all freight per loaded car mile	19·22	18·66	·56	
Average number of freight cars per train mile	36·83	37·52		·69
Average number of loaded cars per train mile	24·76	24·81	2·95	
Average number of empty cars per train mile	11·06	11·71		·65
Total freight revenue	$58,411,234.14	$54,449,281.47	$3,961,952.67	
Average amount received for each ton of freight	$1.24	$1.23	$0.01	
Average revenue per ton per mile	mills 6·30	mills 6·31		mills 0·01
Average revenue per mile of road	$15,493.41	$14,455.63	$1,037.78	
Average revenue per train mile	$2.63	$2.55	$0.08	
PASSENGER				
Number of interline passengers carried	3,250,458	3,016,069	234,389	
Number of local passengers carried	30,443,833	29,125,834	1,317,999	
Number of commutation passengers carried	14,670,654	13,703,165	967,489	
Total number of revenue passengers carried	48,364,945	45,845,068	2,519,877	
Total number of revenue passengers carried one mile	1,770,667,550	1,658,878,092	111,789,458	
Miles of road operated in passenger service	3,497·26	3,494·04	3·22	
Number of revenue passengers carried one mile per mile of road	506,301	474,774	31,527	
Average distance each revenue passenger carried	36·61	36·18	·43	
Average number of passengers per train mile	66	66		
Average number of passengers per car mile	16	16		
Average number of passenger cars per train mile	6	6		
Total passenger revenue	$30,992,855.71	$29,001,911.18	$1,990,944.53	
Average amount received from each passenger	cents 64·08	cents 63·26	cents 0·82	
Average revenue per passenger per mile	cents 1·750	cents 1·748	cents 0·002	
Total passenger service train revenue	$38,581,552.31	$36,552,882.35	$2,028,669.96	
Average passenger service train revenue per mile of road	$11,031.94	$10,461.50	$569.44	
Average passenger service train revenue per train mile	$1.45	$1.44	$0.01	
TOTAL TRAFFIC				
Operating revenues	$99,908,478 17	$93,171,860 69	$6,736,617 48	
Operating expenses	74,079,086 58	64,593,826 35	9,485,260 23	
Net operating revenue	$25,829,391 59	$28,578,034 34		$2,748,642 75
Operating revenues per mile of road	$26,395 69	$24,636 71	$1,758 98	
Operating expenses per mile of road	19,571 60	17,080 04	2,491 56	
Net operating revenue per mile of road	$6,824 09	$7,556 67		$732 58
Operating revenues per train mile	$2 04	$2 00	$0 04	
Operating expenses per train mile	1 51	1 39	0 12	
Net operating revenue per train mile	$0 53	$0 61		$0 08

EQUIPMENT STATISTICS

	1910	1909
Average mileage per engine	31,151	29,865
Cost of repairs per engine mile		
Steam locomotives	cents 7·56	cents 6·59
Electric locomotives	cents 4·30	cents 3·34
Total capacity of freight train cars, tons	2,580,372	2,265,680
Average capacity of freight train cars, tons	36·28	34·94
Seating capacity of passenger cars	105,307	105,708
Average seating capacity of passenger cars	64	67
Average mileage per passenger train car	46,767	44,269
Average cost of repairs per passenger train car mile	cents 1·518	cents 1·364

Capacity of floating equipment:

10 steam hoisting barges, capacity 4,450 tons, average 445 tons
25 hand hoisting barges, capacity 4,800 tons, average 192 tons
105 covered barges, capacity 26,050 tons, average 248 tons
6 open deck scows, capacity 3,300 tons, average 550 tons
35 grain boats, capacity 19,080 tons, average 545 tons
49 car floats, capacity 604 cars, average 12·3 cars
7 steam lighters, capacity 2,300 tons, average 328 tons

MISCELLANEOUS STATISTICS

CONSUMPTION OF FUEL BY LOCOMOTIVES

	1910	1909
Anthracite coal, tons	91,532	80,358
Bituminous coal, tons	4,563,069	4,184,048
Coke, tons	2,685	506
Total coal and coke, tons	4,660,286	4,264,912
Oil, 2,767,132 gallons, equalling tons of coal in efficiency	19,590	
Average pounds consumed per mile run by locomotives in freight service	183·88	178·60
Average pounds consumed per mile run by locomotives in passenger service	110·82	105·26
Average cost of coal per ton	$1.83	$1.59
Average cost of fuel oil per gallon	cents 2·19	
Average cost of fuel per locomotive mile	cents 12·00	cents 10·93

NEW STEEL RAIL LAID DURING THE YEAR

Weight of rail	1910 Total number of tons laid	1909 Total number of tons laid	1910 Average price per ton	1909 Average price per ton
141 pound rail	89·3 tons	326·2 tons	$38.45	$40.84
100 pound rail	31,116·2 tons	32,467·6 tons	29.36	28.54
80 pound rail	40,826·8 tons	26,880·7 tons	29.17	29.16
70 pound rail	31·6 tons	310·0 tons	27.43	27.91
65 pound rail	23·7 tons		25.41	

NEW TIES LAID DURING THE YEAR

	1910	1909
Oak	338,148	284,321
Yellow pine	1,305,473	1,078,967
Miscellaneous	609,780	622,721
Total	2,253,401	1,986,009
Average price at distributing points	cents 68·4	cents 64·5

TABLE OF TRACKS

MAIN LINE OWNED	Miles	Second track	Third track	Fourth tracks	Sidings	Total
New York to Buffalo	440·66	440·66	315·22	319·08	873·45	2,389·07
BRANCHES OWNED						
Syracuse to Rochester	96·29				56·29	152·58
Troy to Schenectady	20·91				15·47	36·38
De Witt to Geddes	8·31	8·31			5·29	21·91
Lyons to Geneva	14·08	12·67			26·86	53·61
Rochester to Niagara Falls	75·61	55·68			104·45	235·74
Rochester Junction to Ontario Beach	7·43	6·92			9·77	24·12
Batavia to Attica	10·67				1·31	11·98
Canandaigua to North Tonawanda	85·80	1·66			22·64	110·10
Lockport Junction to North Tonawanda	11·17				4·55	15·72
East Buffalo to North Buffalo	7·23	7·22			22·68	37·13
Buffalo to Niagara Falls	21·82	21·53			50·04	93·39
Suspension Bridge to Lewiston	5·51				2·36	7·87
Total branches	364·83	113·99			321·71	800·53
Total main line and branches	805·49	554·65	315·22	319·08	1,195·16	3,189·60
PROPRIETARY LINES						
Buffalo Erie Basin Railroad	25					25
New York Central Niagara River Railroad	2·81					2·81
Total proprietary lines	3·06					3·06

LEASED LINES	Main line	Branches						
Beech Creek Railroad	112·34	52·35	164·69	10·85			146·25	321·79
Beech Creek Extension Railroad	108·34	22·78	131·12	2·91			50·34	184·37
Boston & Albany Railroad	199·23	104·58	303·81	215·42	77·15	23·42	353·85	973·65
North Brookfield Railroad	4·00		4·00				1·33	5·33
Ware River Railroad	49·35		49·35				7·91	57·26
Pittsfield & North Adams Railroad	18·56		18·56				16·24	34·80
Providence Webster & Springfield R R	11·23		11·23				3·88	15·11
Chester & Becket Railroad	5·27		5·27				1·09	6·36
Carthage & Adirondack Railway	45·86		45·86				18·97	64·83
Geneva Corning & Southern Railroad	166·94	64·75	231·69	98·89			147·03	477·61
Mohawk & Malone Railway	173·33	8·85	182·18				51·32	233·50
New Jersey Junction Railroad	4·44	·34	4·78	4·34	2·84	2·08	3·96	18·00
New York & Harlem Railroad	127·45	9·03	136·48	56·34	13·03	12·55	114·80	333·20
New York & Ottawa Railway	69·45		69·45				7·23	76·68
Ottawa & New York Railway	56·90		56·90				6·71	63·61
New York & Putnam Railroad	53·73	3·10	56·83	8·24			19·91	84·98
Mahopac Falls Railroad	2·05		2·05				·26	2·31
Rome Watertown & Ogdensburg Railroad	304·72	104·96	409·68	40·83			206·39	656·90
Carthage Watertown & Sackets Harbor R R	28·96		28·96				10·94	39·90
Niagara Falls Branch Railroad	8·58		8·58				4·34	12·92
Oswego & Rome Railroad	26·62		26·62	4·24			10·76	41·62
Utica & Black River Railroad	134·31	15·85	150·16	10·02			71·18	231·36
Spuyten Duyvil & Port Morris Railroad	5·31		5·31	5·31	4·35	4·35	13·50	32·82
Troy & Greenbush Railroad	5·56		5·56	5·56			11·84	22·96
Wallkill Valley Railroad	32·88		32·88				7·81	40·69
West Shore Railroad	423·67	55·44	479·11	423·63	21·86		409·44	1,334·04
Total leased lines			2,621·11	886·58	119·23	42·40	1,697·28	5,366·60

* 2·92 miles is fifth track on the Hudson division
8·27 miles is fifth track on the Mohawk division

TABLE OF TRACKS—(*concluded*)

LINES OPERATED UNDER CONTRACT		Miles	Second track	Third track	Fourth tracks	Sidings	Total
Gouverneur & Oswegatchie Railroad		13·07				4·02	17·09
Terminal Railway of Buffalo		11·02	11·02			24·45	46·49
Tivoli Hollow Railroad		1·24				·94	2·18
St Lawrence & Adirondack Railway and leased line		56·37				13·21	69·58
Total lines operated under contract		81·70	11·02			42·62	135·34
TRACKAGE RIGHTS							
In Buffalo	Buffalo Creek Railroad Co	5·03	4·25				9·28
Clearfield to Curwensville	Buff Roch & Pittsburgh Ry Co	6·33					6·33
In Ottawa	Canadian Pacific Railway Co	1·10					1·10
Adirondack Jct to Montreal	" " " "	8·92					8·92
Cherry Tree to Dixonville	Cherry Tree & D'ville R R Co	37·60					37·60
Albany to Troy	Delaware & Hudson Co	7·10	7·10				14·20
Kenwood Junction to Albany	" " "	1·69	·76				2·45
Blossburg to Morris Run	Erie Railroad Co	3·58					3·58
Lawrenceville to Blossburg	" " "	25·50					25·50
Montgomery to Campbell Hall	" " "	4·78					4·78
In Ottawa	Grand Trunk Railway System	·80					·80
Fulton to Oswego	N Y Ontario & Western Ry Co	12·20					12·20
McElhattan to Keating	Pennsylvania Railroad Co	45·00	45·00				90·00
Mahaffey to Patton	" " "	20·54					20·54
Main line to sundry mines	" " "	17·97					17·97
Pennsylvania RR to Jersey City	" " "	1·29	1·29				2·58
McGees Jct to Rossiter Jct	" " "	11·37					11·37
Irvona to Amsbry	" " "	20·35					20·35
Newbury Jct to Williamsport	Philadelphia & Reading Ry Co	3·54	3·54				7·08
Norwood to Malone Junction	Rutland Railroad Co	36·80					36·80
At Moira	" " "	·15					·15
In Troy	Troy Union Railroad Co	2·03	2·00				4·03
Total trackage rights		273·67	63·94				337·61
Total mileage operated		3,785·03	1,516·19	434·45	361·48*	2,935·06	9,032·21

Gauge of track, 4 feet 8½ inches; weight of rail per yard, 56 to 141 pounds

Recapitulation according to States

	Owned	Proprietary	Leased	Otherwise operated	Total
New York	805·49	3·06	1,755·00	105·36	2,668·91
New Jersey			23·61	1·29	24·90
Pennsylvania			448·59	191·78	640·37
Massachusetts			337·01		337·01
Dominion of Canada			56·90	56·94	113·84
	805·49	3·06	2,621·11	355·37	3,785·03

*2·92 miles is fifth track on the Hudson division
8·27 miles is fifth track on the Mohawk division

EQUIPMENT

INCLUDING EQUIPMENT OF LEASED LINES

	1910	1909
Locomotives		
For passenger service	505	504
Electric locomotives	35	35
For freight service	955	975
For switching service	337	329
Dummy engines	8	10
Inspection engines	7	5
Totals	1,847	1,858
Cars in passenger service		
Passenger coaches	989	988
Electric motor passenger coaches	87	87
Smoking cars	201	193
Electric motor smoking cars	38	38
Combination cars	168	182
Electric motor combination cars	6	
Immigrant and excursion cars	57	57
Dining cars	30	26
Buffet and café cars	24	17
Mail, express and baggage cars	509	520
Electric motor mail, express and baggage cars	6	
Officers' and pay cars	17	15
Other cars in passenger service	239	242
Totals	2,351	2,365
Cars in freight service		
Box cars	32,798	32,340
Box automobile cars	1,905	999
Flat cars, common	3,138	3,224
Flat cars, steel underframe	649	251
Stock cars	855	850
Coal and coke cars	23,002	22,376
Refrigerator and produce cars	1,320	820
Caboose cars	979	902
Totals	64,736	61,858
Cars in company's service		
Ballast cars	756	633
Derrick cars	49	45
Steam wrecking cranes	25	24
Cinder, push, gas and oil transport cars	866	959
Other road cars	2,219	2,009
Totals	3,909	3,670
Marine Department		
Ferry boats		
Side-wheel, single deck	5	5
Screw, double deck	4	3
Tugs		
Wood	1	2
Steel	21	20
Steam lighters		
Wood	4	4
Steel	3	3
Steam hoisting barges	10	10
Hand hoisting barges	25	25
Covered barges	105	97
Open-deck scows	6	5
Grain boats	35	35
Car floats	49	48
Total floating equipment	268	257
Total ledger value of fleet	$3,210,927.49	$2,853,964.84

EQUIPMENT (*concluded*)

LEASED UNDER EQUIPMENT TRUST

Locomotives

	1910			1909
	Trust of 1907	Trust of 1910	Total	Trust of 1907
For passenger service	112	17	129	112
Electric locomotives	12		12	12
For freight service	260		260	260
For switching service	63		63	63
Totals	447	17	464	447

Cars in passenger service

Passenger coaches	50		50	50
Dining cars	2	3	5	2
Buffet smoking cars	2		2	2
Café cars	2		2	2
Combination car	1		1	1
Baggage, mail and express cars	31		31	31
Totals	88	3	91	88

Cars in freight service

Box cars	1,978	2,999	4,977	1,982
Box automobile cars		400	400	
Flat cars, steel underframe	997		997	998
Coal and coke cars	1,000		1,000	1,000
Caboose cars	24		24	
Totals	3,999	3,399	7,398	3,980

Summary of equipment in service

	1910	1909
Locomotives	2,311	2,305
Cars in passenger service	2,442	2,453
Cars in freight service	72,134	65,838
Cars in Company's service	3,909	3,670
Vessels in Marine Department freight service	259	249
Ferry boats	9	8