

REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

MICHIGAN CENTRAL

RAILROAD COMPANY,

TO THE STOCKHOLDERS,

FOR

THE YEAR ENDING DECEMBER 31ST, 1879.



DETROIT:

FREE PRESS BOOK AND JOB PRINTING HOUSE.

1880.

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DIRECTORS.

WM. H. VANDERBILT,
NEW YORK CITY.

AUGUSTUS SCHELL,
NEW YORK CITY.

CORNELIUS VANDERBILT,
NEW YORK CITY.

SAMUEL F. BARGER,
NEW YORK CITY.

WM. K. VANDERBILT,
NEW YORK CITY.

EDWIN D. WORCESTER,
NEW YORK CITY.

ANSON STAGER,
CHICAGO, ILL.

WILLIAM L. SCOTT,
ERIE, PENN.

ASHLEY POND, DETROIT, MICH.

OFFICERS.

PRESIDENT,

WM. H. VANDERBILT.

VICE-PRESIDENT AND TREASURER,

CORNELIUS VANDERBILT.

SECRETARY,

EDWIN D. WORCESTER.

GENERAL MANAGER,

HENRY B. LEDYARD.

AUDITOR,

D. A. WATERMAN.

REPORT.

NEW YORK, April 1st, 1880.

The following report, showing the condition of the Company's property and affairs, and its business for the year ending December 31st, 1879, is respectfully submitted :

CAPITAL STOCK.

The Capital Stock remains unchanged from the preceding year, as will be observed by reference to the Balance Sheet on folio 22, and now is \$18,738,204.

FUNDED DEBT.

The following changes in the Funded Debt have occurred during the year :

The Trustees of the Sinking Fund have purchased, as also appears in their report on folio 26, \$16,000 in First Sinking Fund, and \$4,000 in Second Sinking Fund Bonds, making a total of \$20,000; upon which interest payments have ceased; as the Sinking Fund was created for the protection and redemption of these Bonds, they are therefore, as are others held with them by the Trustees, practically retired.

The Mortgage Trustees of the Northern Extension Bonds of the Jackson, Lansing & Saginaw Railroad Company, have called in and paid (according to the provisions of the Mortgage, and the modified agreement with that Company), \$99,000 of the Bonds, thus reducing the liability of this Company by that amount, and its annual interest payments \$7,920.

The Second Mortgage Bonds of the Grand River Valley Railroad Company, amounting to \$500,000 (the payment of which was guaranteed by this Company in its lease of that road), bearing interest at eight per cent per annum, became due September 1st, 1879, and were paid. They were, however, replaced by a thirty year Bond of this Company, bearing interest at six per cent per annum, secured by a Mortgage on the property of the Grand River Valley Company; the reduction of interest from eight to six per cent on these Bonds secures to this Company an additional decrease of its annual interest payment of \$10,000.

The aggregate results of the foregoing changes are as follows: decrease of the Company's liability, \$99,000; decrease of annual interest payments, \$19,520, an equivalent of over one-tenth of one per cent on the Capital Stock. A complete exhibit of the Debt as it stood at the close of the year may be found on folio 20:

PROPERTY.

The Company's property has been not only fully maintained, but in many respects materially improved, and its present condition is in every particular first class. Its Roadway and Track are in excellent condition; many of its Bridges are iron structures of the most substantial character; its Station-grounds and Buildings are complete and extensive; its terminal facilities are improving and increasing; its Locomotive and Car Shops are commodious, and fully equipped with the most improved machinery and appliances, and are sufficient to meet all possible demands for construction and repairs; and its Rolling Stock is in a better condition than at any previous time. Much of this improvement has been accomplished within the past two years, during which period, by close economy in management, the Stock has also yielded a fair return to its holders; and it is believed that by a continuance of the present policy, even improved results can be produced.

INCOME ACCOUNT.

By reference to the Balance Sheet on folio 22, it will be observed that this account is rendered in two items, viz: "To December 31, 1878, \$3,019,347.81," and "From January 1st, 1879, \$97,453.21." This division was made in order to enable the present administration to report definitely the disposition of the balance or surplus, which cannot be done with the old account, as it extends many years into the past, and does not contain sufficient information to prepare such a report. The account, "To December 31st, 1878," shows a decrease from the amount as stated in the last Annual Report, which is occasioned by charging off a large amount of valueless Stocks and Bonds, the depreciation in value of others, and the settlement of a long pending suit with the Jackson Car and Manufacturing Company.

The account "From January 1st, 1879" may be found on folio 23, showing a balance of \$97,453.21, which amount is composed as follows:

Paid Detroit & Bay City guaranteed Interest.....	\$33,920 00
Construction Expenditures.....	10,000 00
Cash Surplus.....	<u>53,533 21</u>
Total.....	\$97,453 21

CONSTRUCTION.

This account now stands at \$28,447,937.67, having been increased \$10,000 since the last report, by the final payment in purchase of fourteen and one-half acres of land at West Bay City. The cost of all actual improvements made during the year, such as replacing Iron with Steel rails, old wooden Bridges with Iron, the erection of new Buildings, and the addition of new Cars to the Equipment, was charged to Operating Expenses.

MISCELLANEOUS.

The report of the Sinking Fund Trustees may be found on folio 26, and presents its usually healthful increase. It is also very gratifying to note, by special reports from the Trustees, that the securities held by them have steadily improved in value during the year, until at its close, they possess a market value of quite \$2,000,000.

The report of the Land Commissioner of the Jackson, Lansing & Saginaw Railroad Company, which is now, for the first time, included in this Company's report, may be found on folio 24.

When it is remembered that the modified agreement of this Company with the Jackson, Lansing & Saginaw, under date of September 1st, 1876, provides for the purchase and cancellation of all outstanding Bonds, with the proceeds of Land Sales, and that the opinion has heretofore to some extent prevailed, that the lease of the Jackson, Lansing & Saginaw Road by this Company, was an onerous one, the information thus furnished by the Commissioner becomes of importance. It will be observed, by reference to the report, that the estimated value of the assets belonging to the Land Grant is about \$3,715,000, while the amount of outstanding Bonds for which the same is pledged (see table on folio 20), is about \$3,740,000, a slight difference which it is reasonable to anticipate will readily be met by the now constantly increasing valuation of the lands.

OPERATION.

The General Manager's report on folio 9, to which attention is also invited, gives in detail the operation for the year. With the issue of our last Annual Report, it was supposed we had nearly, or quite, reached the minimum of traffic rates, but we have again to report a further decline, viz: Freight—per ton per mile, from cent 0.848 to cent 0.692, or 18.39 per cent; Passengers—per passenger per mile from cents 2.41 to cents 2.21, or 8.30 per cent; notwithstanding this, the increase in volume of traffic (twenty-six per cent of total freight tonnage, and five per cent of total passengers carried) has resulted, with the close economy that has been used, in an increase of Net

Earnings sufficient to yield Dividends amounting to five and one-half per cent, an improvement of one and one-half per cent over the previous year. In order to fully appreciate the success of the year, and the value of the property, it is just to state that the above results have been reached after charging to Operating Expenses an unusually large amount for improvements and renewals, as shown by the General Manager's report, folio 9 (a very considerable portion of which might with propriety have been charged to Construction account), with an increase in the per cent of Expenses to Earnings of only forty-two hundredths of one per cent.

It is estimated that the accident in October last, at Jackson Junction, mentioned in the General Manager's report, will cost the Company in settlement of claims, and repairs of property, say \$125,000; of which \$60,000 has been paid and is included in this report.

FINANCIAL RESULT.

The result of the business for the year, and also its comparison with that of the previous year, are fully shown in the following table:

	1879.		1878.	
Gross Revenue.....		\$7,415,428 86		\$6,991,758 93
Operat'g Expenses. \$4,699,592 43			\$4,367,238 81	
Construction Acc't. 10,000 00			134,162 92	
Interest and Rent'l 1,587,782 00			1,615,950 00	
Guaranteed Interest 33,920 00		6,331,294 43	33,920 00	6,151,271 73
Net Revenue.....		\$1,084,134 43		\$840,487 20
Dividends..... 5½ per cent		\$1,030,601 22	4 per cent	\$749,528 16
Cash Surplus.....		\$53,533 21		\$90,959 04

FINAL.

For the able management of the unprecedentedly large business of the year, and the marked improvement of the Company's property, great credit is due to the General Manager, Mr. Henry B. Ledyard, and the other officers in charge of the Company's affairs.

By order of the Board of Directors.

WM. H. VANDERBILT,
President.

REPORT
OF THE
GENERAL MANAGER.

DETROIT, MICH., March 1st, 1880.

WM. H. VANDERBILT, Esq.,
PRESIDENT MICHIGAN CENTRAL RAILROAD,
New York City.

DEAR SIR—Herewith are submitted statistics showing the business of the Road for the year ending December 31st, 1879:

ROADWAY AND TRACK.

Length of road operated same as given in last report.

MAIN LINE—Detroit to Kensington.....	270.00 miles.
Kensington to Chicago, used jointly with I. C. R. R....	14.00 “
Total Main Line.....	284.00 miles.
Leased Lines.....	519.72 “
Total.....	803.72 miles.

About 5,700 tons of steel rail for repairs have been laid during the period covered by this report, the entire cost of which is included in Operating Expenses.

The number of miles now laid with steel is :

Main Line, main track.....	270.00 miles.
Main Line, second track.....	77.83 “
Air Line.....	103.60 “
Jackson, Lansing and Saginaw.....	11.50 “
Grand River Valley.....	40.57 “
Joliet and Northern Indiana.....	36.01 “
Total.....	539.51 miles.

The Main and Air Line are entirely steel.

During the same period, side tracks have been extended 15 miles, cost of same being included in Road Repairs.

DETAILS OF TRACK DEPARTMENT.

Charged to operating:

Track Ties renewed.....	487,174
Track ballasted	12.37 miles.
Fence built	63.51 "

BRIDGES.

Included in Bridge Repairs are the following renewals:

- Wooden Pile Bridge over Trail Creek, at Michigan City (Main Line), 178 feet in length, replaced with Through Iron Truss, Double Track, Pivot Bridge, Stone Abutments and Centre Pier.
- Wooden Pile Bridge over Huron River, 2½ miles west of Ypsilanti (Main Line), 161 feet 2 inches in length, replaced with a Through Iron Truss Bridge, Stone Abutments.
- Wooden Pile Bridge over Huron River, west of Fosters (Main Line), 165 feet 4 inches in length, replaced with a Through Iron Truss Bridge, Stone Abutments.
- Wooden Pile Bridge over the Huron River, east of Delhi (Main Line), 100 feet span, replaced with a Through Iron Truss Bridge, Stone Abutments.

In addition to the above, 31 wooden bridges of various lengths have been rebuilt, and 883 feet of bridges filled, requiring 40,844 cubic yards of earthwork.

EQUIPMENT.

The number of Locomotives is the same as given in last report, being 219, of which 184 are coal burners, and 35 wood burners; twelve having been built at the Company's shops during the past year to take the place of those condemned for service, cost of the same being included in Repairs.

The Passenger Car Equipment shows an increase of one over the number given in last report, and has been kept in good repair.

The Freight Car Equipment has been increased by the purchase of 140 cars, the cost of same being included in Operating Expenses; 93 freight cars of various classes have been built in place of cars condemned for service, and 80 cars of various classes rebuilt.

CONSTRUCTION.

The following shows the expenditure on this account:

Final payment on purchase of fourteen and one-half acres of land at West Bay City.....	\$10,000
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OPERATION.

On the 10th day of October, 1879, a serious accident occurred at Jackson Junction by the collision of the Pacific Express train with a yard engine, which was occupying the main track in direct violation of well known rules. In this accident 15 persons were killed (including two employés), and 36 passengers injured.

Earnings and Expenses for the year ending December 31st, 1879, compare as follows for the same period for 1878:

EARNINGS.

	1879.	1878.	INCREASE.	DECREASE.
From Freight.....	\$4,986,987 84	\$4,646,247 91	\$340,739 93	.....
From Passengers.....	2,062,264 51	1,918,608 96	143,655 55	.....
From Miscellaneous...	297,541 99	307,237 16	.....	\$9,695 17
Total.....	\$7,346,794 34	\$6,872,094 03	\$474,700 31	.....

OPERATING EXPENSES.

Excluding Taxes.....	\$4,497,910 67	\$4,162,741 42	\$335,169 25	.....
Taxes.....	201,681 76	204,497 39	.....	\$2,815 63
Total.....	\$4,699,592 43	\$4,367,238 81	\$332,353 62	.....

RATIO OF EXPENSES TO EARNINGS.

Excluding Taxes.....	61.22	60.57	0.65	.....
Including Taxes.....	63.97	63.55	0.42	.....

FREIGHT STATISTICS.

	1879.	1878.	Increase.	Per Ct. of Increase.	Decrease	Per Ct. of Decrease
No. of tons—Local.....	1,475,695	1,255,909	219,786	17.50		
No. of tons—Through.....	2,038,124	1,530,737	507,387	33.15		
Total tons hauled.....	3,513,819	2,786,646	727,173	26.09		
Tons moved one mile.....	721,019,413	548,053,707	172,965,706	31.56		
Earnings per ton per mile..	0.692	0.848	.....	.....	0.156	18.39

PASSENGER STATISTICS.

No. Passengers—Local....	1,279,598	1,240,362	39,216	3.16		
No. Passengers—Thro'h, including Emigrants... }	166,057	133,148	32,909	24.72		
Total No. Passengers..	1,445,655	1,373,530	72,125	5.25		
Total Pass. moved 1 mile..	93,232,430	79,684,072	13,548,358	17.00		
Earnings p'r pass. p'r mile,	2.21	2.41	.....	.....	0.20	8.30

The Freight Traffic of the Road shows a gratifying increase, the Local Tonnage having increased $17\frac{5}{100}$ per cent, and the Through Tonnage $33\frac{15}{100}$ per cent. The Local Passenger Traffic has increased but slightly, but the Through Passenger Traffic, including Emigrants, shows an increase of $24\frac{72}{100}$ per cent. While the freight and passenger traffic of the Road have increased, the increase of the former being 727,173 tons, or $26\frac{9}{100}$ per cent, the per centage of Operating Expenses (including taxes) to Earnings shows an increase of forty-two hundredths of one per cent, although the rate received per ton per mile was much lower than during the preceding year, and lower than ever before experienced by this Company. Had the same rate per ton per mile which obtained during 1878 been maintained during 1879, the net earnings would have been increased over one million dollars.

In view of the large increase from year to year of freight traffic, the local tonnage moved in 1879 being about thirty-two per cent, and the through tonnage sixty-three per cent greater than that moved in 1877, or a total increase of forty-nine per cent, the early completion of the second track between Jackson and Ypsilanti, forty-six miles, and between Porter and Kensington, thirty-one miles, is earnestly recommended; especially has this become necessary between Jackson and Ypsilanti, as the concentration east of Jackson of the traffic from the Branches, in addition to that of the Main Line, frequently overtaxes the capacity of a single track.

Further details of the operations of the different departments will be found in the accompanying statements.

Respectfully submitted.

H. B. LEDYARD,
General Manager.

STATISTICS.

LOCOMOTIVE DEPARTMENT.

MILES RUN BY LOCOMOTIVES.

	1879.	1878	INCREASE.	DECREASE.	PER CT.
Passenger	1,693,098	1,647,687	45,411	.....	2.7
Freight	3,687,305	3,286,138	401,167	.....	12.2
Miscellaneous.....	226,651	218,673	7,978	.....	3.6
Switching.....	2,090,007	1,660,032	429,975	.....	25.9
Total	7,697,061	6,812,530	884,531	.....	12.98

EXPENSE MAINTENANCE.

Repairs.....	\$263,166 84	\$308,741 91	.....	\$45,575 07	14.7
Service	425,703 41	379,720 10	\$45,983 31	.....	12.1
Fuel.....	516,491 53	470,342 22	46,249 31	.....	9.8
Oil and Waste.....	23,337 22	27,899 07	.....	4,561 85	16.3
Total	1,228,699 00	1,186,603 30	42,095 70	.....	3.5

COST PER MILE.

Repairs.....	3.42 cts.	4.53 cts.	.....	1.11 cts.	.....
Service	5.53	5.58	.....	0.05	.....
Fuel.....	6.71	6.90	.....	0.19	.....
Oil and Waste.....	0.30	0.40	.....	0.10	.....
Total	15.96	17.41	.....	1.45	.....

MILES RUN TO

Ton Coal.....	37.54	38.21	.....	0.67	.....
Cord Wood	55.64	51.03	4.61	.....	.....
Pint Oil.....	11.85	12.51	.....	0.66	.....

AVERAGE TRAIN HAULED.

Passenger	5.02	4.91	0.11	.....	.....
Freight.....	23.97	23.67	0.30	.....	.....

PRINCIPAL ITEMS OF RENEWAL.

Engines—Heavy Repairs.....	69	New Tanks.....	8
Engines—Built at Shops	14	New Tender Frames	26
New Fire Boxes—(Steel)	12	New Cabs	24
New Boilers and Fire Boxes	14	New Pistons.....	83
New Tires—(Rings).....	84	New Piston Rods.....	82
New Driving Wheels.....	72	New Injectors.....	26
New Axles.....	34	No. Sets Flues Reset.....	68
New Truck and Tender Wheels.....	1488	No. Tire Rings Turned	240
New Truck and Tender Axles.....	168		
New Bell Ringers.....	18	Engines with Air-Brakes.....	59
New Sets Flues	28	Engines—Coal Burners	194
New Pilots.....	64	Engines—Wood Burners.....	35

CAR DEPARTMENT.

INVENTORY DECEMBER 31st, 1879.

	1879.	1878.	INCREASE.	DECREASE.
Inspection Cars	2	1	1	.....
Paymaster Cars.....	1	1	.....	.....
Dining Cars.....	2	2	.....	.....
Passenger Cars—First Class.....	77	77	.....	.....
" " Second Class.....	26	26	.....	.....
Combination Cars—Passenger and Baggage	10	9	1	.....
" " Baggage and Mail	31	32	.....	1
Postal Cars.....	3	3	.....	.....
Way Cars	133	129	4	.....
Stock Cars—Single Deck.....	256	266	.....	10
" Double Deck.....	176	176	.....	.....
Merchandise Cars—8-Wheel	3184	3187	.....	3
" " 4-Wheel.....	100	.....	100	.....
Platform Cars and Coal Cars.....	1340	1291	49	.....
Derrick Cars.....	3	3	.....	.....
Pile Driver Cars.	1	1	.....	.....
Total	5345	5204	141	.....
Total Passenger Cars.....	152	151	1	.....
Total Freight Cars.....	5193	5053	140	.....
	5345	5204	141	.....

PRINCIPAL ITEMS OF RENEWAL.

COACHES—General Repairs (Varnished or Repainted).....	82
Light Repairs.....	17
BAGGAGE AND POSTAL—General Repairs (Varnished or Repainted).....	26
Light Repairs.....	7
Rebuilt.....	1
WAY CARS—Built New.....	7
Rebuilt.....	12—
General Repairs.....	16
Light Repairs.....	13
MERCHANDISE CARS—Built New.....	41
Rebuilt.....	9—
General Repairs.....	387
Light Repairs.....	219
STOCK CARS—Rebuilt.....	3
General Repairs.....	33
Light Repairs.....	13
PLATFORM CARS—Built new.....	45
Rebuilt.....	56—
General Repairs.....	110
Light Repairs.....	114

TRACK DEPARTMENT.

TABLE OF TRACKS.	No. of Miles	No. of Miles
	Main Track.	Side Track.
Main Line—Detroit to Kensington—		
Main Track.....	270 00	
Second Track.....	<u>77.83</u>	
	347.83	157.58
Air Line Division	103.60	11.65
Joliet Division	45.00	12.89
Grand River Valley Division.....	84.00	9.26
Jackson, Lansing and Saginaw Division.....	236.00	35.20
Kalamazoo and South Haven Division.....	40.00	3.22
Niles and South Bend Division.....	11.12	1.18
Total.....	867.55	230.98

RENEWALS.	1879.	1878.
Track Ties renewed.....	487.174	334.376
No. Miles Track ballasted.....	12.37	22.57
No. Miles Fence built.....	63.51	34.53

FUEL DEPARTMENT.

FUEL CONSUMED.	1879.	1878.	Increase.	Per Ct. Inc.	Decrease.	Per Ct. Dec.
Amount.... { Wood (Cords).....	46,570 $\frac{3}{4}$	54,215 $\frac{1}{2}$	.....	.....	7,644 $\frac{3}{4}$	14.10
	{ Coal (Tons).....	210,303.36	162,650.53	\$47,652 83	29.30
Cost..... { Wood (per Cord)....	\$2 16 $\frac{1}{2}$	\$2 31 $\frac{1}{2}$	.....	.....	.15	6.48
	{ Coal (per Ton).....	2 17	2 3417	7.26
Total { Cost of Wood.....	\$100,786 82	\$125,555 31	.....	.....	\$24,768 49	19.73
	{ Cost of Coal.....	456,338 34	381,909 07	\$74,429 27	19.49
Total Cost of Fuel.....	\$557,125 16	\$507,464 38	\$49,660 78	9.79	.....	.....

EARNINGS AND EXPENSES.

1878.	EARNINGS.	1879.
\$4,646,247 91	Freight.....	\$4,986,987 84
1,918,608 96	Passengers.....	2,062,264 51
94,220 04	Mail.....	96,444 50
123,730 75	Express.....	129,133 23
89,286 37	Miscellaneous.....	71,964 26
\$6,872,094 03	Total.....	\$7,346,794 34

EXPENSES.

\$671,354 41	Road Repairs.....	\$733,220 12
96,672 66	Bridge Repairs.....	75,116 85
6,632 20	Fence Repairs.....	12,562 25
44,261 06	Building Repairs.....	48,447 97
31,860 96	Water Works Repairs.....	29,179 93
3,772 66	Dock Repairs.....	6,085 73
308,741 91	Locomotive Repairs.....	263,166 84
339,976 06	Car Repairs.....	360,562 78
379,720 10	Locomotive Service.....	425,703 41
405,408 40	Train Service.....	421,867 80
515,205 39	Station Service.....	585,116 83
9,940 19	Water Service.....	9,209 05
173,595 54	General Expenses.....	176,032 01
17,641 18	Legal Expenses.....	14,053 00
23,939 97	Miscellaneous Expenses.....	17,104 02
126,442 65	Foreign Agencies.....	102,095 66
67,568 26	Telegraphing.....	73,877 48
507,464 38	Fuel Consumed.....	557,125 16
28,566 26	Rental.....	29,424 29
34,895 10	Track Rental.....	55,097 84
65,826 82	Oil and Waste.....	61,005 52
28,357 47	Stationery.....	29,778 19
16,859 40	Printing and Advertising.....	13,350 14
11,151 53	Loss and Damage, Freight.....	11,188 73
9,153 14	Loss and Damage, Miscellaneous.....	6,423 99
2,339 23	Stock Killed and Injured.....	1,166 36
11,703 06	Injuries to Persons.....	63,618 64
171,728 20	Car Mileage.....	259,297 41
47,323 99	Commissions.....	48,503 88
4,639 14	Interest.....	8,528 79
\$4,162,741 42	Total.....	\$4,497,910 67
204,497 39	Taxes.....	201,681 76
\$4,367,238 81	Total, including Taxes.....	\$4,699,592 43

PER CENT. OF EXPENSES TO EARNINGS.

63.55	Including Taxes.....	63.97
60.57	Excluding Taxes.....	61.22

FREIGHT STATISTICS.

	1879.				1878.			
	Tons moved.	Tons moved one mile.	Rate per ton, per mile. <small>Cents.</small>	Earnings.	Tons moved.	Tons moved one mile.	Rate per ton, per mile. <small>Cents.</small>	Earnings.
THROUGH:								
Eastward.....	1,433,000	387,015,495	0.515	\$1,995,587.22	1,223,308	332,767,450	0.599	\$1,994,864.59
Westward.....	605,124	168,031,880	0.441	741,632.21	307,429	85,157,565	0.548	466,642.88
Total.....	2,038,124	555,047,325	0.493	\$2,737,219.43	1,530,737	417,925,015	0.589	\$2,461,506.97
LOCAL.....	1,475,695	165,972,088	1.356	2,249,768.41	1,255,909	130,128,692	1.679	2,184,740.94
TOTAL.....	3,513,819	721,019,413	0.692	\$4,986,987.84	2,786,646	548,053,707	0.848	\$4,646,247.91
Increase.....	727,173	172,965,706	.....	\$340,739.93	.....	.....	.....	.....
Decrease.....	.....	.....	0.156	.....	.....	.....	.....	.....

PASSENGER STATISTICS.

	1879.				1878.			
	Passengers moved.	Passengers moved one mile.	Rate per passenger per mile. Cents.	Earnings.	Passengers moved.	Passengers moved one mile.	Rate per passenger per mile. Cents.	Earnings.
THROUGH:								
Eastward.....	58,013	16,475,692	2.12	\$349,922 99	52,353	14,867,968	2.31	\$342,938 86
Westward.....	52,513	14,913,692	2.23	333,040 52	58,509	15,196,556	2.28	346,965 03
Emigrant.....	55,531	15,770,804	1.00	172,015 69	27,287	7,749,508	1.05	81,084 85
Total.....	166,057	47,160,188	1.81	\$854,979 20	133,143	37,814,032	2.04	\$770,988 74
LOCAL.....	1,279,598	46,072,242	2.62	1,207,285 31	1,240,332	41,870,040	2.74	1,147,620 22
TOTAL.....	1,445,655	93,232,430	2.21	\$2,062,264 51	1,373,530	79,684,072	2.41	\$1,918,608 96
Increase.....	72,125	13,548,358	.....	\$143,655 55	.....	.....	.....	.....
Decrease.....	.....	.....	.20	.....	.....	.....	.....	.....

FUNDED DEBT, INTEREST, RENTS, ETC.

DESCRIPTION.	FUNDED DEBT.			INTEREST.	
	DATE OF ISSUE.	DATE OF MATURITY.	AMOUNT.	RATE.	AMOUNT.
MAIN LINE.					
Mortgage Loan Bonds.....	Oct...1, 1857	Oct...1, 1882	\$437,000 00	8 %	\$34,960 00
First Sinking Fund Mortgage Bonds....	Oct...1, 1857	Oct...1, 1882	1,058,500 00	8 %	84,680 00
Second Sinking Fund Mortgage Bonds..	Oct...1, 1857	Oct...1, 1882	523,000 00	8 %	41,840 00
Equipment Mortgage Bonds.....	Oct..21, 1874	April 1, 1883	556,000 00	8 %	44,480 00
Consolidated Mortgage Bonds.....	May..1, 1872	May..1, 1902	8,000,000 00	7 %	560,000 00
Total Main Line.....			\$10,574,500 00		
LEASED LINES.					
Michigan Central Air Line Mort. Bonds.	Jan...1, 1870	Jan...1, 1890	\$1,900,000 00	8 %	152,000 00
Michigan Air Line Mort. Bonds.....	Oct..10, 1870	Nov..1, 1890	200,000 00	8 %	16,000 00
Grand River Valley First Mort. Bonds..	Oct...1, 1866	July..1, 1886	1,000,000 00	8 %	80,000 00
Grand River Valley Sec'd Mort. Bonds..	Sept...1, 1879	Sept. 1, 1909	500,000 00	6 %	30,000 00
Grand River Valley Rental.....					24,560 00
Kal. & South Haven First Mort. Bonds..	Nov..1, 1869	Nov..1, 1889	640,000 00	8 %	51,200 00
Kal. & South Haven Sec'd Mort. Bonds..	Nov..1, 1870	Nov..1, 1890	70,000 00	8 %	5,600 00
Jackson, Lan. & Sag. First Mort. Bonds } Less \$82,000, held by Sinking Fund Trust- tees, on which interest is not paid..... }	May 26, 1865	July..1, 1885	1,024,000 00	8 %	81,920 00
Jackson, Lan. & Sag. First Mort. Bonds } Less \$103,000, held by Sinking Fund Trust- tees, on which interest is not paid..... }	April 1, 1867	July..1, 1885	68,000 00	8 %	5,440 00
Jack'n, Lan. & Sag. Nor'n Ext'n Bonds } Less \$8,000, held by Sinking Fund Trust- tees, on which interest is not paid..... }	May..2, 1870	May..1, 1890	514,000 00	8 %	41,120 00
Jackson, Lan. & Sag. Consol. Mort. Bonds	Aug..31, 1871	Sept..1, 1891	1,943,000 00	8 %	155,440 00
Jackson, Lan. & Sag. Rental.....					70,000 00
Jackson, Lan. & Sag. Expenses.....					750 00
Joliet & Northern Indiana Rental.....					89,000 00
Total Leased Lines.....			\$7,859,000 00		
GUARANTEED BONDS.					
Detroit & Bay City First Mortgage.....	May..1, 1872	May..1, 1902	\$274,000 00	8 %	21,920 00
Detroit & Bay City First Mortgage... } Bridge and Branch..... }	May..1, 1873	May..1, 1903	150,000 00	8 %	12,000 00
Total Guaranteed.....			\$424,000 00		
TOTAL.....			\$18,857,500 00		\$1,602,910 00

FUNDED DEBT, INTEREST, RENTS, ETC.

INTEREST AND RENTS PAYABLE.

Jan. 1st.	Jan. 10th.	Mar. 1st.	Apr. 1st.	May 1st.	July 1st.	July 10th.	Sep. 1st.	Oct. 1st.	Nov. 1st.
			17,480 00					17,480 00	
			42,340 00					42,340 00	
			20,920 00					20,920 00	
			22,240 00					22,240 00	
				280,000 00					280,000 00
76,000 00					76,000 00				
				8,000 00					8,000 00
40,000 00					40,000 00				
		15,000 00					15,000 00		
12,280 00					12,280 00				
				25,600 00					25,600 00
				2,800 00					2,800 00
40,960 00					40,960 00				
2,720 00					2,720 00				
				20,560 00					20,560 00
		77,720 00					77,720 00		
		35,000 00					35,000 00		
		375 00					375 00		
	44,500 00					44,500 00			
				10,960 00					10,960 00
				6,000 00					6,000 00
171,960 00	44,500 00	128,095 00	102,980 00	353,920 00	171,960 00	44,500 00	128,095 00	102,980 00	353,920 00

C. VANDERBILT,
Treasurer.

CONDENSED BALANCE SHEET.

Construction Account.....	\$28,447,987 67	
Construction Account—Leased Lines.....	5,131,963 33	
Equipment Bond Trustees.....	545,245 82	
Investments.....	664,765 25	
Detroit and Bay City Railroad.....	323,191 78	
Fuel and Supplies.....	237,579 67	
Bills Receivable.....	58,940 44	
Cash.....	136,381 06	
		\$35,546,005 02

Capital Stock.....		\$18,738,204 00
Bond Accounts:		
Mortgage Loan.....	\$556,000 00	
Of these Bonds the Sinking Fund Trustees have purchased and now hold.....	\$119,000	
First Sinking Fund.....	1,508,000 00	
Of these Bonds the Sinking Fund Trustees have purchased and now hold.....	\$449,500	
Second Sinking Fund.....	671,000 00	
Of these Bonds the Sinking Fund Trustees have purchased and now hold.....	\$146,000	
Equipment.....	556,000 00	
Air Line.....	1,900,000 00	
Consolidated.....	8,000,000 00	
Grand River Valley.....	500,000 00	13,691,000 00
Income Account:		
To December 31st, 1878.....		3,019,347 81
From January 1st, 1879.....		97,453 21
		\$35,546,005 02

C. VANDERBILT,
Treasurer.

INCOME ACCOUNT.

1879.		1879.
Dec. 31.	Operating Expenses \$4,999,592 43 Interest—Main Line 767,160 00 Interest—Leased Lines 636,312 00 Rental—Leased Lines..... 184,310 00 Dividend of 1½ per cent., paid Aug. 1, 1879..... 281,073 06 Dividend of 4 per cent., paid Feb. 2, 1880..... 749,528 16 Balance..... 97,453 21	Freight Earnings..... \$4,986,987 84 Passenger Earnings..... 2,062,264 51 Mail Earnings..... 96,444 50 Express Earnings 129,133 23 Miscellaneous Earnings.. 71,964 26 Interest and Dividends from Invest- ments..... 68,634 52
		\$7,346,794 34 \$7,415,428 86

C. VANDERBILT,
Treasurer.

REPORT
OF THE
LAND COMMISSIONER
OF THE
JACKSON, LANSING & SAGINAW RAILROAD CO.

LANSING, MICH., January 5, 1880.

MR. WM. H. VANDERBILT,
PRESIDENT MICHIGAN CENTRAL RAILROAD,
New York City:

DEAR SIR—The annual statement of the business of the Land Department of this Company for the year ending December 31st, 1879, is herewith submitted:

SALES.

Number of acres of Land sold.....		14,888.26
Amount of Land sales.....	\$169,789 44	
Amount of Timber sales.....	28,523 48	
Total Land and Timber sales.....	\$198,312 92	

The sales for the last three years are as follows:

	1877.	1878.	1879.
Number of acres sold.....	17,086.86	12,415.03	14,888.26
Average price per acre.....	\$8 74	\$9 86	\$11 40
Amount of Land sales.....	\$149,397 52	\$122,411 44	\$169,789 44
Amount of Timber sales.....		7,002 00	28,523 48
Total Land and Timber sales.....	\$149,397 52	\$129,413 44	\$198,312 92

RESOURCES.

Cash on hand January 1st, 1879.....	\$2,972 94	
From payments on Land Contracts.....	146,803 66	
From interest on Land Contracts.....	8,557 05	
From miscellaneous sources.....	150 00	
Total.....		\$158,483 65

DISBURSEMENTS.

For purchase and cancellation of Bonds.....	\$99,809 00	
For Taxes.....	27,126 47	
For Salaries.....	9,877 84	
For Advertising, Rents, etc.....	4,555 48	
Cash in hand December 31st, 1879.....	17,114 86	
Total.....		\$158,483 65

BONDS CALLED.

The Mortgage Trustees have called in one hundred (100) one thousand (1,000) dollar bonds during the year, all of which (excepting one) have been paid and cancelled.

ASSETS.

The number of acres of land remaining unsold is 454,614, and estimating the same at \$7.50 per acre, which is believed to be a minimum value, we have the following estimated assets :

454,614 acres of land at \$7.50.....	\$3,409,605 00
Amount due on Land Contracts.....	289,671 26
Cash in hand December 31st, 1879.....	17,114 86
Total.....	<u>\$3,716,391 12</u>

It will be observed that the average price obtained during 1879 is much greater than in previous years, but it may not be safe to assume that all the remaining lands can be sold as well: a large part of them, however, are as good as any sold, and will bring a better price; they embrace not only much very valuable pine, but a large amount of choice farming lands. With prudent management and the road completed to the Straits, very satisfactory results may be expected.

O. M. BARNES,
Land Commissioner.

REPORT
OF THE
SINKING FUND TRUSTEES.

The Trustees appointed under the Trust Mortgage Deed of the Michigan Central Railroad Company to John M. Forbes, Nathaniel Thayer and H. H. Hunnewell, Trustees, under date of September 29, 1857, report:

That the standing of the Sinking Funds entrusted to them was, on the 31st day of December, 1879, as follows:

To the credit of the First Sinking Fund, viz.:

BONDS AT PAR.	
Michigan Central Railroad Company.....	\$541,500 00
Joliet and Northern Indiana Railroad Company.....	105,000 00
Burlington and Missouri River Railroad Company.....	191,000 00
Kansas City, Fort Scott and Gulf Railroad Company.....	4,000 00
Jackson, Lansing and Saginaw Railroad Company.....	138,000 00
Dixon, Peoria and Hannibal Railroad Company.....	13,000 00
Fort Wayne, Jackson and Saginaw Railroad Company.....	25,000 00
Ionia and Lansing Railroad Company.....	17,000 00
Detroit, Hillsdale and Southwestern Railroad Company (Scrip).....	140 00
Chicago, Burlington and Quincy Railroad Company.....	40,000 00
Detroit, Lansing and Northern Railroad Company.....	13,000 00
United States.....	203,500 00
STOCK AT PAR.	
Michigan Central Railroad Company.....	10,100 00
Detroit, Lansing and Northern Railroad Company.....	17,200 00
Detroit, Hillsdale and Southwestern Railroad Company.....	7,000 00
Chicago and Michigan Lake Shore Railroad Company.....	146,000 00
Kansas City, Fort Scott and Gulf Railroad Company.....	2,700 00
" " " " " " " " (Scrip).....	50 00
CASH.	
Old Boston National Bank.....	985 06
Total.....	\$1,475,175 06

And to the credit of the Second Sinking Fund, viz.:

BONDS AT PAR.	
Michigan Central Railroad Company.....	\$175,000 00
Joliet and Northern Indiana Railroad Company.....	32,000 00
Jackson, Lansing and Saginaw Railroad Company.....	55,000 00
Burlington and Missouri River Railroad Company.....	63,000 00
Kansas City, Fort Scott and Gulf Railroad Company.....	12,000 00
Ionia and Lansing Railroad Company.....	4,000 00
Detroit, Lansing and Northern Railroad Company.....	2,000 00
Detroit, Hillsdale and Southwestern Railroad Company (Scrip).....	100 00
Chicago, Burlington and Quincy Railroad Company.....	13,000 00
United States.....	68,000 00

STOCK AT PAR.

Michigan Central Railroad Company	\$3,200 00
Joliet and Northern Indiana Railroad Company.....	1,000 00
Detroit, Hillsdale and Southwestern Railroad Company.....	5,000 00
Detroit, Lansing and Northern Railroad Company.....	2,600 00
Kansas City, Fort Scott and Gulf Railroad Company.....	8,200 00
“ “ “ “ “ “ “ “ (Scrip).....	50 00
Chicago and West Michigan Railroad Company.....	31,000 00

CASH.

Old Boston National Bank.....	1,399 32
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Total \$476,549 32

Total credit of the Sinking Fund \$1,951,724 38

The accounts for the year ending December 31st, 1879, are as follows:

Michigan Central Railroad First Sinking Fund,

IN ACCOUNT WITH THE TRUSTEES.

1878.			
Dec.	31.	Cash in Old Boston National Bank.....	\$2,235 82
1879.			
Jan.	2.	Received 6 months interest on \$13,000 Dixon, Peoria and Hannibal Railroad Bonds.....	520 00
“	2.	Received 6 months interest on \$40,500 Chicago, Burlington and Quincy Railroad Bonds.....	1,417 50
“	2.	Received 6 months interest on \$17,000 Ionia and Lansing Railroad Bonds.....	680 00
“	2.	Received 6 months interest on \$13,000 Detroit, Lansing and Northern Railroad Bonds.....	455 00
“	2.	Received 6 months interest on \$78,300 U. S. Bonds.....	2,349 00
“	2.	Received \$8 each on account of coupons due July, 1877, on \$25,000 Fort Wayne, Jackson and Saginaw Railroad Bonds,	200 00
“	29.	Received for \$2,000 in Bonds of Jackson, Lansing and Saginaw Railroad Company..... \$2,000 00	
		Called, with interest, to December 3, 1878.....	14 22
			2,014 22
Feb.	8.	Received dividend on 171 shares Detroit, Lansing and Northern Railroad Stock.....	1,026 00
“	8.	Received dividend on 101 shares Michigan Central Railroad Stock.....	202 00
March	1.	Received 3 months interest on \$95,000 U. S. Bonds.....	1,068 74
“	7.	Received proceeds of sale of \$8,300 U. S. 6 per cent Bonds of 1867.....	8,457 13
April	1.	Received 6 months interest on \$191,000 Burlington and Missouri River Railroad Bonds.....	6,685 00
May	1.	Received 6 months interest on \$22,500 Carthage and Burlington Railroad Bonds.....	900 00
June	2.	Received 3 months interest on \$105,000 U. S. Bonds.....	1,181 28
	2.	Received \$28 each for coupons of \$5,000 Missouri River, Ft. Scott and Gulf Railroad Bonds.....	140 00
	2.	Received for \$22,500 in Bonds of Carthage and Burlington Railroad. Matured May 1.....	22,500 00
July	2.	Received one year's interest on Detroit, Hillsdale and Southwestern Railroad Scrip for \$140.....	11 20
“	2.	Received 6 months interest on \$40,000 Chicago, Burlington and Quincy Railroad Bonds.....	1,400 00
“	2.	Received 6 months interest on \$13,000 Dixon, Peoria and Hannibal Railroad Bonds.....	520 00
“	2.	Received 6 months interest on \$13,000 Detroit, Lansing and Northern Railroad Bonds.....	455 00
“	2.	Received 6 months interest on \$17,000 Ionia and Lansing Railroad Bonds.....	680 00

1879.			
July	2.	Received 6 months interest on \$70,000 U. S. Bonds.....	\$2,100 00
"	2.	Received proceeds of sale of rights under 178 shares Detroit, Lansing and Northern Railroad.....	35 26
Aug.	5.	Received dividend on 101 shares Michigan Central Railroad Stock.....	151 50
"	25.	Received dividend on 172 shares Detroit, Lansing and Northern Railroad Stock.....	602 00
Sept.	1.	Received 3 months interest on \$133,500 U. S. Bonds.....	1,501 85
Oct.	1.	Received 6 months interest on \$191,000 Burlington and Missouri River Railroad Bonds.....	6,685 00
Dec.	3.	Received 3 months interest on \$133,500 U. S. Bonds.....	1,501 90
"	3.	Received 6 months interest on \$4,000 Kansas City, Fort Scott, and Gulf Railroad Bonds.....	140 00
			\$67,815 40
1879.			
Jan.	3.	Paid for use of safe in Union Deposit vaults, 1 year in advance.....	\$50 00
"	24.	Paid cost of \$7,000 in U. S. 4½ per cent Bonds.....	7,428 75
March	7.	" " \$10,000 " " " " " " " ".....	10,525 00
April	11.	" cost of \$8,000 in Michigan Central Sinking Fund Bonds..	8,800 00
June	9.	" cost of \$21,500 in U. S. 4½ per cent bonds.....	22,697 50
July	26.	" cost of \$7,000 " " " " " " " ".....	7,437 50
Oct.	18.	" cost of \$8,000 in Michigan Central Sinking Fund Bonds..	8,800 00
Dec.	31.	" Commission 1 per cent on purchases.....	658 89
"	31.	" clerk hire, \$150; advertising for Sinking Fund Bonds, \$80.95.....	230 95
"	31.	Paid express on bonds and coupons to New York, postage, etc.....	1 75
"	31.	Cash in Old Boston National Bank.....	985 06
			\$67,815 40

Michigan Central Railroad Second Sinking Fund,

IN ACCOUNT WITH THE TRUSTEES.

1878.			
Dec.	31.	Cash in Old Boston National Bank.....	\$1,288 74
1879.			
Jan.	2.	Received 6 months interest on \$12,500 Chicago, Burlington and Quincy Railroad Bonds.....	437 50
"	2.	Received 6 months interest on \$4,000 Ionia and Lansing Railroad Bonds.....	160 00
"	2.	Received 6 months interest on \$2,000 Detroit, Lansing and Northern Railroad Bonds.....	70 00
"	2.	Received 6 months interest on \$29,000 U. S. Bonds.....	870 00
"	29.	Received for \$1,000 Bond of Jackson, Lansing and Saginaw Railroad Company..... \$1,000 00	
		Called in, with interest to December 3, 1878.....	7 11
			\$1,007 11
Feb.	8.	Received dividend on 32 shares Michigan Central Railroad Stock.....	64 00
"	18.	Received dividend on 26 shares Detroit, Lansing and Northern Railroad Stock.....	156 00
March	1.	Received 3 months interest on \$32,500 U. S. Bonds.....	365 60
"	7.	Received proceeds of sale of \$3,000 U. S. 6 per cent Bonds of 1867.....	3,050 62
April	1.	Received 6 months interest on \$63,000 Burlington and Missouri River Railroad Bonds.....	2,205 00
May	1.	Received 6 months interest on \$3,000 Carthage and Burlington Railroad Bonds.....	120 00
June	2.	Received 3 months interest on \$36,500 U. S. Bonds.....	410 63
"	2.	Received \$23 each for coupons of \$15,000 Missouri River, Fort Scott and Gulf Railroad Bonds.....	420 00
"	2.	Received for \$3,000 in Bonds of Carthage and Burlington Railroad. Matured May 1.....	3,000 00

1879.			
July	2.	Received 1 year's interest on Detroit, Hillsdale and Southwestern Railroad Scrip for \$100.....	\$8 00
"	2.	Received proceeds of sale of rights under 26 shares Detroit, Lansing and Northern Railroad.....	5 34
"	2.	Received 6 months interest on \$2,000 Detroit, Lansing and Northern Railroad Bonds.....	70 00
"	2.	Received 6 months interest on \$4,000 Ionia and Lansing Railroad Bonds.....	160 00
"	2.	Received 6 months interest on \$26,000 U. S. Bonds.....	780 00
"	2.	Received 6 months interest on \$13,000 Chicago, Burlington and Quincy Railroad Bonds.....	455 00
Aug.	5.	Received dividend on 32 shares Michigan Central Railroad Stock.....	48 00
"	25.	Received dividend on 26 shares Detroit, Lansing and Northern Railroad Stock.....	91 00
Sept.	1.	Received 3 months interest on \$42,000 U. S. Bonds.....	472 48
Oct.	1.	Received 6 months interest on \$63,000, Burlington and Missouri River Railroad Bonds.....	2,205 00
Dec.	3.	Received 3 months interest on \$42,000 U. S. Bonds.....	472 52
"	3.	Received 6 months interest on \$12,000 Kansas City, Fort Scott and Gulf Railroad Bonds.....	420 00
			<u>\$18,812 54</u>
1879.			
Jan.	24.	Paid cost of \$2,500 in U. S. 4½ per cent Bonds.....	\$2,653 13
Feb.	3.	" for use of safe in Union Deposit vaults, 1 year in advance.....	50 00
March	7.	Paid cost of \$4,000 in U. S. 4½ per cent Bonds.....	4,210 00
April	11.	" cost of \$2,000 in Michigan Central Sinking Fund Bonds...	2,200 00
June	9.	" cost of \$3,000 in U. S. 4½ per cent Bonds.....	3,195 00
July	26.	" cost of \$2,500 in U. S. 4½ per cent Bonds.....	2,656 25
Oct.	18.	" cost of \$2,000 in Michigan Central Sinking Fund Bonds..	2,200 00
Dec.	31.	" commission 1 per cent on purchases.....	171 64
"	31.	" clerk hire, \$50; advertising for Sinking-Fund Bonds, \$26.70.....	76 70
"	31.	Paid postage, revenue stamps, etc.....	50
"	31.	Cash in Old Boston National Bank.....	1,399 32
			<u>\$18,812 54</u>

THE FOLLOWING EXCHANGES OF SECURITIES HAVE BEEN MADE DURING THE YEAR:

FIRST SINKING FUND.

RECEIVED.

1,460 Shares Chicago & West Michigan Railroad Co.'s Stock, \$100 par value, in re-organization of C. & M. L. S. R. R. Co.
 \$31,000 in Bonds of Chicago, Burlington & Quincy Railroad Co., due 1903, 7 per cent. in exchange.
 \$40 in Scrip for Stock in Detroit, Lansing & Northern Railroad Co., bought of 2d Sinking Fund.
 1 Share Detroit, Lansing & Northern Railroad Co., in exchange for Scrip.
 \$4,000 in 1st Mtg. Bonds.) of Kansas City,
 27 Shares Stock.) Fort Scott &
 \$50 Stock Scrip.) Gulf Railroad
 Co.

SURRENDERED.

\$146,000 in Bonds of Chicago & Michigan Lake Shore Railroad Co., with overdue coupons for foreclosure purposes.
 \$31,000 in Bonds of Chicago, Burlington & Quincy Railroad Co., due 1896, in exchange.
 \$500 in Bonds of Chicago, Burlington & Quincy Railroad Co., due 1896, sold to 2d Sinking Fund.
 \$100 in Scrip for Stock in Detroit, Lansing & Northern Railroad Co., in exchange for Stock.
 \$5,000 in Bonds of Missouri River, Fort Scott & Gulf Railroad Co., for re-organization.

SECOND SINKING FUND.

RECEIVED.

310 Shares Chicago & West Michigan
Railroad Co. Stock, \$100 par value,
in re-organization of C. & M. L. S.
R. R. Co.

\$10,000 in Bonds of Chicago, Burlington &
Quincy Railroad Co., due 1903, 7 per
cent. in exchange.

\$500 in Bonds of Chicago, Burlington &
Quincy Railroad Co., due 1896,
bought of 1st Sinking Fund.

\$12,000 in 1st Mtg. Bonds. } of Kansas City,
82 Shares Stock. } Fort Scott &
\$50 Stock Scrip. } Gulf Railroad
Co.

E. & O. E.

Boston, December 31, 1879.

SURRENDERED.

\$31,000 in Bonds of Chicago & Michigan Lake
Shore Railroad Co., with overdue
coupons, for foreclosure purposes.

\$10,000 in Bonds of Chicago, Burlington &
Quincy Railroad Co., due 1896, in
exchange.

\$40 in Scrip for Stock in Detroit, Lansing
& Northern Railroad Co., sold 1st
Sinking Fund.

\$15,000 in Bonds of Missouri River, Fort Scott
& Gulf Railroad Co., for reorganiza-
tion.

H. H. HUNNEWELL, }
N. THAYER, } Trustees.
W. H. FORBES, }

