

**Lake Superior & Ashcroft Mining Railway Co.**  
**Munising Railway Co.**  
**Marquette & Southeastern Railway Co.**

W. G. MATHER,  
PRESIDENT.  
H. R. HARRIS,  
GENERAL MANAGER.  
H. A. ST. JOHN,  
AUDITOR & GEN'L FRT. & PASS. AGT.  
A. WARD,  
SUPT. MUNISING RAILWAY.

Office of General Manager.

MARQUETTE, MICH..

W.G.M.#11.

Freight to and from Munising by water was as follows -

	1904	1903	1902	1901
Into Munising - Hides	0	0	0	14
Cement	0	33	0	0
Miscellaneous	4	9	0	5
Out of Munising-Lumber	97	0	200	643
Cooperage	0	0	30	65
Ties	241	75	30	0
Posts	0	0	15	0
	<u>342</u>	<u>117</u>	<u>275</u>	<u>727</u>

For the lumber, all logs came in by water.

For the ties, 125 cars came in by water and 116 by rail. To offset this, 106 cars ties and 21 cars poles came in by water and out by rail. All ties out by water went to Lake Erie.

Passenger Earnings decreased \$1912.63 or 9% by less population in woods camps and by having no connection from Marquette to Munising in morning and return in the evening after June.

Express Earnings increased \$265.60 or 11% by more fish handled.

Commodity statement shows 400,228 tons, a decrease of 7819 tons or 1.9%.

Tons handled one mile in 1903 - 6,485,038.

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W.G.M.#12.

Tons handled one mile in 1904 - 6,505,849, an increase of 20,811 tons or .32%.

Tons carried one mile, per mile of road - 103,382. Average distance haul of one ton - 16,255 miles.

The earnings per ton per mile in 1903 were 1.40 cents.

The earnings per ton per mile in 1904 were 1.34 cents, a decrease of .06 cents or 4.28%.

Average amount received for each ton 21.81 cents.

Tons produced for each mile of main line and branches, viz.: 62.93 miles - 6359.

I show below a statement of Earnings per ton per mile on various commodities.

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MARQUETTE, MICH.

W.C.M.#13.

Statement of Earnings Per Ton Per Mile on Various Commodities.

<u>On which we get the manufactured product.</u>	Average Miles Handled	Rate Per 100 lbs. Cents	Earnings Per Ton Per Mile Cents
Hemlock to Paper Mill (Munising)	25	1.50	1.20
Hardwood - Superior Veneer & Cpg.Co.-Munising	25	1.25	1.00
Shingle timber to Munising	30	1.175	.78
 <u>On which there is no agreement about manufactured product.</u>			
Hides & Leather - D.S.S.& A. and Munising	6	4.50	15.00
Do. C.& N.W. "	38	4.00	2.10
Bark - D.S.S.& A. and Munising	6	2.25	7.50
" M.Ry.points to Munising	25	4.25	3.40
" M.& S.E.Ry. " "	28	3.00	2.15
Hay - Soo Line to Lawson	8	1.33	3.33
Forest Products-Stillman & west to C.& N.W.Ry.	21	2.50	2.38
" " East Branch to C.& N.W.Ry.	45	3.00	1.33
Pig Iron - Lawson to Soo Line (Eben)	8	.665	1.66
" " " C.& N.W.Ry. (Little Lake)	10	.803	1.66
Hemlock (out by water)	25	2.25	1.80
Coal (commercial) Lawson to Munising	28	2.50	1.80
" (Paper Co.) " " "	28	1.37	.98
Crushed Rock - Soo Line to Lawson(Marquette)	8	.50	1.25
" " " " " Munising (Paper Mill)	20	2.00	2.00
Hardwood - Thompson contract - to Munising (out by water)	25	2.00	1.64
Shingles & Ties - Munising to Little Lake	38	3.00	1.58
Brick - Hallston to Lawson (Marquette)	25	1.75	1.40
Ore - Lawson to Soo Line (Eben)	8	.4165	1.04
Wood(commercial) Chatham to Marquette	10	.74	1.48
" " " " Ishpeming	10	.85	1.70
Pulp Wood - Paper Co. - from D.S.S.& A.Ry.	6	1.00	3.33
Paper - Munising Jct. - D.S.S.& A.Ry.	6	3.00	10.00
" - Little Lake - C.& N.W.Ry.	38	3.00	1.58
" Eben - Soo Line	20	3.00	3.00
Wood to Furnaces (Marquette) from M.Ry.points (Average weight per cord 4400 lbs.)	11	.44	.80

MUNISING RAILWAY COMPANY.

W.G.M.#14.

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS BY MONTHS FOR YEAR 1904.

Receipts From	January	February	March	April	May	June	July	August	September	October	November	December	Total
Freight	6288.02	6008.57	5542.48	5889.04	8370.18	8238.07	6232.85	7215.32	7682.53	8506.22	8025.93	9295.70	87294.91
Passgr.	1140.25	1155.14	1323.99	1650.65	1868.91	1692.22	1933.56	1950.26	1721.45	1729.52	1946.09	1380.43	19492.47
Mail	135.80	135.80	135.80	135.80	135.80	135.80	132.02	135.80	135.80	135.80	134.80	134.48	1623.50
Express	110.45	109.69	138.81	139.34	205.98	379.64	335.86	415.06	305.00	273.36	159.42	137.12	2709.73
Miscl.	16.00	16.00	16.00	16.00	14.00	14.00	79.00	14.00	14.00	14.00	24.54	15.00	252.54
<b>Total</b>	<b>7690.52</b>	<b>7425.20</b>	<b>7157.08</b>	<b>7830.83</b>	<b>10594.87</b>	<b>10459.73</b>	<b>8713.29</b>	<b>9730.44</b>	<b>9858.78</b>	<b>10658.90</b>	<b>10290.78</b>	<b>10962.73</b>	<b>111373.15</b>
<b>Disbursements</b>													
Conduct. Transp'n.	5064.73	4828.06	4145.96	3839.58	4409.60	4420.96	3641.18	3522.52	3996.56	4038.74	3720.13	4491.88	50119.90
Maint. Equipment	681.46	695.27	647.23	1005.14	866.00	744.45	490.50	544.01	633.77	405.27	536.80	1085.82	8335.72
Maint. of Way	1444.37	1310.91	2968.99	1325.04	2293.93	5647.19	2099.71	2194.21	2629.56	2117.22	1009.47	1423.82	26464.42
General Expenses	563.44	484.71	439.34	465.85	427.20	459.25	775.77	139.79	440.11	495.09	499.04	469.08	5708.67
<b>Total</b>	<b>7754.00</b>	<b>7318.95</b>	<b>8251.52</b>	<b>6635.61</b>	<b>7996.73</b>	<b>11271.85</b>	<b>7007.16</b>	<b>6400.53</b>	<b>7700.00</b>	<b>7056.32</b>	<b>5765.44</b>	<b>7470.60</b>	<b>90628.71</b>
Net Inc. over Opr. Expenses	63.48	106.25	1094.44	1195.22	2598.14	812.12	1706.13	3329.91	2158.78	3602.58	4525.34	3492.13	20744.44
Percent of Exps. to Earnings	1.00 <sup>8</sup>	.97 <sup>2</sup>	1.15 <sup>2</sup>	.84 <sup>7</sup>	.72 <sup>6</sup>	1.07 <sup>7</sup>	.80 <sup>4</sup>	.65 <sup>7</sup>	.78 <sup>1</sup>	.56 <sup>2</sup>	.56 <sup>0</sup>	.68 <sup>1</sup>	.81 <sup>3</sup>
Taxes	500.00	953.18	953.93	953.93	953.93	953.93	953.93	953.93	953.93	953.93	953.93	953.94	10992.49
<b>Total</b>	<b>563.48</b>	<b>848.93</b>	<b>2048.37</b>	<b>241.29</b>	<b>1644.21</b>	<b>1766.05</b>	<b>752.20</b>	<b>2375.98</b>	<b>1204.85</b>	<b>2648.65</b>	<b>3571.41</b>	<b>2538.19</b>	<b>9751.95</b>
Int. & Dis Int. on Bonds	2339.32	2187.30	2335.32	2255.74	2330.74	2240.95	2375.71	2375.37	2298.48	2382.82	2305.78	2412.44	27839.97
<b>Total</b>	<b>533.33</b>	<b>533.33</b>	<b>533.34</b>	<b>533.33</b>	<b>533.33</b>	<b>533.33</b>	<b>533.33</b>	<b>533.33</b>	<b>533.35</b>	<b>533.33</b>	<b>533.34</b>	<b>533.33</b>	<b>6400.00</b>
Const. & New Equip	3436.13	3567.56	4917.03	2547.78	1219.86	4540.33	2156.84	532.72	1626.98	267.50	732.29	407.58	24488.02
<b>Total</b>	<b>150.30</b>				<b>42.55</b>	<b>242.11</b>	<b>731.54</b>	<b>1109.66</b>	<b>5953.06</b>	<b>7523.87</b>	<b>3066.01</b>	<b>4468.88</b>	<b>23287.50</b>

MUNISING RAILWAY COMPANY.

W.G.M.#15

Progressive Statement of Earnings and Expenses, is as follows for years ending Dec.31st.

	<u>EARNINGS.</u>								
	1904	1903	1902	1901	1900	1899	1898	1897	8 Mos   1896
Freight,	87294.91	91818.33	44782.24	40271.30	46537.79	42710.86	42189.84	55043.09	31449.53
Passenger,	19492.47	21405.10	17174.07	12805.57	13622.30	10477.84	8212.40	4484.46	3500.50
Mail,	1623.50	1642.74	1628.64	1628.64	1625.02	1053.20	468.00	603.00	569.31
Express,	2709.73	2444.13	1460.27	1174.66	1242.27	1437.17	271.29	357.25	264.65
Miscellaneous	252.54	216.83	1034.72	738.30	2931.53	377.92	4477.00		118.25
<b>Total</b>	<b>111373.15</b>	<b>117527.13</b>	<b>66079.94</b>	<b>56618.47</b>	<b>65958.91</b>	<b>56056.99</b>	<b>55618.53</b>	<b>60487.80</b>	<b>35902.24</b>
	<u>OPERATING EXPENSES.</u>								
	1904	1903	1902	1901	1900	1899	1898	1897	8 Mos. 1896
Maint.of Way & Structures	26464.42	29429.86	30867.31	10911.64	10635.52	10664.28	7884.37	7358.68	2303.28
Maintenance of Equipment	8335.72	10119.93	6785.05	3398.18	6566.94	6317.71	4420.34	2518.94	1056.97
Conducting Transportation	50119.90	52602.76	31672.51	20571.16	25394.18	25071.44	29194.59	25956.75	12897.13
General Expenses	5708.67	11671.62	5135.67	4857.99	4563.58	4388.06	2065.18	2324.08	2003.04
<b>Total</b>	<b>90628.71</b>	<b>103824.17</b>	<b>74460.54</b>	<b>39738.97</b>	<b>47160.22</b>	<b>46941.49</b>	<b>43564.48</b>	<b>38158.45</b>	<b>18260.42</b>
Net Earnings	20744.44	13702.96	8380.60	16879.50	18798.69	9115.50	12054.05	22329.35	17641.82
Percent of Exps.to Earnings	81.3	88.3	112.68	70.1	71.5	83.7	78.3	63.1	50.9
Taxes	10992.49	6000.00	5622.51	1442.46	1500.00	1401.42	1414.80	566.38	
Total Net Earnings	9751.95	7702.96	14003.11	15437.04	17298.69	7714.08	10639.25	21762.97	17641.82
Interest	34239.97	36329.78	30083.37	42667.82	31011.96	8685.57	40488.97	37229.77	653.33
Surplus or Deficit	24488.02	28626.82	44086.48	27230.78	13713.27	971.49	29849.72	15466.80	16988.49

MUNISING RAILWAY - EARNINGS AND EXPENSES.

W.G.M.#16.

Progressive Statement of Commodities is as follows:

COMMODITY		1904	1903	1902	1901	1900	1899	1898	1897	1896
		Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Products of Agriculture	Grain,	1,531	1,592	1,093	11,121	992	1,102	1,011	656	417
	Flour	1,020	572	253	307	132	366	291	298	313
	Other Mill Products	666	518	246	207	414	25	-	98	116
	Hay	2,298	2,269	1,035	771	1,376	905	995	746	559
	Fruit & Vegetables	155	105	152	39	109	165	168	264	43
	Potatoes	146	125	80	138	89	-	-	144	160
Products of Animals	Live Stock	94	90	59	-	72	103	54	22	106
	Dressed meats	1,456	1,712	1,613	1,544	1,476	1,425	720	15	47
	Other Packing-House Products	-	-	162	516	743	716	403	24	-
	Hides & Leather	907	1,585	1,742	981	747	1,085	2,088	564	56
Products of Mines	Coke	35	88	-	-	-	-	-	-	-
	Anthracite Coal	1,248	75	459	420	200	153	173	105	65
	Bituminous Coal	7,267	836	-	80	75	-	65	25	-
	Stone, sand, etc.	6,145	29,749	6,688	825	20	254	52	172	1,636
	Salt	30	16	18	24	16	21	129	-	-
	Ores	20,831	19,500	-	-	-	-	-	-	-
Products of Forest	Wood	252,910	242,579	20,152	-	-	-	-	-	-
	Logs	34,012	11,476	13,722	47,642	67,936	42,951	57,882	141,876	62,200
	Bark	4,636	6,444	3,464	3,517	4,647	4,387	5,583	4,310	896
	Lumber, etc.	16,783	13,398	24,533	16,817	13,538	29,211	11,959	7,086	5,366
	Shingles	5,211	4,566	1,276	2,507	2,949	-	9,438	-	193
	Cooperage	674	973	1,225	1,605	3,056	4,571	2,538	-	413
	Posts & Poles	13,615	31,234	-	-	-	-	-	-	-
Manufactures	Petroleum & other Oils	103	264	84	109	123	56	168	24	12
	Iron - Pig & Bloom	10,695	17,529	1,912	221	-	-	-	-	-
	Iron & Steel Rails	12	140	104	726	-	-	12	149	-
	Other Castings & Machinery	2,532	3,904	1,294	268	62	138	400	820	1,841
	Cement, Brick & Lime	2,799	7,011	10,248	910	1,439	797	378	757	2,695
	Wagons, Carriages, Tools, etc.	-	50	95	-	-	10	31	-	12
	Wines, Liquors & Beer	556	512	364	374	249	246	340	299	434
	Sugar	119	80	-	-	-	-	-	7	-
	Paper	1,094	-	-	-	-	-	-	-	-
	Bar & Sheet Metal	15	-	-	-	-	-	-	3	-
	Household Goods & Furniture	148	220	168	123	125	30	33	109	195
	Miscellaneous Commodities	3,524	1,079	-	-	-	-	-	-	-
	Merchandise	6,960	7,756	5,148	3,109	4,264	3,678	20,109	4,678	867
Totals		400,228	408,047	97,389	84,901	104,849	92,395	115,100	163,251	78,642

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W.G.M.#17.

EXPENSES.

Conducting Transportation.

The total shows a decrease of \$2482.86 or 4.71%.

Fuel for Locomotives, decreased \$1795.58 or 10%, and is caused by 17928 less engine miles equalling 16% and by decrease in cost of fuel. Fuel at Munising being charged out at an average price of \$3.23 per ton, compared with \$3.50 in 1903, \$3.05 in 1902 and \$3.25 in 1901. Fuel from L.S. & I. Ry. stock was charged out to engines running through on Munising Ry. at \$2.65, compared with \$2.94 in 1903.

Engine and Roundhousemen increased \$134.05 by increased help in round house.

Telegraph Expenses increased \$122.58 by change in distribution of joint station and telegraph labor - the decrease in Station Service equalling the increase in this account.

Car Service Balance increased \$351.82 by more mileage of foreign cars. The increase to us of per diem rate of 20¢ per day over mileage at .6¢ per mile in 1904 was \$1762.13; out of this however we collected \$591.60 demurrage making the net increase \$1171.53.

Injuries to Persons increased \$83.05 by settlement with employes injured.

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W.G.M.#18.

MAINTENANCE OF EQUIPMENT.

The total shows a decrease of \$1784.21.

Repairs Locomotives decreased \$3673.78 by less repairs required .

Repairs to engines were as follows - Cost, \$2535.37.

<u>Eng.</u>	<u>Labor</u>	<u>Material</u>	<u>Total</u>	<u>Mileage on Munising Ry.</u>	<u>Cost per Engine Mile for Repairs - Cents.</u>
21	171.19	50.25	221.44	9904	2.24
22	245.60	121.25	366.85	9540	3.85
23	179.21	68.31	247.52	12348	2.00
24	372.42	154.90	527.32	20709	2.55
25	78.55	5.47	84.02	2905	2.89
Total	\$1046.97	400.18	1447.15	55406	2.61

Foreign Engines.

Total	599.56	488.66	1088.22	38201	2.85
Grand Total	\$1646.53	\$888.84	\$2535.37	93607	2.71

Comparison with 1903.

Totals	3673.67	2535.48	6209.15	111535	5.57
Dec.	\$2027.14	1646.64	3673.78	17928	2.86



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W.G.M.19.

Comparative Engine Expenses per mile was as follows:

	<u>1904</u>	<u>1903</u>	<u>1902</u>	<u>1901</u>
For repairs	2.71	5.57	2.29	1.43
" fuel	17.32	16.15	10.85	8.22
" stores	.56	.48	.39	.26
" Engineers and Firemen ) " Hostlers and Wipers )	<u>10.33</u>	<u>8.55</u>	<u>7.25</u>	<u>7.29</u>
	30.92	30.75	20.78	17.20

Pounds of coal consumed per engine mile, was as follows :

	<u>1904</u>	<u>1903</u>	<u>1902</u>	<u>1901</u>
Passenger	52.52	59.73	56.39	No
Mixed & Freight	134.98	120.31	73.14	Record
Work	29.47	60.43	---	"
Switching	<u>142.39</u>	<u>192.80</u>	---	"
	107.34	103.86	71.18	50.7

Progressive Statement of Repairs to Engines.

	<u>Per Engine</u>	<u>Munising Ry. Miles</u>	<u>Miles on Foreign Roads</u>	<u>Total</u>	<u>Per Mile - cents</u>
1896	\$77.72				
1897	198.45				
1898	514.65				
1899	1122.44				
1900	1405.94				
1901	324.42				
1902	335.60	69510	19707	89217	1.88
1903	1016.35	61231	15118	76349	6.66
1904	289.43	55406	10391	65797	2.20

No Engine Mileage previous to 1902.

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MARQUETTE, MICH..

**W.G.M.#29.**

**PASSENGER CAR REPAIRS.**

The total shows an increase of \$1408.82 and was caused by combination cars 2 and 3 having general repairs, including paint burned off and repainted and combination car No.4 having new heater pipes.

Repairs Passenger Cars

	<u>Per Car</u>	<u>Per Mile - Cents</u>
1896	None	
1897	None	
1898	59.80	
1899	22.71	
1900	83.38	
1901	86.02	1.13
1902	143.80	1.27
1903	150.35	.83
1904	432.12	2.32

REPAIRS FREIGHT CARS.

The total shows an increase of \$243.58 by more repairs required - 48 cars were overhauled, 12 - minor repairs; 10 - heavy repairs; 20 - new decks and 6 - new sills.

The total expense is divided as follows -

	<u>Munising Ry. Freight Cars - 103</u>		<u>Foreign Freight Cars</u>	<u>Total</u>
	Labor & Material	Per Car	Labor & Material	
1904	\$2392.91	\$23.23	\$94.97	\$2487.88
1903	1979.98	19.22	264.32	2244.30

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MARQUETTE, MICH..

W.G.M.#21.

Statement of Repairs Per Mile is as follows, based on mileage made  
on Munising Ry.

<u>Munising Ry. Cars</u>			<u>Foreign Cars</u>			<u>Total</u>	
<u>Per Car</u>	<u>Total Miles</u>	<u>Per Mile</u>	<u>Total Miles</u>	<u>Per Mile</u>	<u>Total Miles</u>	<u>Per Mile</u>	
		<u>cents</u>		<u>cents</u>		<u>cents</u>	
1901					142946	.65	
1902	\$12.13	57797	2.16	160325	1.15	218122	1.42
1903	19.22	136390	1.45	433687	.06	570077	.39
1904	23.23	112139	2.13	451398	.02	563537	.44

**Lake Superior & Shipping Railway Co.  
Munising Railway Co.  
Marquette & Southeastern Railway Co.**

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A. WARD,  
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Office of General Manager.

MARQUETTE, MICH..

W.G.M.#22.

MAINTENANCE OF WAY .

The total cost is a decrease of \$2965.44.

Total Improvement charged to Maintenance of Way under proper head is as follows:

Repairs Roadway - Ballasting was done between Hallston and Munising and in spots between Hallston and Deimling. Total track ballasted 4.5 miles at average of \$516.48 per mile. Total cars hauled - 911; average for loading,hauling,distributing and putting under track - \$2.55 per car \$2324.15

Repairs Docks - That part of the merchandise dock at Munising used by the public was condemned for use in 1903 and the fore part of 1904,an agreement was entered into with the village of Munising,whereby they were given that part of Elm Ave.between railroad and lake for street purposes and the railroad secured a lease of the street frontage for dock purposes.The dock and team approach was therefore rebuilt in accordance with the agreement and certain charges provided for dockage and use of dock.The Improvement cost - Labor \$1074.74  
Material 2913.43 3988.17

Repairs Telegraph - The telegraph pole line between Munising and Merriam,originally built of old,small poles,was worn out and arrangement was made with the owners,the Western Union Telegraph Co. according to contract to furnish material for rebuilding,we furnishing the labor 194.67

Total \$6506.99

This is a decrease from 1903 of \$2277.67.

**Lake Superior & Deimling Railway Co.  
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MARQUETTE, MICH.

W.G.M.#23.

Repairs Roadway decreased \$4423.98 for three reasons - less rain, feeling effects of work that has been done, and getting better work from men.

Removal Snow and Ice increased \$1366.88 by very severe weather in January, February, March and December.

Temporary Spurs - Labor , total cost of \$368.28 and a decrease of \$1201.86

The following temporary tracks were laid in 1904, the labor being charged to Maintenance of Way under the above head and the material being carried in Material Account under head of Temporary Spurs - Material as shown on Page 6 of exhibit book.

	<u>Length</u>	<u>Labor</u>	<u>Material</u>	<u>Total</u>
Standard	288'	21.44	128.70	150.14
Extn. Tank Spur	270'	32.35	8.06	40.41
Midway	282'	28.14	26.38	54.52
Deimling	11210'		3320.46	3320.46
Manigold	210'		62.04	62.04
Lorna	784'	53.33	284.34	337.67
Ames-Extension	150'	2.52	8.26	10.78
Hartho	770'	66.36	83.47	149.83
Metser-ext. & new siding	1860'	56.93	28.21	85.14
Tindle & Jackson	2433'	107.21	253.22	360.43
	<u>18257'</u>	<u>\$368.28</u>	<u>\$4203.14</u>	<u>\$4571.42</u>

**Lake Superior & Deimling Railway Co.**  
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MARQUETTE, MICH..

W.G.M.#24.

The investment in tracks, labor and material for Pioneer Iron Co. during 1904 was as follows:

On Deimling track, they paid for labor laying and surfacing

	Length	Cost
Deimling	11210 ft.	\$3320.46
Lorna	784 "	337.67
Total - 1904	11994 "	\$3658.13
1903	11007 "	4552.32
1902	11726 "	4366.30
	34727 "	\$12576.75

or 6.58 miles.

On all Temporary Spurs, shippers did grading and furnished ties. Our expense for material includes rails and fastenings, switches, etc.

Renewal Ties increased \$550.64 by charging out shortage in material account Ties from 1901.

Tie Renewals and cost per tie was as follows:

Switch Ties - Main Line	18 sets @ \$26.13	\$470.34	
Branches	1 " "	26.13	
	19		\$496.47
Cross Ties - Main Line	10120 @ 25.94¢	2625.19	
Branches	1380 " 25.94¢	357.99	
	11500		2983.18
Deficit charged out - Main Line		548.24	
Branches		74.76	623.00
			\$4102.65

**Lake Superior & Michigan Mining Railway Co.  
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MARQUETTE, MICH..

W.G.M.#25.

Total Main Line and Sidings	\$3643.77
Total Branches and Sidings	458.88
	\$4102.65

Cost per tie is cost, inspection, loading and delivering on track ready to put in.

Repairs Bridges and Culverts, decreased \$1607.72 by less repairs required.

Repairs Fences increased \$99.65 and is for material building 317 rods of fence west of Munising in 1903 and labor and material building 72 rods of fence opposite State Farm at Chatham.

Repairs Buildings increased \$268.27 for miscellaneous repairs.

Detailed Cost of Track Maintenance is as follows:

Repairs Roadway and Renewal Ties but not ballasting - Total Cost, \$13597.94 - a decrease from 1903 of \$3873.34.

Main Line and Sidings - 54.35 miles.

	Main Track - 38.00 miles			Sidings - 16.02 mi. - 1/2 jt. tracks		
	<u>Labor</u>	<u>Material</u>	<u>Total</u>	<u>Labor</u>	<u>Material</u>	<u>Total</u>
	\$6029.74	\$3873.00	\$9902.74	\$1150.83	\$340.93	\$1491.76
Per Mile	158.67	101.92	260.59	71.84	21.28	93.12
Per Foot - cents	3.00	1.93	4.93	1.36	.40	1.76

**Lake Superior & Ishpeming Railway Co.**  
**Munising Railway Co.**  
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MARQUETTE, MICH..

W.G.M.#26.

Branches and sidings - 30.58 miles.

	Main Track - 24.93 miles			Sidings - 5.65 miles		
	<u>Labor</u>	<u>Material</u>	<u>Total</u>	<u>Labor</u>	<u>Material</u>	<u>Total</u>
	\$1470.50	\$626.10	\$2096.60	\$82.61	\$24.23	\$106.84
Per Mile	58.98	25.11	84.09	14.62	4.29	18.91
Per Foot-cents	1.12	.47	1.59	.28	.08	.36

RECAPITULATION.

	<u>Main Line and Sidings</u>	<u>Branches and Sidings</u>
	<u>54.02 miles</u>	<u>30.58 miles</u>
Repairs Roadway	7750.73	1744.56
Renewal Ties	<u>3643.77</u>	<u>458.88</u>
	\$11394.50	\$2203.44
Per Mile	210.93	72.06
Per Foot-cents	3.99	1.36

Progressive Statement Repairs Roadway and Renewal Ties - All tracks.

	<u>1904</u>	<u>1903</u>	<u>1902</u>	<u>1901</u>
	84.60 miles	81.30 miles	79.46 miles	57.0 miles
Labor and Material	\$13597.94	\$17471.23	\$16585.98	\$10169.11
Per Mile	160.73	214.20	208.73	178.40
Per Foot-cents	3.04	4.07	3.95	3.38



Lake Superior & Mackinac Railway Co.  
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MARQUETTE, MICH..

W.G.M.#27.

GENERAL EXPENSE.

Total shows a decrease of \$5962.95.

Salaries clerks increased \$200.00 by more help.

Law Expenses decreased \$6145.03 by expenses incident to Lac La Belle suit.

TAXES.

The State Board of Tax Commissioners fixed the valuation for 1904 at \$650,000.00, the rate being \$16.91+ per \$1000.00, making taxes \$10992.49. At the last assessment, January, 1905, the valuation was made \$550,000.00, the rate being \$16.92+, making the taxes \$9207.62.

The suit against State by practically all of the roads has not yet been decided and until it is, the taxes actually paid are on the old basis.

Percentage of taxes to Gross Earnings in 1904 was 9.87%.

**Lake Superior & Ashcroft Mining Railway Co.  
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MARQUETTE, MICH..

W.G.M.#28.

PERSONAL INJURY.

- Jany.14th. Edward Nelson - Brakeman: Making coupling. Got leg caught and hurt. Secured release. Paid board and doctor for attendance. Lost 27.3 days.
- July 20th. Samuel Morgan - Carpenter: Adz slipped cutting ankle. Secured release. Did not go to work again.
- October 10th. Isaac Johnson - Trespasser: Laying on track and was run over and killed. Coroner's verdict exonerates company from blame.
- November 8th. Nick Demuria - Section Man: Water keg fell off hand car causing car to jump track. Handle bars struck Demuria in stomach. Lost 11 days. Secured settlement and release.
- December 12th. James Maloney - Trespasser: Intoxicated, lying beside track, struck by pilot of engine on No.3 about one half mile west of Vail. Fireman saw an object struck in snow and thrown aside but did not know it was a man. Crew on No.4 notified, which ran slow at this point, found the man beside track with broken leg. Took him to Munising and he was turned over to town authorities to be cared for.

ACCIDENTS.

The most serious accident during the year was two derailments, same train and same day in April between Munising and Merriam, caused by poor surface from insufficient ballast - total cost \$83.00.

Accidents were as follows -

<u>Location</u>	<u>Number</u>	<u>Amount</u>
Munising	2	12.88
Road	20	246.36
	22	\$259.24

**Lake Superior & Iron Range Railway Co.  
Munising Railway Co.  
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MARQUETTE, MICH..

W.G.M.#29.

<u>Kind of Damage</u>	<u>1904</u>	<u>1903</u>	<u>1902</u>
Engines	9.81	120.84	
Cars	143.71	106.93	306.80
Tracks	<u>105.72</u>	<u>111.32</u>	
	\$259.24	\$339.09	\$306.80

Cause of Accident.

	1904		1903	
	<u>No.</u>	<u>Cost</u>	<u>No.</u>	<u>Cost</u>
Defects of Road	8	\$167.19	10	68.20
Defects of Equipment	6	37.14	6	171.37
Negligence in Operating	7	29.91	5	86.87
Unforeseen Obstructions	<u>1</u>	<u>25.00</u>	<u>2</u>	<u>12.65</u>
	22	\$259.24	23	\$339.09

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MARQUETTE, MICH.

W.G.M.#30.

COST OF ROAD AND EQUIPMENT.

Cost of Road.

Paper Mill Tracks - Paper mill tracks were extended during the year to meet their requirements and the cost for the year was \$1684.39. The total length of tracks now laid for their use at the mill is 6290 ft. and the total cost is \$8954.56.

Equipment - Engine 25, one of the engines purchased second hand from Union Pacific was rebuilt - the total cost being \$2974.80.

Total charge to Cost of Road - \$4659.19.

EAST BRANCH EXTENSION.

C.H. Worcester Co. operating under contract with Cedar Land & Mining Co. made July 2, 1901, having made request for extension to east line of T.47, R.17 in accordance with contract. Survey was made latter part of August and work commenced in September, 7½ miles being required.

The clearing, grubbing and grading was practically completed, except the last 1200 feet, which is in Worcester Co.'s yard, on December 22nd., and an account of snow and wet swamps the work was stopped for the winter. 2.6 miles track is laid but not surfaced and if weather permits the work will be completed by June 1st.

The estimate of cost and cost to December 31st. is as follows -

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MARQUETTE, MICH.

W.G.M.#31.

	Estimate	Cost to Dec. 31
Right of Way	540.00	73.72
Clearing and grubbing	4000.00	3797.67
Grading	6400.00	6605.97
Bridges and Culverts	1944.00	1185.39
Ties	6300.00	3347.34
Rails	10165.00	00.00
Track Fastenings	2307.60	1008.00
Track Laying and Surfacing	6375.00	698.51
Switches and Frogs	100.00	0.00
Transportation and Handling		
Material	600.00	124.90
Engineering Equipment and		
Superintendence	3873.16	1787.29
1 mile sidings	5000.00	0.00
	\$47604.76	\$18628.79

BEACH INN.

The lease of Beach Inn with Samuel Redfern was given up on November 1st, on three months notice, in accordance with the lease. Report of the operations is attached to yearly exhibit book.

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MARQUETTE, MICH.

W.G.M.#32.

RIGHT OF WAY.

Following is a list of unsettled rights of way which will be taken up and deeds obtained -

MAIN LINE.

Alger County.

The S.  $\frac{1}{2}$  of S.  $\frac{1}{2}$  of Section 32, T.46 N., R.20 W.  
The N.  $\frac{1}{2}$  of NW  $\frac{1}{4}$  of Section 6, T.45 N., R.20 W.

Marquette County.

The S.W.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  of Section 36, T.46 N., R.23 W.  
The S.E.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  of Section 4, T.45 N., R.23 W.  
The N.E.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$  of Section 7, T.45 N., R.23 W.  
The N.W.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  of Section 14)  
The S.E.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$  of Section 15)  
The N.  $\frac{1}{2}$  of N.  $\frac{1}{2}$  of Section 21) T.45 N., R.24 W.  
The N.E.  $\frac{1}{4}$  of N.E.  $\frac{1}{4}$  of Section 20)

East Branch.

The Munising Co.

The N.W.  $\frac{1}{4}$  of N.E.  $\frac{1}{4}$  of Section 1, T.45 N., R.19 W.  
The S.E.  $\frac{1}{4}$  of N.E.  $\frac{1}{4}$  and S.E.  $\frac{1}{4}$ , Section 36, T.46 N., R.19 W.  
The E.  $\frac{1}{2}$  of E.  $\frac{1}{2}$  and N.W.  $\frac{1}{4}$  of N.E.  $\frac{1}{4}$  of Section 2  
The S.W.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  and E.  $\frac{1}{2}$  of E.  $\frac{1}{2}$  of Section 11  
The W.  $\frac{1}{2}$  of S.W.  $\frac{1}{4}$ , N.E.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$ ,  
The S.E.  $\frac{1}{4}$  of N.W.  $\frac{1}{4}$  (for Main Line and Forsters Branch)  
The N.E.  $\frac{1}{4}$  of N.W.  $\frac{1}{4}$ , N.W.  $\frac{1}{4}$  of N.E.  $\frac{1}{4}$  and S.  $\frac{1}{2}$  of N.E.  $\frac{1}{4}$  (Section 14  
The S.E.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  of Section 15  
The S.  $\frac{1}{2}$  of S.E.  $\frac{1}{4}$  of Section 20  
The W.  $\frac{1}{2}$  of N.W.  $\frac{1}{4}$ , N.E.  $\frac{1}{4}$  of N.W.  $\frac{1}{4}$  and N.  $\frac{1}{2}$  of N.E.  $\frac{1}{4}$  of Section 29  
The S.E.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$ , the W.  $\frac{1}{2}$  of S.E.  $\frac{1}{4}$ , N.E.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  and S.E.  $\frac{1}{4}$  of  
N.E.  $\frac{1}{4}$  of Section 30  
The N.W.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$  and the N.W.  $\frac{1}{4}$  of Section 31, all of T.46 N., R.18 W.  
The N.E.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$  and N.W.  $\frac{1}{4}$  of S.E.  $\frac{1}{4}$  of Sec. 36, T.46 N., R.20 W.  
The S.W.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$ , Section 35, T.46 N., R.20 W.  
The N.W.  $\frac{1}{4}$ , the N.E.  $\frac{1}{4}$  of S.W.  $\frac{1}{4}$  and the W.  $\frac{1}{2}$  of S.E.  $\frac{1}{4}$ , Section 2, T.45 N.  
R.20 W.

**Lake Superior & Michigining Railway Co.**  
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MARQUETTE, MICH..

W.G.M.#33.

The Lac La Belle Co.

The S. $\frac{1}{2}$  of N.W. $\frac{1}{4}$ , N.E. $\frac{1}{4}$  of S.W. $\frac{1}{4}$  and the N. $\frac{1}{2}$  of S.E. $\frac{1}{4}$ , Section 13,  
The S.W. $\frac{1}{4}$  of S.W. $\frac{1}{4}$  of Section 21  
N.W. $\frac{1}{4}$  of N.E. $\frac{1}{4}$  of Section 27 - all of T.46 N., R.18 W.  
The S. $\frac{1}{2}$  pf the S.W. $\frac{1}{4}$  and N.W. $\frac{1}{4}$  of S.W. $\frac{1}{4}$  of Section 17,  
The N. $\frac{1}{2}$  of the N.W. $\frac{1}{4}$ , N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$ , Section 23, all in T.46 N.  
R.17 W.

The D.M.& M.Ry.

The S.E. $\frac{1}{4}$  of S.E. $\frac{1}{4}$ , Section 21, T.46 N., R.18 W.  
The S.W. $\frac{1}{4}$  of S.W. $\frac{1}{4}$  " 22 "  
The N. $\frac{1}{2}$  of N.W. $\frac{1}{4}$  " 27 "  
The N. $\frac{1}{2}$  pf N.E. $\frac{1}{4}$  " 28 "  
The S.E. $\frac{1}{4}$  of S.E. $\frac{1}{4}$ , Sec.17, T.46 N., R.17 W.  
The N.E. $\frac{1}{4}$  of S.W. $\frac{1}{4}$ , Section 18 "  
The N. $\frac{1}{2}$  of N.E. $\frac{1}{4}$  " 21 "  
The N. $\frac{1}{2}$  of N. $\frac{1}{2}$  " 22 "  
The S.E. $\frac{1}{4}$  pf N W. $\frac{1}{4}$ , S.W. $\frac{1}{4}$  of N.E. $\frac{1}{4}$  and S.W. $\frac{1}{4}$  of S.E. $\frac{1}{4}$ , Sec.23,  
T.46 N., R.17 W.

State Tax

The S.E. $\frac{1}{4}$  of S.W. $\frac{1}{4}$  and S.W. $\frac{1}{4}$  of S.E. $\frac{1}{4}$  Sec.21, T.46 N., R.18 W.

Unknown -

The S.W. $\frac{1}{4}$  pf S W. $\frac{1}{4}$  ,Section.16, T.46 N., R.17 W.

Chicago Lumber Co.

The S.W. $\frac{1}{4}$  of S.E. $\frac{1}{4}$ , Section 17, T.46 N., R.17 W.  
The N.W. $\frac{1}{4}$  of S.E. $\frac{1}{4}$ , Section 18

C.C.Iron Co.

The N.W. $\frac{1}{4}$  of S.W. $\frac{1}{4}$  of Section 18, T.46 N., R.17 W.

Worcester Lumber Co.

The N.E. $\frac{1}{4}$ , Section 26 - T.46 N., R.17 W.

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**Office of General Manager.**

MARQUETTE, MICH.

W.G.M.#34

REQUIREMENTS.

Rumley Siding should be extended for meeting trains and miscellaneous business. The extension should be 800 feet costing \$1000.00

Fencing - The line should be fenced from Au Train River to one mile west of Carlshend. Cost of stock killed in 1904 due to no fencing - \$440.00 Cost for labor and material for the fence will be 65¢ a rod or \$416.00 per mile for both sides of track or a total for the 19 miles of \$7904.00. Clearing was not done for the entire width of right of way and there will be an additional expense for cutting timber and clearing fence line of stumps and logs of about \$3000.00, making the total expense \$10904.00

Ballasting - The track is in need of ballast between Stillman and Dorsey and to repair track where it is in the worst shape, there is required \$2500.00.

Engine House-Little Lake - Engines at Little Lake have been standing outdoors for three years at night and Sundays and an engine house should be provided at a cost of \$1000.00

New Rail for Sidings - There should be provided enough second hand 60 lb. rail to replace 35 lb. rail in sidings which frequently breaks, delaying trains and causing damage to equipment. 50 tons or one half mile are **required**, costing \$1300.00.



**Lake Superior & Ishpeming Railway Co.  
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Marquette & Southeastern Railway Co.**

W. G. MATHER,  
PRESIDENT.  
H. R. HARRIS,  
GENERAL MANAGER.  
H. A. ST. JOHN,  
AUDITOR & GEN'L FRT. & PASS. AGT.  
A. WARD,  
SUPT. MUNISING RAILWAY.

Office of General Manager.

MARQUETTE, MICH..

W.G.M.#35.

New Sidings -Munising - Additional tracks for storing cars, caused by increased business for Paper Mill and Tindle & Jackson should be provided at Munising. 3300 feet of track are required which will cost, including six switches - \$4800.00.

East Branch Combination Car - this is Car No.1. Was old when purchased and is practically useless for service. It is probable that nothing but trucks, sills, windows and seat frames can be used and it is likely that the only use that can be made is to rebuild into a caboose, costing about \$1000.00.

SUMMARY OF REQUIREMENTS.

Rumley Siding	1000.00
Fencing	10904.00
Ballasting	2500.00
Engine House-Little Lake	1000.00
Rail for Sidings	1300.00
Munising Sidings	4800.00
Combination Car	1000.00
	<hr/>
	\$22504.00

Lake Superior & Ishpeming Railway Co.  
Munising Railway Co.  
Marquette & Southeastern Railway Co.

W. G. MATHER,  
PRESIDENT.  
H. R. HARRIS,  
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A. WARD,  
SUPT. MUNISING RAILWAY.

Office of General Manager.

MARQUETTE, MICH..

W.G.M.#36.

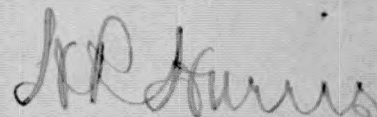
SUMMARY.

With the operations of Tindle & Jackson and the Munising Paper Co., Ltd., the prospect for business is good in 1905.

The C.H.Worcester Co. expects to ship 2000 cars of cedar products. Tindle & Jackson will cut in saw mill about 8 million feet, practically all hemlock. 3 million feet for Kelsey & Freeman and five million feet for themselves.

I estimate the earnings at \$140,000.00; Operating Expenses at \$8000.00 per month or \$96000.00 per year; Taxes - \$9203.00; total Expenses, \$105203.00, and Net Earnings \$34797.00.

Yours truly,



General Manager.



4

THE CLEVELAND-CLIFFS IRON CO.

I N D E X

ANNUAL REPORT

1904

1	Condensed Balance Sheet, All Companies . . . . .	1
2	Consolidated General Balance Sheet, All Companies . . . . .	2
3	General Balance Sheet, C.C.I.Co. . . . .	3
4	" " " C.I.M.Co. . . . .	4
5	" " " I.C.Co. . . . .	5
6	" " " P.I.Co. . . . .	6
7	Comparative Statement of Earnings, All Companies, Years 1903 and 1904 . . . . .	7
8	Comparison of Profit & Loss, All Companies, By Departments, Years 1903 and 1904 . . . . .	8
9	Disposition of Income Account for 12 Months Ending Nov.30th, 1904, All Co's . . . . .	9
10	Disposition of Income Account May 14th, 1901 to Nov.30th, 1904 C.C.I.Co. . . . .	10
11	" " " " May 1st, 1890 to Nov. 30th, 1904, C.I.M.Co. . . . .	11
12	" " " " Nov. 30th, 1880 to Nov. 30th, 1904, I.C.Co. . . . .	12
13	" " " " Four Years to Nov. 30th, 1904, P.I.Co. . . . .	13
13-1/2	Comparison of Securities and Outside Investments Owned November 30, 1903 & 1904.	
14	Comparison Inventory Price Mine & Furnace Products With Cost Price, All Co's . . . . .	14
15	Comparison for Five Years of Product From Mines Controlled by us . . . . .	15
15	Product and Cost of Ore at Mines for Five Years . . . . .	15
16	Comparison for Five Years of Product, Sales & Deliveries from Mines contr'ld by us . . . . .	16
17	Comparison for Five Years of Product of Furnaces Controlled by us . . . . .	17
<del>18</del>	<del>Product and Cost of Pig Iron at Furnaces for Five Years . . . . .</del>	<del>17</del>
18	Market Price of Standard Grades of Ore at Lake Erie Ports . . . . .	18

NOTE:- Where "All Companies" is referred to in this report reference is made to "The Cleveland-Cliffs Iron Co." - "Cleveland Iron Mining Co." & "Iron Cliffs Co." and the "Pioneer Iron Co."

THE CLEVELAND-CLIFFS IRON CO.  
 CLEVELAND IRON MINING CO.  
 IRON CLIFFS CO.  
 PIONEER IRON COMPANY

CONDENSED GENERAL BALANCE SHEET, NOVEMBER 30, 1904.

A S S E T S	NOVEMBER 30, 1903	NOVEMBER 30, 1904	INCREASE	DECREASE
Property and Equipment	8,641,951.69	8,316,182.39		325,769.30
Securities and Outside Investments	3,252,249.02	3,201,778.82		50,470.20
Working & Trading Assets	2,717,856.28	3,160,994.30	443,138.02	
Current Assets	1,458,963.53	2,282,640.68	823,677.15	
Deferred & Suspended Assets	46,909.24	63,940.20	17,030.96	
Total Assets	16,117,929.76	17,025,536.39	907,606.63	
Add Value of Stock of Constituent Companies, above par,	320,650.00	198,800.00		121,850.00
GRAND TOTAL ASSETS	16,438,579.76	17,224,336.39	785,756.63	
<u>L I A B I L I T I E S</u>				
Capital Stock Authorized, 50,000 Shares, Par Value \$100 Each				
900 " In Treasury " "				
49,100 " Outstanding " "	4,910,000.00	4,910,000.00		
Current Liabilities	2,718,225.59	2,551,156.90		167,068.69
Deferred & Suspended Liabilities	545,282.69	1,042,338.69	497,056.00	
Reserves	42,998.72	48,594.97	5,596.25	
Profit & Loss. (Surplus Account)	8,222,072.76	8,672,245.83	450,173.07	
GRAND TOTAL LIABILITIES	16,438,579.76	17,224,336.39	785,756.63	

WHW-WAH  
2/7/1905

THE CLEVELAND-CLIFFS IRON CO.  
CLEVELAND IRON MINING CO.  
IRON CLIFFS CO.  
PIONEER IRON COMPANY

CONSOLIDATED GENERAL BALANCE SHEET, NOVEMBER 30, 1904.

A S S E T S		NOV. 30, 1903	NOV. 30, 1904	INCREASE	DECREASE
<b>PROPERTY AND EQUIPMENT:</b>					
Real Estate and Timber Rights		4,783,317.10	4,733,048.02		50,269.08
<b>Mineral Lands &amp; Mineral Rights</b>					
Fee in Queen, Prince of Wales & Blue Mines		25,150.00	24,380.00		770.00
Fee in Webster Mine		19,735.55	19,735.55		
Fee in Lucy Mine		85,000.00	85,000.00		
Maas Mine Lands and Lease		792,731.68	789,723.76		3,007.92
Ashland Mine Lease		209,500.00	10,000.00		199,500.00
Crosby Mine Lease		180,507.27	179,328.26		1,179.01
Other Mining Leases		56,300.00	55,800.00		500.00
Mineral Lands - Swanzy			8,692.76	8,692.76	
Total Mineral Lands and Mineral Rights		1,368,924.50	1,172,660.33		196,264.17
Tax Titles Purchased		6,170.63	5,957.99		212.64
Vessels		580,000.00	553,000.00		27,000.00
Private Business Car		14,000.00	14,000.00		
Tracks to Queen Mine		24,254.58	24,158.67		95.91
Hospital at Ishpeming		1,255.71	1,255.71		
Personal Property		1,000.00	1,000.00		
<b>Equipment</b>					
Mine Department		50,717.72	11,535.94		39,181.78
Furnace "		83,294.96	62,101.07		21,193.89
Land "		1,237.28	1,418.60	181.32	
Total Equipment		135,249.96	75,055.61		60,194.35
<b>New Construction and Improvement</b>					
Mine Department		417,809.51	544,212.86	126,403.35	
Furnace "		1,301,137.19	1,182,191.82		118,945.37
Land "		8,832.51	9,641.38	808.87	
Total New Construction and Improvement		1,727,779.21	1,736,046.06	8,266.85	
Total Property and Equipment		8,641,951.69	8,316,182.39		325,769.30
<b>SECURITIES AND OUTSIDE INVESTMENTS</b>					
		3,252,249.02	3,201,778.82		50,470.20
<b>WORKING AND TRADING ASSETS</b>					
<b>Materials and Supplies</b>					
Mine Department		247,256.43	195,467.65		51,788.78
Furnace "		317,228.44	297,468.89		19,759.55
Land "		17,622.22	15,325.06		2,297.16
Total Material & Supplies		582,107.09	508,261.60		73,845.49
Ores on Hand		1,532,811.05	1,664,184.55	131,373.50	
Furnace Products on Hand		464,473.14	880,837.42	416,364.28	
Advance Royalties Paid - Unearned Proportion		68,088.44	54,022.59		14,065.85
Working Funds - Vessel Captains -		1,098.76	73.74		1,025.02
Telephone Coupons		223.14	95.54		127.60
Advance Payments on Coal not Received		7,777.48			7,777.48
Insurance Premiums Paid - Unexpired Proportion		3,565.48	2,990.89		574.59
Sundry Working Accounts		6,108.09	13,894.78	7,786.69	
Lake Superior Iron Co. - Advance Payments for Ore due us		51,603.61	36,633.19		14,970.42
Total Working & Trading Assets		2,717,856.28	3,160,994.30	443,138.02	
<b>CURRENT ASSETS</b>					
<b>Cash on Hand and on Deposit</b>					
General Office		193,677.15	279,598.84	85,921.69	
Mine Department		7,348.42	2,692.52		4,655.90
Furnace "		4,594.99	3,054.64		1,540.35
Land "		10,044.40	6,292.49		3,751.91
Total Cash on Hand and on Deposit		215,664.96	291,638.49	75,973.53	
Accounts Receivable		1,178,447.61	1,734,893.89	556,446.28	
Bills Receivable		64,850.96	256,108.30	191,257.34	
Total Current Assets		1,458,963.53	2,282,640.68	823,677.15	
<b>DEFERRED AND SUSPENDED ASSETS</b>					
Survey of Railway to Sauk's Head		4,191.75	4,191.75		
Sundry Suspended Accounts		41,149.47	41,698.93	549.46	
Delinquent Taxes Paid on Real Estate Sold & Leased		1,568.02	1,921.88	353.86	
Fire Loss at Chemical Plant No. 1 - Gladstone - held for Adjustment of Salvage Account.			16,127.64	16,127.64	
Total Deferred and Suspended Assets		46,909.24	63,940.20	17,030.96	
Total Assets		16,117,929.76	17,025,536.39	907,606.63	
<b>DEDUCT</b>					
Decrease in Value Below Par					
of C.I.M.Co. Stock	1903	723,000.00	783,000.00		
Outside Holdings of					
P. I. Co. Stock	1903	31,750.00	30,200.00		
	1904	754,750.00	813,200.00		
<b>ADD</b>					
Value of Iron Cliffs Co. Stock in excess of Par		1075,400.00	1,012,000.00		
Net Value of Stocks of Constituent Cos. Above Par		320,650.00	198,800.00		121,850.00
<b>GRAND TOTAL ASSETS</b>		16,438,579.76	17,224,336.39	785,756.63	
<b>LIABILITIES</b>					
<b>Capital Stock, Authorized 50,000 Shares, Par Value \$100.00 per Share</b>					
In Treasury	900				
Outstanding	49,100	4,910,000.00	4,910,000.00		
<b>CURRENT LIABILITIES</b>					
Bills Payable		1,845,864.32	1,655,588.22		190,276.10
Vouchers Payable		459,588.85	473,755.50	14,166.65	
Pay Rolls		126,592.93	88,160.16		38,432.77
Accounts Payable		284,541.99	332,199.02	47,657.03	
Brass Checks Outstanding		1,637.50	1,454.00		183.50
Total Current Liabilities		2,718,225.59	2,551,156.90		167,068.69
<b>DEFERRED AND SUSPENDED LIABILITIES</b>					
Advance Payments on Undelivered Ore & Pig Iron		504,915.14	999,129.43	494,214.29	
Benefit and Suspense Funds		40,367.55	43,209.26	2,841.71	
Total Deferred and Suspended Liabilities		545,282.69	1,042,338.69	497,056.00	
<b>RESERVES</b>					
Insurance Funds, Chemical Plants		19,260.58	14,109.02		5,151.56
Relinings and Renewals - Furnaces		18,838.72	26,444.39	7,605.67	
Fund for Extending Gladstone Dock		4,051.23	4,051.23		
New Building Fund - (Iron Cliffs Co.)		177.43	177.43		
Fire Loss at Salisbury Mine		670.76			670.76
Insurance Fund - Lake Superior Iron Co.			2,917.22	2,917.22	
Insurance Fund - Regent Iron Co.			895.65	895.65	
Total Reserves		42,998.72	48,594.97	5,596.25	
<b>PROFIT AND LOSS - (SURPLUS ACCOUNT)</b>		8,222,072.76	8,672,245.83	450,173.07	
<b>GRAND TOTAL LIABILITIES</b>		16,438,579.76	17,224,336.39	785,756.63	

ASSETS	NOV. 30, '03	NOV. 30, '04	INCREASE	DECREASE
<b>PROPERTY AND EQUIPMENT:-</b>				
Real Estate and Timber Rights	1,684,239.38	1,640,545.30		43,694.08
<b>Mineral Lands and Mineral Rights,-</b>				
Fee in Queen, Prince of Wales & Blue Mines	25,150.00	24,380.00		770.00
Fee in Webster Mine	19,735.55	19,735.55		
Fee in Lucy Mine	85,000.00	85,000.00		
Maas Mine Lands and Lease	752,731.68	749,723.76		3,007.92
Ashland Mine Lease	209,500.00	10,000.00		199,500.00
Crosby Mine Lease	180,507.27	179,328.26		1,179.01
Other Mining Leases	56,300.00	55,800.00		500.00
Mineral Lands, Swanzy		8,692.76	8,692.76	
Total Mineral Lands & Mineral Rights	1,328,924.50	1,132,660.33		196,264.17
Tax Titles Purchased	3,593.13	3,237.37		355.76
Vessels	374,000.00	357,000.00		17,000.00
Private Business Car	14,000.00	14,000.00		
Tracks to Queen Mine	24,254.58	24,158.67		95.91
<b>Equipment,-</b>				
Mine Department	42,847.18	5,193.37		37,653.81
Furnace Department	36,298.50	25,475.90		10,822.60
Land Department	1,237.28	1,418.60	181.32	
Total Equipment	80,382.96	32,087.87		48,295.09
<b>New Construction and Improvement</b>				
Mine Department	378,904.45	504,083.67	125,179.22	
Furnace Department	293,846.93	228,439.21		65,407.72
Land Department	4,610.77	4,695.52	84.75	
Total New Construc. & Improv't.	677,362.15	737,218.40	59,856.25	
Total Property And Equipment	4,186,756.70	3,940,907.94		245,848.76
<b>SECURITIES AND OUTSIDE INVESTMENTS:-</b>				
	7,104,648.02	6,930,777.82		173,870.20
<b>WORKING AND TRADING ASSETS:-</b>				
<b>Material and Supplies,-</b>				
Mine Department	114,211.45	80,794.58		33,416.87
Furnace Department	124,599.95	131,201.24	6,601.29	
Land Department	243.43	4,133.09	3,889.66	
Total Material & Supplies	239,054.83	216,128.91		22,925.92
Ores on Hand	462,824.80	674,978.05	212,153.25	
Furnace Products on Hand	234,622.04	342,139.80	107,517.76	
Adv. Royalties Paid, Unearned Prop'n.	68,088.44	54,022.59		14,065.85
Working Funds, Vessel Captains	1,098.76	73.74		1,025.02
Telephone Coupons	223.14	95.54		127.60
Insur. Premiums Paid - Unexp'd Prop'n.	2,097.34	1,444.76		652.58
Sundry Working Accounts	4,862.61	10,986.63	6,124.02	
Lake Superior Iron Co. - Advance Payments on Ore Due Us	51,603.61	36,633.19		14,970.42
Total Working & Trading Assets	1,064,475.57	1,336,503.21	272,027.64	
<b>CURRENT ASSETS:-</b>				
<b>Cash in Hand and on Deposit,-</b>				
General Office	32,399.59	169,902.67	137,503.08	
Mine Department	2,899.43	1,617.66		1,281.77
Furnace Department	957.07	2,168.28	1,211.21	
Land Department	1,272.37	1,088.02		184.35
Accounts Receivable	426,545.55	705,911.17	279,365.62	
Bills Receivable	18,319.02	197,289.69	178,970.67	
Total Current Assets	482,393.03	1,077,927.49	595,534.46	
<b>DUE FROM CONSTITUENT COMPANIES</b>				
	1,009,633.86	1,134,592.05	124,958.19	
<b>DEFERRED AND SUSPENDED ASSETS:-</b>				
Survey of Railway to Sauk's Head	4,191.75	4,191.75		
Sundry Suspended Accounts	36,691.75	36,785.54	93.79	
Fire Loss at Chemical Plant No. 1 Gladstone held for Adjust. of Salv. Acct.		16,127.64	16,127.64	
Total Deferred & Susp. Assets	40,883.50	57,104.93	16,221.43	
<b>TOTAL ASSETS</b>	<b>13,888,790.68</b>	<b>14,477,813.44</b>	<b>589,022.76</b>	
<b>LIABILITIES</b>				
<b>CAPITAL STOCK (Authorized \$5,000,000.00)</b>				
<b>(In Treasury 90,000.00)</b>				
50,000 Shares, Par Value \$100.00 Each	4,910,000.00	4,910,000.00		
<b>CURRENT LIABILITIES:-</b>				
Bills Payable	1,635,864.32	1,482,254.89		153,609.43
Vouchers Payable	269,293.02	309,475.88	40,182.86	
Pay Rolls	58,330.41	32,789.05		25,541.36
Accounts Payable	172,376.37	267,093.19	94,716.82	
Drafts Checks Outstanding	786.50	624.50		162.00
Total Current Liabilities	2,136,650.62	2,092,237.51		44,413.11
<b>DEFERRED AND SUSPENDED LIABILITIES:-</b>				
Adv. Payments on Undelivered Ore and Pig Iron	46,074.96	313,071.06	266,996.10	
Benefit & Suspense Funds	5,953.37	5,983.26	29.89	
Total Deferred & Susp. Liabilities	52,028.33	319,054.32	267,025.99	
<b>RESERVES:-</b>				
Insurance Fund, Chemical Plants	17,553.92	7,202.40		10,351.52
Relinings & Renewals, Furnace	12,712.42	14,132.92	1,420.50	
Fund for Extending Gladstone Dock	4,051.23	4,051.23		
Insurance Fund, Lake Sup. Iron Co.		2,917.22	2,917.22	
Insurance Fund, Regent Iron Co.		895.68	895.68	
Total Reserves	34,317.57	29,199.45		5,118.12
<b>PROFIT &amp; LOSS (SURPLUS ACCOUNT)</b>	<b>6,755,794.16</b>	<b>7,127,322.16</b>	<b>371,528.00</b>	
<b>TOTAL LIABILITIES</b>	<b>13,888,790.68</b>	<b>14,477,813.44</b>	<b>589,022.76</b>	

CLEVELAND IRON MINING CO.

GENERAL BALANCE SHEET, NOVEMBER 30, 1904.

ASSETS	NOV. 30, '03	NOV. 30, '04	INCREASE	DECREASE
<b>PROPERTY &amp; EQUIPMENT:</b>				
Real Estate	2,500,000.00	2,500,000.00		
Mineral Lands, Adams Tract	40,000.00	40,000.00		
Hospital at Ishpeming	652.82	652.82		
Personal Property	1,000.00	1,000.00		
Tax Titles Purchased	426.21	648.06	221.85	
Steamer "Pontiac"	113,000.00	108,000.00		5,000.00
Steamer "Frontenac"	93,000.00	88,000.00		5,000.00
<b>EQUIPMENT:</b>				
Diamond Drills	7,320.54	5,694.81		1,625.73
Portable Machinery & Barns	550.00	128.34		421.66
New Construction & Improvement	98,905.06	40,129.19	1,224.13	
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>2,794,854.63</b>	<b>2,784,253.22</b>		<b>10,601.41</b>
<b>CAPITAL STOCK OF LAKE CARRIERS ASS'N.</b>				
34.64 Shares	1.00	1.00		
<b>WORKING &amp; TRADING ASSETS:</b>				
<b>Materials &amp; Supplies,-</b>				
Hard Ore	23,965.32	22,266.85		1,698.47
Lake Mine	33,703.27	35,009.85	1,306.58	
<b>TOTAL MATERIALS &amp; SUPPLIES</b>	<b>57,668.59</b>	<b>57,276.70</b>		<b>391.89</b>
<b>Ore:</b>				
Hard Ore	105,878.00	85,419.00		20,459.00
Lake Mine Ore	418,642.00	425,251.00	6,609.00	
<b>TOTAL ORE</b>	<b>524,520.00</b>	<b>510,670.00</b>		<b>13,850.00</b>
Advance Payments on Coal Not Rec'd.	7,777.48			7,777.48
Insurance Prem. Paid, Unexpired Prop'n	329.01	538.62	209.61	
Sundry Working Accounts	380.85	320.65		60.20
<b>TOTAL WORKING &amp; TRADING ASSETS</b>	<b>590,675.93</b>	<b>568,805.97</b>		<b>21,869.96</b>
<b>CURRENT ASSETS:</b>				
<b>Cash in Hand &amp; On Deposit,-</b>				
General Office, Cleveland	44,981.03	46,153.49	1,172.46	
Mine Department	3,093.99	679.19		2,414.80
Land Department	2,750.75	1,278.90		1,471.85
<b>TOTAL CASH</b>	<b>50,825.77</b>	<b>48,111.58</b>		<b>2,714.19</b>
Accounts Receivable	397,175.81	401,213.01	4,037.20	
Bills Receivable	14,647.77	18,483.60	3,835.83	
<b>TOTAL CURRENT ASSETS</b>	<b>462,649.35</b>	<b>467,808.19</b>	<b>5,158.84</b>	
<b>DUE FROM CONSTITUENT COMPANIES:</b>				
	260,100.45	454,186.22	194,085.77	
<b>DEFERRED &amp; SUSPENDED ASSETS:</b>				
<b>Delinquent Taxes Paid on Real Estate Sold &amp; Leased</b>				
	320.44	586.72	266.28	
Sundry Suspended Accounts	4,082.72	4,279.69	196.97	
<b>TOTAL DEFERRED ACCTS. RECV.</b>	<b>4,403.16</b>	<b>4,866.41</b>	<b>463.25</b>	
<b>TOTAL ASSETS</b>	<b>4,112,684.52</b>	<b>4,279,921.01</b>	<b>167,236.49</b>	
<b>LIABILITIES</b>				
<b>CAPITAL STOCK:</b>				
100,000 Shares, Par Value \$25.00 Each	2,500,000.00	2,500,000.00		
<b>CURRENT LIABILITIES:</b>				
Bills Payable	80,000.00	60,000.00		20,000.00
Vouchers Payable	99,435.56	89,467.90		9,967.66
Pay Rolls Payable, Mine Dept.	29,704.19	18,308.59		11,395.60
Accounts Payable	39,330.57	33,968.42		5,362.15
Brass Checks Outstanding	546.25	401.25		145.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>249,016.57</b>	<b>202,146.16</b>		<b>46,870.41</b>
<b>DEFERRED &amp; SUSPENDED LIABILITIES</b>				
Advance Payments on Undelivered Ore	209,835.05	484,191.19	274,356.14	
Benefit & Suspense Funds	20,867.34	22,406.00	1,538.66	
<b>TOTAL DEFERRED &amp; SUSP. LIABILITIES</b>	<b>230,702.39</b>	<b>506,597.19</b>	<b>275,894.80</b>	
<b>PROFIT &amp; LOSS (SURPLUS ACCOUNT)</b>				
	1,132,965.56	1,071,177.66		61,787.90
<b>TOTAL LIABILITIES</b>	<b>4,112,684.52</b>	<b>4,279,921.01</b>	<b>167,236.49</b>	



IRON CLIFFS COMPANY

GENERAL BALANCE SHEET,-- YEAR ENDING NOVEMBER 30, 1904.

A S S E T S	NOV. 30, '03	NOV. 30, '04	INCREASE	DECREASE
<b>PROPERTY &amp; EQUIPMENT:</b>				
Real Estate	474,077.72	467,502.72		6,575.00
Hospital Land	602.89	602.89		
Tax Titles Purchased	2,151.29	2,018.27		133.02
Kilns	631.63	200.00		431.63
Equipment:				
Portable Machinery - Salis. Mine		519.42	519.42	
Bellevue Farm Improvement	4,221.74	4,945.86	724.12	
TOTAL PROPERTY & EQUIPMENT	481,685.27	475,789.16		5,896.11
<b>CAPITAL STOCK OF PIONEER IRON CO.</b>				
3,980 Shares, Par Value \$25.00 Each	93,250.00	94,800.00	1,550.00	
<b>WORKING &amp; TRADING ASSETS:</b>				
Materials & Supplies,-				
Mine Department	75,376.39	57,396.37		17,980.02
Land Department	17,378.79	11,191.97		6,186.82
TOTAL MATERIALS & SUPPLIES	92,755.18	68,588.34		24,166.84
Ores on Hand	545,466.25	478,536.50		66,929.75
Insur. Premiums Paid - Unexpired Prop'n.	545.60	584.96	39.36	
Sundry Working Accounts	169.25	961.22	791.97	
TOTAL WKG. & TRADING ASSETS	638,936.28	548,671.02		90,265.26
<b>CURRENT ASSETS:</b>				
Cash in Hand & on Deposit:				
General Office, Cleveland	70,690.89	21,625.16		49,065.73
Mine Department	1,355.00	395.67		959.33
Land Department	5,916.50	3,726.10		2,190.40
TOTAL CASH	77,962.39	25,746.93		52,215.46
Accounts Receivable	223,952.69	406,624.86	182,672.17	
Bills Receivable	31,884.17	36,885.01	5,000.84	
TOTAL CURRENT ASSETS	333,799.25	469,256.80	135,457.55	
<b>DUE FROM CONSTITUENT COMPANIES</b>				
	237,856.84	260,495.98	22,639.14	
<b>DEFERRED &amp; SUSPENDED ASSETS:</b>				
Delinquent Taxes Paid on Real Estate Sold & Leased	1,247.58	1,335.16	87.58	
Sundry Suspended Accounts	875.00	633.70	258.70	
TOTAL DEFERRED ACCTS. RECV.	1,622.58	1,968.86	346.28	
TOTAL A S S E T S	1,787,150.22	1,850,981.82	63,831.60	
<b>LI A B I L I T I E S</b>				
<b>CAPITAL STOCK:</b>				
20,000 Shares, Par Value \$50.00 Each	1,000,000.00	1,000,000.00		
<b>CURRENT LIABILITIES:</b>				
Bills Payable	80,000.00	60,000.00		20,000.00
Vouchers Payable	37,719.53	42,104.32	4,384.79	
Pay Rolls Payable	19,748.42	19,712.17		36.25
Accounts Payable	25,819.39	23,698.32		2,121.07
Brass Checks Outstanding	304.75	428.25	123.50	
TOTAL CURRENT LIABILITIES	163,592.09	145,943.06		17,649.03
<b>DUE TO CONSTITUENT COMPANIES</b>				
		14,845.69	14,845.69	
<b>DEFERRED &amp; SUSPENDED LIABILITIES:</b>				
Advance Payments on Undelivered Ore	249,005.13	201,867.18		47,137.95
Benefit & Suspense Funds	13,227.40	14,500.56	1,273.16	
TOTAL DEFERRED LIABILITIES	262,232.53	216,367.74		45,864.79
<b>RESERVES:</b>				
New Building Fund	177.43	177.43		
Fire Loss at Salisbury Mine	670.76			670.76
TOTAL RESERVES	848.19	177.43		670.76
<b>PROFIT &amp; LOSS (SURPLUS ACCOUNT)</b>				
	360,477.41	473,647.90	113,170.49	
TOTAL LI A B I L I T I E S	1,787,150.22	1,850,981.82	63,831.60	

PIONEER IRON COMPANY

GENERAL BALANCE SHEET, YEAR ENDING NOVEMBER 30, 1904.

A S S E T S	NOV. 30, 1903	NOV. 30, 1904	INCREASE	DECREASE
<b>PROPERTY &amp; EQUIPMENT;-</b>				
Real Estate	125,000.00	125,000.00		
Cost of Excelsior Furnace	10,000.00	7,900.00		2,100.00
Carp River Furnace	30,000.00	30,000.00		
Tax Titles Purchased		54.29	54.29	
Equipment - Pioneer Furnace #2	46,996.46	36,625.17		10,371.29
New Construction & Improvement Pioneer Furnace No. 2	966,658.63	915,652.61		51,006.02
Total Property & Equipment	1,178,655.09	1,115,232.07		63,423.02
<b>WORKING &amp; TRADING ASSETS:-</b>				
<b>Materials &amp; Supplies;-</b>				
Pioneer Furnace No. 2	189,105.42	165,045.81		24,059.61
Carp River Furnace	3,523.07	1,221.84		2,301.23
Total Materials & Supplies	192,628.49	166,267.65		26,360.84
<b>Furnace Products on Hand,-</b>				
Pioneer-Excelsior Pig Iron	80,069.50	107,929.00	27,859.50	
Marquette-Pioneer Pig Iron	144,300.00	424,144.00	279,844.00	
Wood Alcohol	5,481.60	5,733.20	251.60	
Formaldehyde		891.42	891.42	
Total Furnace Products	229,851.10	538,697.62	308,846.52	
Insur. Prem. Paid - Unexpired Prop'n.	593.53	422.55		170.98
Sundry Working Accounts	695.38	1,626.28	930.90	
Total Working & Trading Assets	423,768.50	707,014.10	283,245.60	
<b>CURRENT ASSETS:-</b>				
<b>Cash in Hand &amp; on Deposit,-</b>				
General Office, Cleveland	45,605.64	41,917.52		3,688.12
Carp River Furnace	858.35	84.37		773.98
Pioneer Furnace No. 2	2,779.57	801.99		1,977.58
Land Department	104.78	199.47	94.69	
Total Cash	49,348.34	43,003.35		6,344.99
Bills Receivable		3,500.00	3,500.00	
Accounts Receivable	130,773.56	221,144.85	90,371.29	
Total Current Assets	180,121.90	267,648.20	87,526.30	
<b>T O T A L A S S E T S</b>				
	1,782,545.49	2,089,894.37	307,348.88	
<b>L I A B I L I T I E S</b>				
<b>CAPITAL STOCK:-</b>				
5,000 Shares at \$25.00 Par Value Each	125,000.00	125,000.00		
<b>CURRENT LIABILITIES:-</b>				
Bills Payable	50,000.00	53,333.33	3,333.33	
Vouchers Payable	53,140.74	32,707.40		20,433.34
Pay Rolls Payable	18,809.91	17,350.35		1,459.56
Accounts Payable	47,015.66	7,439.09		39,576.57
Total Current Liabilities	168,966.31	110,830.17		58,136.14
<b>DUE TO CONSTITUENT COMPANIES:-</b>				
	1,507,591.15	1,834,428.56	326,837.41	
<b>RESERVES:-</b>				
Insurance Fund - Chemical Plant	1,706.66	6,906.62	5,199.96	
Relinings & Renewals - Carp River Fce.	3,744.20	5,703.77	1,959.57	
Relinings & Renewals - Pioneer Fce. #2	2,382.10	6,607.70	4,225.60	
Total Reserves	7,832.96	19,218.09	11,385.13	
<b>DEFERRED &amp; SUSPENDED LIABILITIES:-</b>				
Benefit Fund - Mine Dept.	319.44	319.44		
<b>PROFIT &amp; LOSS (SURPLUS ACCOUNT)</b>				
	27,164.37	98.11	27,262.48	
<b>T O T A L L I A B I L I T I E S</b>				
	1,782,545.49	2,089,894.37	307,348.88	

THE CLEVELAND-CLIFFS IRON COMPANY  
CLEVELAND IRON MINING CO.  
IRON CLIFFS CO.  
PIONEER IRON COMPANY

COMPARATIVE STATEMENT OF EARNINGS FOR THE YEARS 1903 AND 1904.

	1904	1903
GROSS EARNINGS FOR THE YEAR:		
The Cleveland-Cliffs Iron Co.	442,370.03	804,869.33
Cleveland Iron Mining Co.	553,694.52	1,182,658.25
Iron Cliffs Co.	395,521.99	490,331.15
Pioneer Iron Co.	136,556.26	71,319.11
<b>GROSS EARNINGS ALL COMPANIES</b>	<b>1,528,143.80</b>	<b>2,549,177.34</b>
Less: Depreciation of Construction Improvements Vessels and Investments, as follows:		
The Cleveland-Cliffs Iron Co.	486,822.60	675,669.61
Cleveland Iron Mining Co.	88,522.77	101,059.11
Iron Cliffs Company	530.58	9,279.63
Pioneer Iron Co.	109,293.78	58,509.07
<b>TOTAL DEPRECIATION</b>	<b>685,169.73</b>	<b>844,517.42</b>
DIVIDENDS PAID:		
1904		1903
8 % on \$4,910,000.00		12 % on \$4,910,000.00
	392,800.00	589,200.00
<b>TOTAL DEDUCTIONS</b>	<b>1,077,969.73</b>	<b>1,433,717.42</b>
Balance applicable to Surplus	450,173.07	1,115,460.42
<b>THE AMOUNT CHARGED TO DEPRECIATION IS AS FOLLOWS:</b>		
Construction and Improvements at Mines	89,419.81	117,623.54
"    "    "    "    Furnaces	153,230.11	107,761.72
"    "    "    "    Land Department	1,052.27	4,100.00
"    "    "    "    Felch Mt. & Ford River Kilns (I.C.C.O.)	431.63	
Value of Vessels	27,000.00	24,000.00
Stock of Arctic Iron Co.		5,100.00
"    "    Lake Superior Iron Co.	89,500.00	112,000.00
"    "    Lac La Belle Co.	470.00	
"    "    Munising Co.	250.00	3,600.00
"    "    Cleveland Iron Mining Co.	60,000.00	109,500.00
"    "    Iron Cliffs Co.	63,400.00	89,600.00
"    "    Gladstone Opera House		249.00
Fee in Queen, Prince of Wales and Blue Mines	770.00	625.00
Tracks to Queen Mine	95.91	
Cost of Ashland Mine Lease	199,500.00	262,500.00
"    "    Private Business Car		1,852.16
<b>TOTAL</b>	<b>685,169.73</b>	<b>844,517.42</b>

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THE CLEVELAND-CLIFFS IRON CO.  
CLEVELAND IRON MINING CO.  
IRON CLIFFS CO.  
PIONEER IRON COMPANY

COMPARATIVE SUMMARY OF PROFIT & LOSS, NOVEMBER 30, 1903 & 1904.

	NOV. 30, 1904	NOV. 30, 1903
<b>P R O F I T</b>		
FROM Mine Department	1,150,885.32	1,498,203.11
Furnace Department	45,907.72	245,447.62
Vessel Department	45,532.67	71,225.31
Lake Superior Iron Co's. Ores	147,183.69	307,430.98
Regent Iron Co's. Ores	5,592.17	87,374.99
Sale of Titan Mine Lease		12,437.50
Old Mine Hematite Ore	1,273.88	Loss 1,365.05
Sales of Real Estate & Timber (In Excess of Cost of Tract.)	4,383.09	
Sales of Marquette City Lots	871.96	
Royalty on Oil & Rents - Toledo Property (Net Receipts)	787.11	223.28
Liquidated Damages due from Lackawanna Steel Co. on Outside Ry. Shipments Negaunee Ore.	6,992.20	
Total Net Profits	1,409,409.81	2,220,977.74
<b>L O S S</b>		
FROM Land Department	84,944.03	78,394.84
Dunbar Pig Iron	4,680.99	157,317.66
Florence Ore		2,977.56
Total Net Losses	89,625.02	75,945.26
<b>NET PROFIT FROM OPERATIONS AS ABOVE</b>	<b>1,319,784.79</b>	<b>2,296,923.00</b>
<b>DEDUCT EXPENSES</b>		
General Expenses	69,417.89	67,658.26
Legal	9,017.30	2,320.88
Special (P. I. Co.)	1,422.50	1,422.52
Special	1,077.47	882.15
Operating Business Car	741.15	673.73
Maintenance Queen Mine Tracks - Net -	Profit 95.91	289.02
L. S. I. Co. Semi-Centennial Celebration		2,746.81
Personal Tax	217.86	120.11
Rent Excelsior Furnace	100.00	100.00
General Interest	85,689.44	75,585.89
Queen Iron Mining Co. Account Charged Off	374.00	
Expense Account St. Louis Exposition Exhibit	1,757.97	
of Experts		875.00
Acct. Mineral Lands & Leases Purchased	2,770.71	4,232.22
Timber Lands Purchased	1,169.94	100.25
Tax Titles Purchased		512.76
Toledo Property Purchased	989.70	629.93
Forest Reserve Scrip	68.84	
Total Expenses	174,718.86	158,149.53
<b>NET OPERATING PROFIT -</b>	<b>1,145,065.93</b>	<b>2,138,773.47</b>
<b>ADD OTHER INCOME -</b>		
Interest on Investments as follows,		
On Alger County (Mich.) Bonds	1,016.67	1,800.00
On U. P. Land Co., Ltd.	26,280.00	29,700.00
On M. & S. E. Ry. Co. Account	35,098.66	64,203.82
On Munising Ry. Co. Note & Acct.	27,767.10	27,695.07
Royalty on Fee in Queen Mine	2,751.42	2,517.42
Dividends Received -		
From Arctic Iron Co.	6,000.00	12,000.00
From Lac La Belle Co.	300.00	170.00
From United Dock Co.	39,679.20	42,832.80
Total	138,892.05	180,919.11
<b>TOTAL "NET OPERATING PROFIT" &amp; "OTHER INCOME"</b>	<b>1,283,958.98</b>	<b>2,319,692.58</b>
<b>DEDUCT DEPRECIATION OF INVESTMENTS (INCLUDING VESSELS)</b>		
Net Profit	842,973.07	1,704,660.42
<b>DEDUCT DIVIDENDS PAID*</b>	<b>392,800.00</b>	<b>589,200.00</b>
<b>INCREASE IN SURPLUS</b>	<b>450,173.07</b>	<b>1,115,460.42</b>
to cover balance due us in open accounts		
* Dividends Paid to C. C. I. Co.	1904	1903
By Cleve. Iron Min. Co.	\$526,959.65	\$2,598,474.61
By Iron Cliffs Co.	281,820.92	2,463,997.53
Total	808,780.57	5,062,472.14
Not included in above figures.		

THE CLEVELAND-CLIFFS IRON CO.  
CLEVELAND IRON MINING CO.  
IRON CLIFFS CO.  
PIONEER IRON COMPANY.

DISPOSITION OF INCOME FOR YEAR

ENDING NOVEMBER 30TH, 1904.

PROFIT AND OTHER INCOME		DISPOSITION OF INCOME		
Net Profit for year 1904		842,973.07	Dividends 8% on outstanding Capital Stock of CCLCO \$4,910,000.00	392,800.00
Additional Funds were provided by Decrease in Assets and Increase in Liabilities as follows:			FOR NEW PROPERTIES:	
1. By DECREASE IN ASSETS:			REAL ESTATE & TIMBER LANDS:	
From Depreciation of Assets	440,095.91		Timber Lands	32,333.51
" " Kilns I.C.Co.	431.03		" " on Grand Island	1,252.15
Rock Option surrendered	500.00		Disbursements on account of Land Tracts under consideration, purchases not closed	1,646.76
Baraba Tract expense carried 1903 now charged off	32.95		Pearce House & Lot M'gaunce	3,301.00
		441,950.49	Mineral Lands, Swanzy	8,092.75
			TOTAL	47,120.13
FROM RESERVES:			For 50 shares Pioneer Iron Co. Capital Stock	1,550.00
Insurance Fund, Lake Superior Iron Co.	2,917.22		" " Gladstone Opera House	50.00
" " Regent Iron Co.	895.68		Increase in advances to Munising Ry. Co.	44,600.80
Relinings and Renewals, Furnaces	7,805.87			46,800.80
TOTAL INCREASE IN RESERVES		11,418.57	For New Construction & Improvement, all Dept's, Net, (Depreciation Deducted) *	10,792.43
FROM SALES OF ASSETS:			For C.C.I.Co. Interest in Munising Co. and Lac La Belle Co. Henlock Contracts (Clark Deal) Nominal value	2.00
Real Estate and Timber	31,363.11		FOR INCREASE IN WORKING AND TRADING ASSETS:	
Land & Stumpage, Matthews Tract	2,523.02		In Stock of ore on hand	131,373.50
Stumpage, Sutherland-Innes, Tract	1,553.02		" Furnace Products on hand	416,364.23
Mine Timber, Sec. 36-47-47 (Gogebic Co.)	71.23		Sundry Working accounts	7,786.69
Gladstone City Lots	200.00		TOTAL	555,524.47
Farm Land & Lot Sales, I.C.Co.	6,575.00		FOR OTHER INCREASED ASSETS:	
Tax Titles, Net	212.64		Accounts Receivable	550,443.28
Blowing Engine & Crusher, Excelsior Tce. Alger Co. (Mich) Bonds (redeemed)	2,100.00		Bills Receivable	191,257.34
TOTAL SALES OF ASSETS	5,000.00	99,916.14	Cash on hand and on deposit	75,973.53
From Rebate acct. payment Crosby Mine Lease	1,179.01		Sundry Deferred & Suspended accounts	17,030.96
" " " Maas Mine Royalty	2,974.97	4,153.93	TOTAL	840,708.11
Decrease in Equipment accounts		60,194.25	FOR DECREASE OF LIABILITIES:	
FROM DECREASE IN WORKING & TRADING ASSETS:			Bills Payable	100,276.10
Material & Supplies, all Departments	73,845.49		Pay Rolls	38,432.77
Advance Royalties, Unearned Proportion	14,065.95		Brass Checks outstanding	193.50
Working Funds, Vessel Captains	1,025.02		TOTAL	228,302.37
Telephone Coupons	127.80		RESERVES DECREASED:	
Insurance Premiums, Unearned proportion	574.59		Insurance Fund, Chemical Plants	5,151.56
Advance payments on Coal not received 1903	7,772.48		Fire Loss Salisbury Mine	670.73
" " " L.S.I.Co.ores due us	14,270.42		Profit on Real Estate 1903	3,901.00
(Total Decrease in Assets \$730,021.98)			TOTAL	9,723.29
2. BY INCREASE IN LIABILITIES:				
Vouchers Payable	14,100.65			
Accounts Payable	47,857.03			
Advance payments on undelivered ore and Pig Iron	404,214.29			
Benefit and Suspense Funds	2,341.71			
TOTAL		558,879.69		
TOTAL PROFIT AND OTHER INCOME		2,131,874.73	TOTAL DISPOSITION OF INCOME FOR YEAR	2,131,874.73

\* Depreciation of New Construction and Improvement is as follows:

Mine Department		23,419.31	
Furnace Department:			
Pioneer Furnace No. 1.	43,283.33		
" " No. 24	109,223.78	153,380.11	
Land Department		1,052.87	
TOTAL DEPRECIATION OF CONSTRUCTION			243,752.19

THE CLEVELAND - CLIFFS IRON CO .

DISPOSITION OF INCOME ACCOUNT FROM MAY 14, 1891 to NOV. 30, 1904.

I N C O M E		DISPOSITION OF INCOME	
Capital Stock, Authorized \$5,000,000.00 In Treasury- 90,000.00 (50,000 shares, Par Value \$100 Each.)	\$4,910,000.00		
Profit for year 1891	31,022.90	Dividends paid in 1902, 1-1/2%,	\$ 57,213.00
" " " 1892	204,416.47	" " " 1903, 3%,	114,426.00
" " " 1893	252,742.07		
" " " 1894,	123,353.33	Dividends paid in 1898, 4%,	152,588.00
" " " 1895,	147,853.19	" " " 1899, 6%,	228,882.00
" " " 1896,	137,890.96	" " " 1900, 8%,	305,176.00
" " " 1897,	158,847.53	" " " 1901, 12%,	490,623.00
" " " 1898,	412,122.15	" " " 1902, 12%,	589,200.00
" " " 1899,	836,786.37	" " " 1903, 12%,	589,200.00
" " " 1900,	1,295,487.33	" " " 1904, 8%,	392,800.00
" " " 1901	228,464.06	Total Dividends Paid	2,920,108.00
" " " 1902,	262,743.94	Property & Equipment,	3,940,907.94
" " " 1903,	5,191,671.86	Securities & Outside	
" " " 1904,	764,328.00	Investments,	6,930,777.82
		Working & Trading Assets,	1,336,503.21
		Current Assets,	1,077,927.49
		Due from Constituent CO's,	1,134,592.05
		Deferred & Suspended Assets,	57,104.93
		TOTAL,	\$17,397,921.44
		LESS: Current Liabilities,	2,092,237.51
		Deferred and Sus-	
		suspended Liabilities,	319,054.32
		Reserves,	29,199.45
		TOTAL,	2,440,491.28
TOTAL PROFITS AS ABOVE, \$10,047,430.16			
Dividends received from C.I.M.Co and I.C.Co. were as follows:			
1892, I.C.Co.	145,850.00		
1893, "	218,775.00		
1894, "	72,925.00		
1895, " "	72,925.00		
1896, " "	72,925.00		
1897, "	72,925.00		
1898, "	72,925.00		
" C.I.M.Co.	240,000.00		
1899, I.C.Co.	36,462.50		
" C.I.M.Co.	558,091.06		
1900, "	293,133.33		
1903, "	2,598,474.61		
" I.C.Co.	2,463,997.53		
1904, "	281,820.92		
" C.I.M.Co.	526,959.65		
TOTAL -	7,728,189.60		
NET - C.C.I.CO Other Profs	2,319,240.56		
	\$ 14,957,430.16		\$14,957,430.16

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CLEVELAND IRON MINING COMPANY  
DISPOSITION OF INCOME FROM MAY 1, 1890 TO NOVEMBER 30TH, 1904.

Capital Stock	3,500,000.00		
Balance of Surplus Acct from season ending 4/30/1890	729,217.68		
Profit, Year 5/1/90 to 4/30/91	333,637.98	Dividend Paid 5/1/90 to 4/30/1891	100,000.00
Loss 7 mos, 5/1/91 to 11/30/91	13,154.78	" " 5/1/91 to 11/30/91	100,000.00
Profit, Year 1892	62,356.37		
Loss " 1893	124,537.55		
Loss " 1894	45,498.05		
Profit " 1895	127,550.83		
Profit " 1896	136,198.80		
Profit " 1897	103,303.91		
Profit " 1898	190,434.47	Dividend Paid 1898	340,000.00
Profit " 1899	280,036.15	" " 1899	558,091.06
Profit " 1900	886,963.34	" " 1900	293,133.33
Profit " 1901	628,446.01		
Profit " 1902	710,235.79		
Profit " 1903	1,081,599.14	" " 1903	3,598,474.61
Profit " 1904	465,171.75	" " 1904	526,959.65
		Total Dividends Paid	4,416,658.65
		Property & Equipment	3,784,853.23
NOTE:		Stock Lake Carriers Assn on Hand	1.00
Profits 5,437,836.31		Working & Trading Assets	568,805.97
Dividends 4,416,658.65		Current Assets	467,808.19
		Due From Constituent Companies	454,186.22
		Deferred & Suspended Assets	4,866.41
		Total	8,696,579.66
		LESS:	
		Current Liabilities	303,146.16
		Deferred & Suspended Liab.	506,697.19
		Total	708,743.35
	7,987,836.31		7,987,836.31

IRON CLIFFS COMPANY

DISPOSITION OF INCOME FROM NOV. 30, 1889 TO NOV. 30, 1904

Capital Stock	1,000,000.00			
Balance of Surplus Account as recd. from former management	812,884.24			
Profit, Year 1890	361,069.75	Dividend Paid 1890		50,000.00
" " 1891	400,698.73	" " 1891		160,000.00
" " 1892	172,944.88	" " 1892		200,000.00
Loss " 1893	31,103.75	" " 1893		300,000.00
Loss " 1894	49,964.96	" " 1894		100,000.00
Loss " 1895	11,905.30	" " 1895		100,000.00
Loss " 1896	52,637.80	" " 1896		100,000.00
Loss " 1897	59,120.29	" " 1897		100,000.00
Loss " 1898	37,594.31	" " 1898		100,000.00
Profit " 1899	126,290.99	" " 1899		50,000.00
Profit " 1900	467,144.53	" " 1900		
Profit " 1901	664,707.62	" " 1901		
Profit " 1902	840,009.07	" " 1902		
Profit " 1903	481,051.53	" " 1903		2,463,997.53
Profit " 1904	394,991.41	" " 1904		281,820.92
		Total Dividends	4,005,818.45	
		Property & Equipment		475,739.16
		P.I.Co. Stock on Hand		94,800.00
		Working & Trading Assets		548,671.02
		Current Assets		469,256.80
		Due From Constituent Cos.		360,495.99
		Deferred & Suspended Assets		1,968.36
		Total		5,856,800.27
		LESS:		
		Current Liabilities	145,943.06	
		Due Constituent Companies	14,345.69	
		Deferred & Suspended Liab.	316,367.74	
		Reserves	177.43	
		Total		377,333.92
	5,479,466.35			5,479,466.35
NOTE: *				
PROFITS, \$4,479,466.35				
DIVIDENDS, \$4,005,818.45				



PIONEER IRON COMPANY.

DISPOSITION OF INCOME --- FIVE YEARS --- ENDING NOV. 30, 1904.

I N C O M E		DISPOSITION OF INCOME	
Capital Stock	125,000.00		
Loss, Year 1900	26,210.12		
Loss, Year 1901	28,882.05		
Profit, Year 1902,	15,117.76		
"    " 1903	12,810.04		
"    " 1904,	27,262.48		
 Net Profits \$98.11 as above		Property & Equipment	1,115,232.07
		Working & Trading Assets	707,014.10
		Current Assets	267,648.20
		TOTAL,	2,089,894.37
		LESS:	
		Current Liabilities	110,830.17
		Due Constituent Companies,	1,834,428.56
		Reserves	19,218.09
		Deferred and Sus- pended Liabilities	319.44
		TOTAL,	1,964,796.26
	\$125,098.11		\$ 125,098.11

CGH-EWB  
2/7/05

THE CLEVELAND - CLIFFS IRON CO.

COMPARISON OF SECURITIES AND OUTSIDE INVESTMENTS OWNED

NOVEMBER 30TH, 1903 & 1904.

N A M E	NUMBER OF SHARES	PAR VALUE EACH	TOTAL PAR VALUE	TOTAL <del>BOOK</del> VALUE <i>value</i>		INCREASE	DECREASE
				NOV. 30, 1903	NOV. 30, 1904		
<u>STOCKS:</u>							
Cleveland Iron Mining Co.	100,000	25.00	2,500,000.00	1,777,000.00	1,717,000.00		60,000.00
Iron Cliffs Company	20,000	50.00	1,000,000.00	2,075,400.00	2,012,000.00		63,400.00
Negaunee Mine	10,000	25.00	250,000.00	750,000.00#	750,000.00		
Arctic Iron Company	10,000	25.00	250,000.00	85,500.00	85,500.00		
Lake Superior Iron Company	20,999	25.00	524,975.00	372,500.00	283,000.00		89,500.00
Regent Iron Company	1,125	100.00	112,500.00	10,000.00	10,000.00		
Upper Peninsula Land Co., Ltd.	3,125	100.00	312,500.00	1.00	1.00		
Munising Company	4,159	100.00	415,900.00	194,000.00	193,750.00		250.00
*Lac La Belle Company	100	10.00	1,000.00	750.00	280.00		470.00
Munising Paper Co., Ltd. Owned in 1903	3,500						
" " " " " in 1904	3,250	100.00	325,000.00	27,500.00	27,500.00		
Gladstone Opera House " in 1903	10						
" " " " " in 1904	12	25.00	300.00	1.00	51.00	50.00	
Lake Carriers Association (For Railroad Stock see below)	73.13	1.00	73.13	1.00	1.00		
<u>T O T A L</u>				5,292,653.00	5,079,083.00		213,570.00
<u>BONDS:</u>							
Upper Peninsula Land Co., Ltd.	438	1,000.00	438,000.00	435,992.07	435,992.07		
Alger County, Mich 4 <sup>5</sup> Owned in 1903	30	1,000.00	30,000.00				
" " " " " in 1904	25	1,000.00	25,000.00	30,000.00	25,000.00		5,000.00
+ Gladstone Company (For Railroad Bonds see below)	22	500.00	11,000.00	13,200.00	13,200.00		
<u>T O T A L</u>				479,192.07	474,192.07		5,000.00
<u>RAILROAD PROPERTIES:</u>							
Lake Superior & Ishpeming Ry. Co. Shares of Stock	750	100.00	75,000.00	1,000.00	1,000.00		
Marquette & Southeastern Ry. Co. Shares of Stock	10,000	100.00	1,000,000.00	12,500.00	12,500.00		
<u>BONDS:</u>							
Munising Railway Co. Shares of Stock	700	1,000.00	700,000.00	700,000.00	700,000.00		
Note Receivable	8,106	100.00	810,600.00	1,000.00	1,000.00		
Account Receivable				376,728.35	376,728.35		
				241,574.60	286,274.40	44,699.80	
<u>T O T A L</u>				1,332,802.95	1,377,502.75	44,699.80	
<u>TOTAL SECURITIES AND OUTSIDE INVESTMENTS Owned</u>				7,104,648.02	6,930,777.82		173,870.20

# Nov. 30, 1903, this item was carried on our books as "Negaunee Mine Lease a/c"

\* Certificate in name of H. H. McKeehan.

+ Mortgage foreclosed and bonds in hands of Foreclosure Committee.

§ The M. & S. E. Ry. Bonds were not delivered on Nov. 30, 1903, however, we carry \$700,000.00 of M. & S. E. Ry. open account in 1903 column for purpose of comparison.

THE CLEVELAND - CLIFFS IRON CO.  
COMPARISON OF INVENTORY PRICE OF MINE & FURNACE PRODUCTS WITH  
COST PRICE, ALL COMPANIES, NOVEMBER 30, 1904.

ORE	LOCATION	TONS	INVTY. PRICE	COST PRICE	INVENTORY AMOUNT	COST AMOUNT
<u>MINE DEPARTMENT</u>						
ASHLAND MINE:						
ASHLAND	At Mine	13,798	1.00	1.028	13,798.00	14,184.34
	At Lake Erie Ports	148,974	3.00	2.868	446,922.00	427,257.43
	TOTAL	162,772			460,720.00	441,441.77
TAYLOR	At Mine	58,739	1.00	1.00	58,739.00	58,739.00
	TOTAL ASHLAND MINE	221,511			519,459.00	500,180.77
COMRADE	At Lake Erie Ports	5,626	2.35	2.35	13,221.10	13,221.10
MICHIGAMME	At Escanaba	153	1.15	1.15	175.95	175.95
LUCY	At Mine	2,411	1.00	1.00	2,411.00	2,411.00
AUSTIN MINE						
AUSTIN BESSEMER	At Mine	13,077	2.00	2.145	26,154.00	28,050.16
AUSTIN NON-BES.	At Mine	18,127	2.00	2.145	36,254.00	38,882.41
	TOTAL AUSTIN MINE	31,204			62,408.00	66,932.57
ABBOTSFORD	At Lake Erie Ports	14,236	2.30	2.30	32,742.80	32,742.80
BEDFORD	At Lake Erie Ports	1,042	2.30	2.30	2,396.60	2,396.60
GASTLEFORD	At Lake Erie Ports	18,332	2.30	2.30	42,163.60	42,163.60
	TOTAL MINE PRODUCTS, C.C.I. CO.	294,515			674,973.05	660,224.39
<u>FURNACE DEPARTMENT</u>						
DUNBAR PIG IRON						
NO. 1 FOUNDRY	At Furnace	229	14.00	14.00	3,206.00	3,206.00
NO. 2 FOUNDRY	" "	4,075	13.00	13.00	52,975.00	52,975.00
MILL	" "	13,188	12.00	12.00	158,256.00	158,256.00
	TOTAL	17,492			214,437.00	214,437.00
PIONEER PIG IRON						
	At Pioneer Furnace	4,303	14.00	17.204	60,242.00	74,028.81
	Minnesota Dk. Buff.	2,070	14.00	17.204	28,980.00	35,612.28
	B. & O. Dock, Sandusky	2,688	14.00	17.204	37,632.00	46,244.35
	TOTAL	9,061			126,854.00	155,885.44
WOOD ALCOHOL						
PLANT #2	At Furnace	1,679	.40	.561	671.60	941.92
ACETATE OF LIME						
PLANT #1	At Furnace	17,720	1.00	1.005	177.20	178.09
	TOTAL FURNACE PRODUCTS, C.C.I. CO.				342,139.80	371,442.45
	TOTAL MINE & FURNACE, C.C.I. CO.				1,017,117.85	1,031,666.84
<u>CLEVELAND IRON MINING CO.</u>						
SCOTCH						
	At Mine	82,793	1.00	1.00	82,793.00	82,793.00
	At Lake Erie Ports	1,313	2.00	2.00	2,626.00	2,626.00
	TOTAL	84,106			85,419.00	85,419.00
LAKE MINE ORES:						
LAKE						
	At Mine	67,966	1.00	1.188	67,966.00	80,743.60
	At Lake Erie Ports	47,023	2.00	2.198	94,046.00	103,356.55
	At Escanaba	54	1.00	1.188	54.00	64.15
	TOTAL	115,043			162,066.00	184,164.30
LAKE BESSEMER						
	At Mine	2,573	1.00	1.188	3,056.72	3,056.72
	At Lake Erie Ports	128,387	2.00	2.198	254,774.00	282,174.62
	TOTAL	130,960			259,347.00	285,231.34
LAKE BESS. SIL.						
	At Lake Erie Ports	1,919	2.00	2.198	3,838.00	4,217.96
	TOTAL LAKE MINE	247,922			423,251.00	473,633.60
	TOTAL C. I. M. CO.	332,028			510,670.00	559,052.60
<u>IRON CLIFFS COMPANY</u>						
CLIFFS SHAFT						
	At Mine	119,577	1.00	1.078	119,577.00	128,904.00
	At Lake Erie Ports	93,308	2.00	2.088	186,616.00	194,827.10
	TOTAL	212,885			306,193.00	323,731.10
SALISBURY MINE ORES:						
SALISBURY						
	At Mine	58,010	1.00	.990	58,010.00	57,429.90
	At Lake Erie Ports	29,451	2.00	2.00	58,902.00	58,902.00
	TOTAL	87,461			116,912.00	116,331.90
SALIS. BESS.						
	At Mine	1,234	1.00	.99	1,234.00	1,221.66
SALISBURY #3						
	At Lake Erie Ports	3,920	2.00	1.75	19,840.00	17,360.00
CLINTON						
	At Mine	4,903	1.00	.99	6,903.00	6,833.97
	At Lake Erie Ports	10,995	2.00	2.00	21,990.00	21,990.00
	TOTAL SALISBURY MINE	17,902			28,893.00	28,823.97
	TILDEN MINE ORE	110,517			166,879.00	163,737.33
	At Lake Erie Ports	5,643	1.50	1.50	5,464.50	5,464.50
	TOTAL I. C. CO.	332,045			478,536.50	492,933.13
<u>PIONEER IRON COMPANY</u>						
EXCELSIOR PIG IRON						
	At Carp River Fee.	1,390	14.00	13.859	19,460.00	19,264.01
	At Minnesota Dk. Buff.	3,748	14.00	15.259	52,472.00	57,190.73
	At B & O Dock, Sandusky	1,050	15.00	15.159	15,750.00	15,916.95
	At N Y P & O Dk., Clev'd	256	14.00	15.159	3,612.00	3,911.02
	At K W D Dk., Buffalo	609	15.00	15.259	9,135.00	9,292.73
	At C H & D Dk., Toledo	500	15.00	15.259	7,500.00	7,629.50
	TOTAL	7,555			107,929.00	113,204.94
MARQUETTE-PIONEER PIG IRON						
	At Pioneer Fee. No. 2	17,185	14.00	13.747	240,590.00	236,242.19
	At Minnesota Dk., Buff.	3,162	14.00	13.747	44,268.00	43,468.01
	At B & O Dk., Sandusky	7,297	14.00	13.747	102,158.00	100,311.86
	At C & P Dk., Clev'd.	552	14.00	13.747	7,728.00	7,588.34
	N Y P & O Dk., Clev'd.	561	14.00	13.747	7,854.00	7,712.07
	At C H & D Dk., Toledo	500	14.00	13.747	7,000.00	6,873.50
	At K W & D Dk., Buff.	1,039	14.00	13.747	14,546.00	14,283.13
	TOTAL	30,296			424,144.00	416,479.10
WOOD ALCOHOL						
	At Furnace (Gals.)	14,333	.40	.29	5,733.20	4,156.57
FORMALDEHYDE						
	At Furnace (Lbs.)	4,857	.06	.159	891.42	2,362.26
	TOTAL P. I. CO.				538,697.62	536,202.87
GRAND TOTAL ALL COMPANIES					2,545,021.97	2,619,855.44

THE CLEVELAND-CLIFFS IRON CO.

COMPARISON FOR FIVE YEARS OF PRODUCT FROM MINES CONTROLLED BY US.

C.C.I.CO.		1900		1901		1902		1903		1904	
GRADE		TONS	%	TONS	%	TONS	%	TONS	%	TONS	%
HARD ORE				34,867	17.			611	00.2		
SOFT ORE				171,633	83.	309,701	100	396,362	99.8	367,483	100.
BESSEMER				171,633	83.	308,691	99.7	389,331	98.	336,539	92.
NON-BESSEMER				34,867	17.	1,010	.3	7,642	2.	30,944	8.
TOTAL ALL KINDS				206,500		309,701		396,973		367,483	
<b>I.C.CO.</b>											
HARD ORE		364,330	60.	373,268	57.	284,562	61.	269,792	60.	169,029	53.
SOFT ORE		175,960	40.	178,686	39.	178,330	40.	178,330	40.	150,326	47.
BESSEMER		51,209	12.	85,033	18.	89,612	19.	55,208	12.	31,859	10.
NON-BESSEMER		389,081	88.	391,665	82.	373,636	81.	392,854	88.	289,496	90.
TOTAL ALL KINDS		440,290		476,698		463,248		448,122		319,355	
<b>C.I.M.CO.</b>											
HARD ORE		181,571	24.	76,085	74.	76,024	14.	70,782	13.		
SOFT ORE		585,491	76.	468,883	86.	477,831	86.	476,821	87.	298,684	100.
BESSEMER		221,793	29.	186,203	34.	165,480	29.	150,607	28.	85,150	29.
NON-BESSEMER		545,369	71.	358,765	66.	388,375	71.	396,996	72.	213,534	71.
TOTAL ALL KINDS		767,162		544,968		553,855		547,603		298,684	
<b>ALL COMPANIES</b>											
HARD ORE		446,000	37.	384,220	31.	360,586	27.	341,185	24.5	169,029	17.
SOFT ORE		761,451	63.	843,946	69.	966,218	73.	1,051,513	75.5	816,493	83.
BESSEMER		273,002	23.	442,869	36.	563,783	42.	595,206	42.7	453,548	46.
NON-BESSEMER		934,450	77.	785,297	64.	763,021	58.	797,492	57.3	531,974	54.
TOTAL ALL KINDS		1,207,452		1,228,166		1,326,804		1,392,698		985,522	
PRODUCT AND COST OF ORE AT MINE FOR FIVE YEARS.											
MINE		1900		1901		1902		1903		1904	
		PRODUCT	COST	PRODUCT	COST	PRODUCT	COST	PRODUCT	COST	PRODUCT	COST
CLEVELAND HARD		74,459	1.846	76,085	1.331	76,024	1.366	70,782	1.432	None	
CLEVELAND LAKE		497,204	.987	468,883	1.023	477,831	1.006	476,821	1.119	298,684	1.188
MICHIGANME		19,842	3.052	34,867	4.572			611	0' run	None	
VOLUNTEER		87,370	1.320							None	
IMPERIAL §		67,490	1.158							None	
WEBSTER §		20,797	1.402							None	
ASHLAND				171,633	1.545	309,701	1.559	375,012	1.278	266,233	1.028
CLIFFS SHAFT		264,330	1.149	273,268	1.093	279,002	1.106	261,191	1.081	169,029	1.078
SALISBURY		160,635	1.052	180,918	.991	178,686	1.037	178,330	1.086	150,326	.990
FOSTER				11,870		810	0' run	721	0' run	None	
OGDEN (TILDEN SILICA)								7,830	1.112	None	
TILDEN		15,325	.565	10,642	.373	4,750	.853			None	
LUCY								2,972	7.773	None	
NEGAUNEE §								17,292	4.609	71,132	2.206
AUSTIN								1,086	1.017	30,118	2.145
TOTAL ALL KINDS		1,207,452		1,228,166		1,326,804		1,392,698		985,522	

§ = C.C.I.Co. receive one-half production of these mines.

WFS-BH-EWB  
Feb. 7, 1905.

THE CLEVELAND-CLIFFS IRON COMPANY

COMPARISON FOR FIVE YEARS OF PRODUCTS OF THE FURNACES CONTROLLED BY US

	1900		1901		1902		1903		1904	
	TONS	%	TONS	%	TONS	%	TONS	%	TONS	%
<b>PIG IRON</b>										
<b>PIONEER FURNACE #1</b>										
Bessemer	1,650	4	4,373	11	926	2	1,114	3		
Non-Bessemer	36,561	96	34,366	89	38,272	98	37,788	97	14,198	100
Total	38,211		38,739		39,198		38,902		14,198	
<b>PIONEER FURNACE #2</b>										
Bessemer									2,165	5
Non-Bessemer							23,821	100	39,986	95
Total							23,821		42,151	
<b>CARP RIVER FURNACE:</b>										
Bessemer							2,406	13		
Non-Bessemer	15,204	100	10,454	100	13,488	100	16,315	87	8,081	100
Total	15,204		10,454		13,488		18,721		8,081	
<b>TOTAL ALL FURNACES:</b>										
Bessemer	1,650	3	4,373	9	926	2	3,419	4	2,165	3
Non-Bessemer	51,765	97	44,820	91	51,760	98	78,023	96	62,265	97
GRAND TOTAL	53,415		49,193		52,686		81,444		64,430	
<b>PRODUCTION BY GRADES:</b>										
N.BESS	BESS	N.BESS	BESS	N.BESS	BESS	N.BESS	BESS	N.BESS	BESS	
Scotch	3,221		2,212		1,977		2,771		2,450	
No. 1	9,834	25	8,182		6,924		12,966		10,435	
No. 2	12,936	155	11,278		13,096		22,603		20,324	
No. 3	12,630	35	12,225	27	16,631		24,377		19,309	
No. 4	6,700	51	6,050	45	7,342		7,868		4,934	
No. 5	3,678		2,007		3,422		4,194		2,241	
No. 6	3,144		2,245		2,573		3,246		1,233	
Special Bessemer		1384		4301		926		3425		2165
High Phosphorus									1,436	
Shortages										
Total	51,765	1650	44,820	4373	51,760	926	78,023	3419	62,265	2165
GRAND TOTAL	53,415		49,193		52,686		81,444		64,430	
<b>WOOD ALCOHOL - CRUDE (GALS)</b>										
Pioneer Furnace #1 Plant #1							* 23,987		47,570 1/2	
<b>WOOD ALCOHOL REFINED (GALS)</b>										
Pioneer Furnace #1 Plant #1	146,165		143,213		147,312		225,052		50,124 1/2	
Pioneer Furnace #1 Plant #2			85,872		104,542		66,588		43,912 1/2	
Pioneer Furnace #2							130,796		371,742	
Total	146,165		229,085		251,854		422,436		465,779	
<b>ACETATE OF LIME (LBS)</b>										
Pioneer Furnace #1 Plant #1	1,769,908		1,718,670		1,595,312		2,022,208		809,650	
Pioneer Furnace #1 Plant #2			1,301,603		1,689,311		1,061,433		740,910	
Pioneer Furnace #2									289,820	
Total	1,769,908		3,020,273		3,284,623		3,083,631		1,840,380	
<b>FORMALDEHYDE (LBS)</b>										
Pioneer Furnace #2									70,059	

\* 9,329 Gallons Refined transferred to Crude, not included.

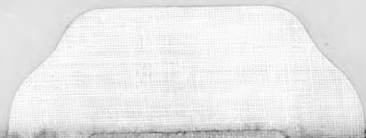
THE CLEVELAND-CLIFFS IRON COMPANY

AVERAGE SALES PRICE OF STANDARD GRADES OF ORE AT LAKE ERIE PORTS.

	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904
<u>CLEVELAND LAKE:</u>											
Bessemer		3.41	3.85	2.79	2.85	2.985	5.45	4.31	4.27	4.53	4.00
Non-Bessemer	2.05	2.05	2.02		1.762	1.87	4.007	3.00	3.18	3.65	2.66
Cleveland No.1	2.75	3.01	3.55								
<u>SALISBURY:</u>											
Bessemer	2.50	2.70	2.66	2.50	2.56	2.80					
Non-Bessemer	2.10	2.07	2.09	1.965	1.082	1.956	4.021	3.00	3.233	3.58	2.778
<u>CLIFFS SHAFT:</u>											
	2.41	2.52	2.475	2.30	2.091	2.423	4.687	3.86	3.939	4.57	3.14
<u>ASHLAND:</u>											
Bessemer								4.12	4.04	4.27	3.99

NOTE: 1904 prices for Lake Bessemer and Ashland include sales on Long Term Contracts with Jones & Laughlins Steel Co. and Lackawanna Steel Co. @ \$4.00, subject to adjustment. Also Cliffs Shaft ore to Lackawanna Steel Co. @ \$3.00  
Market Prices for these grades were as follows:  
Lake Bessemer \$3.22; Ashland \$3.07; Cliffs Shaft \$3.60

WHV



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#  
# THE CLEVELAND-CLIFFS IRON CO.,  
#  
# ISHPEMING, MICHIGAN.  
#  
# #####  
# MASTER MECHANIC'S REPORT.  
#  
# FOR YEAR ENDING NOVEMBER 30TH., 1904.  
#  
#  
# (DATED,) DECEMBER 16th., 1904.  
#  
#  
#####

RECEIVED  
JAN 26 1905



INDEX.

CLIFF S HAFT MINE:	
Hoisting Plant -----	I
Pumping Engine -----	2
Compressors -----	3
Crusher Plant -----	4
Boiler Plant -----	4
Auxiliaries -----	5
SALISBURY MINE:	
Hoisting Engine -----	5
Cornish Pump -----	6
Air Compressor -----	6
Boiler Plant -----	7
LAKE MINE:	
Air Compressors -----	7
Hoist -----	8
Electric Tram Plant -----	8
Mine Pump -----	8
Lake Angeline Drainage -----	9
Steam Auxiliaries -----	9
Stack Pile Tram System -----	9
Lake Boiler Plant -----	9
New Lake Plant -----	9
CLEVELAND:	
No. 3. Engine House -----	11
No. 4. Engine House -----	11
HARD ORE SHOP -----	12
STEAM SHOVELS -----	12
MAAS MINE -----	13
OGDEN MINE -----	13
LUCY MINE -----	13
NEGAUNEE MINE:	
Compressor -----	14
Mine Pumps -----	14
Top Tram -----	15
Shop -----	15
AUSTIN MINE:	
Mine Pumps -----	16
Top Tram Plant -----	16
ASHLAND:	
Compressor -----	17
Mine Pumps -----	17
Boiler Plant -----	18
Auxiliaries -----	18
Top Tram Plant -----	18
CROSBY MINE -----	18
GENERAL RECOMMENDATION -----	19
COMPARATIVE TABLES -----	20

Mr. M. M. Duncan, Agent,

Ishpeming, Mich.

Dear Sir:-

Following is the annual report of your Master Mechanic on the mechanical department for the year ending November 30, 1904. I also submit a summary of the monthly Engineer's logs.

CLIFF SHAFT MINE.

There has been no change in the equipment this year, though we have had some serious breakdowns. The mine has been running one shaft only throughout the year, excepting during the month of March, when we did no hoisting at all on account of breaking the hoisting engine.

HOISTING PLANT.

The engine shaft in the hoist broke in the main pillow block, March 1st., at 10 A. M., making it necessary to get a new shaft and causing the mine to be shut down from March 1st., at 10 A. M. until April 5th., at 7 A. M. We found the engine and the shaft very badly out of line, and when the new shaft was put in, we relined the plant as far as possible. We were not able to, however, owing to the fact that the engine bed and drum frame were cemented down to get the center line of engine exactly square with the shaft, though we chipped the main bearings and rebabbitted them to get as near square as possible. The engine was out of line everywhere, neither crank, guides, cylinder nor condenser being anywhere near in line. The engine runs much better now, however, than it has ever done, though the weights handled are very heavy. We have had no serious trouble with the broken and patched gears, and have not put on any new ones. Owing to the fact that this engine cylinder will not stand any more than 90 lbs. pressure, and that it will be necessary for us to install the boilers from the old Lake plant at this mine at once, I am very anxious to compound this hoist by putting in a high pressure Corliss cylinder between the present cylinder and the condenser. The cylinder I would ~~like~~ wish to use is one of the 18x42 cylinders on the Ashland compressor, which would be replaced by the 38x48 cylinder from the old Lake hoist, thus compounding the compressor and hoist without

buying any new cylinders for this purpose, but it would be necessary only to buy a new cylinder for the Lake hoist before it is again put in service. If we could make this change, we would not only greatly improve the Ashland compressor, but would be enabled to carry the 120 lbs. pressure which the Lake boilers will admit of.

PUMPING ENGINE.

The pumping engine and the Cornish pump are running just as they were last year, though we have made at the shops a hydraulic balance for the A. shaft rods, but it has not been installed. This should be put in, and the A. shaft pump could be carried on down by installing a pole on the bottom level, so that it would not be necessary to run a steam pump in the bottom of the mine. Early in December last year we changed the exhaust of the pumping engine so that it can be run either condensing or non-condensing, so we could use the exhaust for heating the buildings and feed water whenever the compressors are not in service. This has proven very economical, more especially with the mine working day shift only.

The following table is the precipitation and snow fall by months for the year ending November 30.

TABLE NO. I.

<u>MONTH.</u>	<u>YEAR.</u>	<u>SNOW.</u>	<u>RAIN.</u>
Dec.	1903	15	.05
Jan.	1904	14	
Feb.	1904	14 1/2	
March	1904	30 1/2	1.75
April	1904	4 1/2	.4
May	1904	1.	5.78
June	1904		2.55
July	1904		5.24
August	1904		4.27
September	1904		4.03
Oct.	1904	6.	3.55
Nov.	1904	18 1/4	.6
		103.75	28.42
			10.38
		2 Total	38.80

This shows the rain fall to be considerably less than for 1903, while the snow is considerably greater. snow fall for 1903 was 79.25 inches, rain fall 42 inches. Table No. II. gives the year, total precipitation with snow figured as rain, and the total amount of water pumped from the mine. This shows about two and one fourth millions gallons less pumped for 1904 than for 1903, and I believe proves that the water in the Cliff Shaft Mine is not affected by wet or dry seasons.

TABLE NO.II.

<u>YEAR.</u>	<u>TOTAL PRECIPITATION.</u>	<u>TOTAL WATER PUMPED.</u>
1900	40.66	345,630,130
1901	27.84	353,314,005
1902	30.10	377,910,450
1903	49.92	374,292,965
1904	38.80	372,046,285

COMPRESSORS.

We have had considerable trouble with the compressors during the year. The first serious trouble was a broken crank pin on the left hand side of No. I. compressor, which broke April 22, and was replaced Sunday, April 25. On June 24 as the mine was idle for repairing crusher line shaft, we replaced the other crank pin on No. I. compressor. We had on November 10, at 3 P. M. one of the inlet valves break in the back head of the left hand air cylinder, allowing the valve to fall into the cylinder, where it was caught by the piston, bending the rod and breaking the head. It was necessary to replace the head, make a new piston rod and we also at the same time replaced the snap rings in the piston, which had become worn. We started the machine at noon the following day by taking a head from the old compressor now idle in the Brownstone.

These machines are as economical as ever, and we may expect that the repairs and breakages will increase as time goes by, and at our present rate of working, the machines are considerably overloaded. This type of compressor should not be run faster than 75 revolutions per minute, though we have had to turn them faster than this almost con-

tinuously. The compressors use more fuel than any other part of our mine equipment, so that the greatest saving we could make by one change at the mine, would be the installing of a modern compressor.

#### CRUSHER PLANT.

There has been no change in the method of crushing during the year, and I have had but one serious accident, which was on June 22, when we broke the line shaft which drives the crushers. This shaft had been run only a little over a year. Was 5 1/2 inches in diameter. We had laying on the dock the 6 1/2 inch shaft with pulleys and bearings that was originally used at the Michigamme Mine crusher plant, which we used instead of buying another smaller shaft. We also put in some additional timber for this counter shaft, so that I trust we will have no further trouble on this score. I believe the <sup>cause</sup> ~~part~~ of breakage in these shafts was due to the poor construction of the crusher building, and it is not probable that we will ever be able to keep the bearings on the shaft entirely in line. The same slide valve engine is still in service, though I hope during the coming season to be permitted to install a 16x42 inch Allis Corliss now driving the electric plant at the Lake Mine.

TABLE NO. III.

<u>YEAR.</u>	<u>COST.</u>	<u>TONS.</u>
1901	5.8¢	241,330
1902	5¢	229,124
1903	5.4¢	221,480
1904	5.1	136,689

#### BOILER PLANT.

There has been no change in the boiler plant or piping, except the No. 2 hog nose boiler has been disconnected and will not again be put in service, owing to a crack, which developed in the flat stayed surface of the hog nose. We expect very shortly to install the Lake boilers. We decided not to repair this crack. These boilers must positively be replaced, as we cannot carry insurance on them any longer, as your

Master Mechanic informed the Hartford Insurance Company inspection when the subject was last up that we would proceed to change these boilers not later than December, 1904, or else I believe the insurance would have been cancelled before now. The only repairs or changes to the boiler plant was made necessary by the blowing down of the steel smoke stack on the east battery during a very severe storm Sunday evening, May 29. We were fortunate on having a smoke stack of the same size on the ground at the Salisbury mine, which was immediately teamed over and erected on May 31.

#### CLIFF SHAFT AUXILIARIES.

There has been no change in the auxiliary service. The pair of duplex engines are still used for tramping, one in each shaft house. The 8x10 Russell automatic is still used for driving the arc dynamo, while the old 8x12 rocking valve shop engine is still in service. This is a very <sup>un</sup>economical engine and should be replaced at the earliest possible moment.

#### SALISBURY MINE.

There has been no change at the Salisbury Mine during the past year.

#### HOISTING ENGINE.

The only change we have made on the hoists has been to reduce the velocity at which the skips were lowered. It was formerly the practice at this mine to throw the brake off and let the skip lower as fast as it would go, but as the old drum was in such condition that it was declared unsafe, and we have now limited the speed to 2600 feet per minute, which is 30 miles per hour. We have found this skip running as fast as a mile per minute, which I believe to be excessive on any drum of this character. Since reducing the speed we have had much less wear on the ropes, and though we do not get up as great a product, we believe the work will be more satisfactory and certainly attended with less danger. If it is desired to hoist ore any more rapidly than we are now doing, it will be necessary to install a new drum, and from the present condi-

tion of the Salisbury Mine, I do not think this would be good policy, as I believe by handling the present drum with considerable care, we may be able to finish the mine. The only change in working the cage has been to hoist all the rock from the mine on the cage, which greatly relieves the amount of work required of the skip. The safety devices on this cage were recently tested by hanging it up with a hemp rope, then cutting the rope when the dogs set, stopping the cage with a fall of about 1 1/2 inches. We are using the self-oiling skip <sup>boxes</sup> ~~baskets~~ with the wheels pressed on the axles on both cage and skip, and find them very satisfactory.

#### CORNISH PUMP.

There has been no change on the Cornish pump for the year. The engine foundation, engine frame and gearing have given no trouble since the foundation was repaired. The following table gives the total amount of water pumped during the last five years, and shows that the Salisbury Mine, owing to the caved ground, makes water very nearly in proportion to the precipitation.

TABLE NO. 4.

<u>YEAR.</u>	<u>GALLONS OF WATER PUMPED.</u>
1900	65,724,195
1901	71,466,792
1902	71,962,803
1903	88,636,312
1904	77,627,201

We still maintain a pumping station in the swamp above the mine, from which we handle a considerable quantity of water which would otherwise go underground.

#### AIR COMPRESSOR.

We have had but one accident on the compressor, which was caused by breaking a crank pin on March 22, machine being again started with a new pin March 23 at 2 P. M. This machine is heavily overloaded, though

we have not made as much air the past year as usual, this being due undoubtedly to running the mine two ten-hour shifts, instead of three eight-hour shifts as formerly.

#### BOILER PLANT.

There have been no repairs to the boilers during the year, except relining the furnace of the horizontal boiler. We put up a new smoke stack on July 3, replacing one which had been in service but four years and three months. I have known of no stack giving out in so short a time before.

#### LAKE MINE.

At the old plant we have made no change to the present date, except to remove the straight line compressor.

#### AIR COMPRESSORS.

Rand  
We have had some trouble with the duplex compressor, as we have on two different occasions broken air cylinder heads, above instances being caused by inlet valves going into the cylinder by shearing off the key behind the spring. We also had considerable trouble with the fly wheel coming loose on the shaft, causing a pound. This was repaired Sunday, July 31st., by taking out the liners in the hub and pulling the bolts up very tight. The straight line compressor required no repairs during the year. This machine was not run at all after July 15th., when the new compressor was put in active service. The old Duplex compressor was run night shift only from that time on, as the old dry was heated by exhaust steam from the compressor and electric engine, so we decided it better economy to run the old machine night shift, thereby using the exhaust for heating the feed water and the dry. The straight line compressor was removed about the middle of November to be erected at the Maas Mine. The only repairs required were to the crosshead pin and head cross<sup>head</sup> which were repaired in the hard ore shop.



### LAKE HOIST.

slight

This plant met with one accident during the year that broke an otherwise clean record. The crank end cut-off stem stuck about 3 P. M., delaying the hoisting about three hours. This is the second delay caused by this machine in almost six years time.

### ELECTRIC TRAM PLANT.

We are still running the 16x42 Allis Corliss engine and 75 K. W. Generator, as we had to have a considerable quantity of exhaust steam at the old plant for heating the dry and feed water. For this reason the Generator had not been removed to the new house, as the electric engine has been run day shift and the old compressor night shift for that purpose. This Generator will be removed to the new plant Sunday, December 18th., when this engine will go out of service at this plant. Since the mine began operating one 10-hour shift only, we have had no trouble from heating of the armature of our Generator, and do not expect we will have further trouble as long as present conditions continue. We have made no changes in the mining locomotives during the past year, and all have been in service without any unusual accidents or repairs for the year. The hoisting is still all being done at the old shaft and the greater portion of the ore is coming from the third level, where three of the locomotives are working.

### MINE PUMP.

There has been no change with the mine pumps as yet, because of the fact that the rock drift on 4th level to the new shaft has not been completed and the grade of the third level is such as to bring all the water to the old shaft and we will not be able to remove our pumps to the new No. 4 shaft until such time as the 4th level drift is completed, when the mine pump will be removed, sent to the hard ore shop for some repairs, then installed on 4th level, No. 4 shaft. We also expect to install at the same place one of the Chandler type Prescott pumps now at the Ashland mine, size 14&26&10x18, of which they have two, one of which is not in service. We will need a pump of this size to help care

for flood water, as we frequently have a large flow of water at the mine during heavy rains, because of the caved condition of the old Lake bottom.

#### LAKE ANGELINE DRAINAGE.

There have been no important changes on the Lake bottom during the past year, and we have been more than usually fortunate with the pumps, piping and lauder, though this is probably due in large part to the fact that the precipitation for 1904 was not excessive.

#### STEAM AUXILIARIES.

We have so far made ~~no~~ no change in the auxiliaries at the mine, though when we move to the new plant, there will be no steam used about the shaft house, the only small engine outside of the engine house being the 6x12 engine in the machine shop.

#### STOCK PILE TRAM SYSTEM.

The 12x30 Corliss engine with Laughton clutches installed in the old shaft house last year for tramping ore ran very nicely and has now been removed to a separate engine house at the No. 4 shaft, where it will in the future stock the ore.

#### LAKE BOILER PLANT.

We have had no changes or repairs to boilers, though it will be necessary when we remove the plant to take out and weld some of the flues in No. 4 boiler. The boilers are all otherwise in good condition.

#### NEW LAKE PLANT.

The new boiler plant was completed in January, though they were not fired up until the latter part of June. The economizer and stokers were finished previous to this time, while the piping was almost finished in March, at the time the compressor and hoist were completed, after which time we did no work at the new plant until May. Steam was raised early in July and the hoist started, being put into service handling the cage on July 11th. We have handled no ore with this hoist up to the

present date, but will do so in a very few days. The hoist is giving very good satisfaction, appears to handle admirably, and we believe will prove a thoroughly first class machine. The Nordberg compressor was first started during the first week of July and was put in regular service about July 12th., since which time I believe it has not given a moment's trouble. This machine was guaranteed when running at half speed to deliver 4000 feet of air, against 75 lbs. pressure with 173 lbs of steam, but from the test made October 6th., when the machine was running a little under half speed, we found it delivering 4000 cu. ft. of air with only 143.68 lbs. of steam. The machine thus exceeds the guaranteed duty by 15 1/2%. We have not, as previously stated, installed the Generator in this plant, but we began supplying steam to the mine pumps and Lake bottom, Tuesday, December 13th., through a four inch pipe laid along the railroad track from the new shaft to the old, where it connects to the old piping system. We have not as yet installed a feed water heater at the new plant and are feeding directly from the pump, through the economizer to the boilers, and find the feed temperature raised from 125 to 160 degrees. We have made but one evaporation test, and that under not good conditions, by which we secured an evaporation of 7 1/2 lbs. of water per pound of coal when taking the feed in at 45 degrees. When the plant is in regular service, with heater installed, I hope we will be able to evaporate at least 9 lbs. of water per pound of coal. The steam driven auxiliaries at the new plant are the two 3x6 Duplex stoker engine for operating the Murphy stokers, the 3x4 Economizer engine for working the scrapers on the Economizer tubes, the 10x12 Duplex hoist for hoisting coal and the 10&14 1/2 x 16 jet Condenser on the Electric engine with the feed pumps.

All the buildings at the mine will be heated by the exhaust from these Auxiliary engines and the feed pump, the surplus passing through the heater, which together with the exhaust from the hoist will give sufficient steam for heating the feed water to about 160 degrees. The only buildings at present receiving heat from the plant are the dry and team engine house, for which there is ample exhaust from the feed pump alone. The new dry will be completed about December 17th., and will be

a very complete building.

The new steel shaft house has not been thoroughly tested, though we have had some very heavy loads on the cage. It appears fairly rigid, and will undoubtedly give very good satisfaction. There will be required but two men on each shift to stock the ore ~~during~~ the winter, one being a toplander to ring the bells, while the other is in the tram engine house <sup>handling</sup> ~~and~~ the cars, while the number of men required during the summer, will be a pocket man and a toplander. We contemplate handling all rock on the cage, tramping same out through the timber drift by the same man and motors that handles the timbers, thereby dispensing with a rock car and engine on the top landing with the necessary trestle and extra man. The old engine house will be removed to a site near the new shaft for use as warehouse, shops and office. The only <sup>other</sup> building to be moved being the Captain's office and electric and carpenter shop for use as a stable.

#### CLEVELAND.

##### NO. 3. ENGINE HOUSE.

We have made no changes at the No. 3 Brownstone engine house, and are at present using but one boiler for running the shops and heating the shops and mine office. The mine was closed December 1st., 1903, since which time the machinery has all been laid up, except the hoist, which is only used in case it is necessary to lower anything into the mine for the Cornish pump. The compressor at this plant will not again be used, as the air in the ~~fast~~ future will be brought from the Lake mine.

##### NO. 4. Engine House.

The Cornish pumping plant has been kept in continuous operation keeping the mine dry, and there has been no repairs to the engine house equipment. We have, however, had several stoppages due to breaking of pump rods, at which times the Auxiliary steam pump has always been put in service. During December and January last year we lowered the 11th level pole down to the 13th level, thus getting rid of the troublesome

drawing lift. The amount of water pumped from the mine this year has been considerably under that of last year, though only about the same as for 1902. The boilers at this plant are very old, and if we do not shortly replace them, we will have our insurance cancelled.

#### HARD ORE SHOP.

There have been no changes in the shop equipment during the year, and except to add a new wheel press and a punch shear. The wheel press was built in the shop from castings purchased in Marquette and has a capacity of about 100 ton. It is a very useful tool, and one we have been badly in need of for a long time. The punch and shear has just been installed. On some tram cars we were building for Negaunee mine, we found the cost of drilling all holes to be about \$7.05 per car, while with the punch the cost will apparently be reduced to about \$1.25. The volume of work required from the Hard Ore shop the past year has not been as great as the preceding years, as we have not been equipping any new mines, while we had also gotten through with the excessive pump repairs from the Maas mine.

#### STEAM SHOVELS.

The shipping season was rather short, our first shovel going out about June 1st., while the second shovel did not go out until in August. We have had no important repairs during the season, and believe the work done on the booms two years ago this winter has strengthened them very thoroughly. It will be necessary before next season to put on new dippers, as the old ones are worn out. The manganese steel lips are just about worn away, having made 3 1/2 seasons. The use of this material for dipper lips has obviated the necessity of using teeth thus saving a great deal of shop work. The two new shovels ordered, one for the Negaunee and one for the Ashland, are of the same general type, though considerably heavier than our present one, but have a number of improvements which will undoubtedly make them much more convenient and economical. They are to be equipped with feed water heaters, the car of sufficient length without added coal ~~in the~~ bunkers, the booms

are heavier and stronger, and the sheaves at the point of the boom are set tandem instead of side by side, an arrangement which will greatly relieve the stresses on the booms.

#### MAAS MINE.

The only change in the surface equipment at the Maas has been in installing a 20x24 inch Ingersoll-Sargeant straight line compressor from the Lake. This machine has just recently been started. We have had no repairs to the surface equipment, except some grates and furnace linings, which were burned out while pumping sand. The Prescott triple pumps were installed in the pump house at the Ledge and were started up April 12th., 1904. The coal consumption of the mine immediately dropped from 13 to 14 tons per day down to 7 and 8. These pumps have proven very satisfactory in operation and have given us no trouble whatever until just recently. On November 28th., we found what appeared to be a sand hole leading from the jacket into the cylinder of the right hand low pressure steam cylinder. This was found to be a crack on December 3d. The Prescott Company were notified and a new cylinder was shipped on the 6th., received on the 9th., and the pump started up again on the 11th., working as good as new. I do not know the cause of this crack, but think it must have been caused by a cold shot in the casting. The Prescott Company were certainly very prompt to make the part good.

#### OGDEN MINE.

The Ogden mine was not operated during the past year at all and the equipment for same is still at the mine.

#### LUCY MINE.

The Lucy Mine was shut down December 1st., 1903, and there has been nothing done there in the past year, the equipment remaining intact, except that the boiler feed pump was sent to the Austin Mine.

#### NEGAUNEE MINE.

We have made no changes to either No. 1 or No. 2 boiler plant. There have been no additions to the machinery equipment, except to put on the link reversing gear on the 24x48 inch Webster Camp & Lane hoisting engine, which is now ready to handle ore in the No. 2 shaft with two skips in balance whenever they are ready to put the two skips in service. I do not quite like the idea of reversing this engine with the wheel it now ~~has~~ has, but think if the men are always careful that we will have no trouble. We are now running cage in the No. 1 shaft from one drum since June, since which time there has been but one skip in operation in the No. 2 shaft.

#### COMPRESSOR.

We had two serious breakdowns on the compressor during the year, caused by breaking the crosshead. This crosshead was a massive steel casting which broke Wednesday morning, July 22d., and in order to get the machine going in a fashion again quickly, it was decided to try one of cast iron which was made and put in service July 25th. This only ran two days, when it again broke. We then forged one of an old piece of wrought iron shafting, which we made of sufficient <sup>size</sup> ~~size~~ by welding pieces on. The machine was again started August 3d., and we do not contemplate this crosshead will ever break.

#### MINE PUMPS.

We installed a 8 1/2 x 20 x 24 inch Prescott duplex triple pump at the Ledge, 140 feet down from the surface at No. 2 shaft. Alongside of this pump in the same room we installed as a relief a 12 1/2 x 8 x 24 Prescott duplex Chandler compound. The triple pump was started up March 22d. at 6 P. M. and the old pumps were removed. We immediately closed down one of the boilers at the No. 2 boiler house, and have had but two in service since that time, as this pump has effected a saving

of about 150 tons of coal per month, and I am informed by the accounting department that the saving effected will pay for the installation in 16 months. We are making a further addition to the pumping equipment by installing the 13&21&34&9x24 Prescott duplex triple, formerly ordered for the Ashland Mine, on the 6 1/2 level. This pump is almost erected and will go into service about December 15th., after which time we expect to be able to supply steam for the pumping with but one boiler, and believe this will effect as great a saving as was shown by the installation of the Ledge pump. We were unfortunate in lowering the large triple, as one of the low pressure cylinders was dropped on Nov. 6th, breaking the intermediate cylinder head and tearing out some, of the shaft timbering. This necessitated closing the mine on Nov. 7th, but we were ready for hoisting on Nov. 8th, though the mine was idle owing to its being election day.

#### TOP TRAM.

We have received from the Lake Shore Engine Works a duplex 7x10 engine direct cabled to two 14 inch friction drums for handling end-dump cars on the stockpiles. These cars will go out by gravity and to be pulled back by the engine. This equipment is a duplicate of the old top tram plant at the Lake mine.

#### SHOP.

We have built during the fall a stone shop comprising machine blacksmith and carpenter shops, and are just completing the installation of the necessary tools in the machine shop, though the carpenter and blacksmith shops have been in use some little time. In the machine shop we are only installing an engine, drill press and pipe cutter for the present and it is not thought advisable to install any lathes or other shop tools, which would necessitate the presence at the mine of a machinist, as it is expected to do all lathe work for both mines at the Maas, where we already have installed a lathe.

#### AUSTIN MINE.

We have made no changes in the equipment. None of the machinery has caused us any trouble, and we have had very little repairs on anything up to date. We have found it necessary to replace some of the rollers which operate the air valves on the compressor. The old rollers were made of



rawhide, which we found too soft for the purpose, and for which we substituted fiber. The hoist has given us no trouble whatever, but the crank pin on the right hand side is loosening, and which we will replace in a short time. This does not speak well for a new hoist, but I think it is no fault in the design, simply a blunder on the part of some workman in the shop, which escaped the manufacturers attention.

*Northwest  
Manufacturing  
Co*

#### MINE PUMPS.

This mine has been making comparatively little water, though it is increasing somewhat as the ore is opened into. We now have about 100 gal. per minute, and will install a No. 9 Cameron pump in the place of the No. 6 Knowles, which has been the relief pump heretofore. The No. 8 Knowles pump will be kept in as relief in case of failure of the Cameron.

The only change in the Auxiliary service is in exchanging a 6&4x6 feed pump for an 8&5x10 from the Lucy. We also added one additional tank at the mine. Although one of the boilers and one of the pumps at the pumping station are not the best, I believe there is no danger whatever from failure of our water supply.

#### TOP TRAM PLANT.

duplex  
The small 8x9 engines have given very good satisfaction, the only trouble we have had being with the friction clutch. This is a cone friction, and we found the taper so slight that the clutch did not release readily, but this was corrected by taking the drum to the shop and changing the taper.

#### ASHLAND MINE.

We have had some changes at the Ashland Mine. The mine did no hoisting during April and May. Before starting the hoist in June, we installed a new exhaust pipe, putting in the necessary valves and connections for the vacuum system of heating, and also moved the feed water heater to the engine room. There have been no other changes in the hoisting plant, though I believe we will ultimately be compelled

to put wood lagging on all these drums, as the weight of the cage on the load of ore and weight of skip handled is quite heavy. The self-oiling skip boxes have run with no repairs whatever.

#### COMPRESSOR.

We have had no important repairs to the 18x42 Ingersoll-Sargeant compressor. I should like very much to compound this compressor, by taking the 38 inch x 48 inch ~~six~~ cylinder from the Lake hoist and removing the left hand steam cylinder of this compressor and install the cylinder from the Lake in its place. This would make the steam end of this machine a very economical one, and as we already have a condenser working on this machine, the expense of installation probably would not exceed \$700 or \$800. I would then like to take the 18x42 inch cylinder from this compressor, put it on the Cliff Shaft hoist, as noted above, thus compounding the hoist and enabling us to carry the steam pressure at the Cliff Shaft Mine that the Lake boilers will admit of. The work on the Cliff Shaft hoist I think could be done for not to exceed \$500 or \$600. The only cylinder we would have to buy to complete the transaction would be another high pressure cylinder for the Lake hoist when it is again put in service. This should be done anyway, as the cross-compound hoist does not start well, having but one high pressure cylinder, and if the machine happens to stand with this cylinder on the center, it is difficult to start, compelling the use of an auxiliary valve to admit steam to the low pressure cylinder.

#### MINE PUMPS.

We have made no changes this year in the pumping plant. The Prescott triple pump originally bought for this mine has been sold to the Negaunee, as it is not probable that we will need it here for some years to come, owing to the fact that the ore had not been encountered on the lower levels, and the quantity of water making throughout the entire mine, is considerably smaller than formerly.

### BOILER PLANT.

There have been no changes in the boiler plant, and no important repairs have been necessary.

### AUXILIARIES.

We have completed the installation of the Van Auken Vacuum system of heating, and are using the exhaust from the Auxiliary machinery for heating purposes.

### TOP TRAM PLANT.

The tail rope haulage plant purchased from the Lake Shore Engine Works two years ago is now giving the best of satisfaction, and is as good a machine for this purpose as we have anywhere. We also installed at the No. 3 shaft a pair of 8x9 reversible engines with a secondary shaft and sheave mounting directly above the guides, for use on the stock pile.

### CROSBY MINE.

The Crosby Mine was closed down May 1st. We had at the mine but one fire box boiler, and as we had no relay for cleaning for a long time, the boiler was permitted ~~to~~ to become somewhat dirty until some of the tubes were burned out and had to be replaced. We later sent up a diamond drill boiler to keep the mine free of water while cleaning the large boiler. This mine made very little water, except in case of heavy rains. But little hoisting was done at the mine and the second hand hoist we purchased operated very satisfactorily. All the pumps and machinery were sent to the hard ore when the mine was closed down.

We have accomplished more during the past year toward installing economical machinery than in the previous five years. We have now one economical plant complete, while we have equipped the Maas and Negaunee mines with economical pumping machinery. This is only a start, and the great bulk of the work remains to be done. The amount of coal burned at the six working mines was 37,221.75, while at the Hard Ore, Maas and Austin, where we were either pumping or exploring, we have burned an additional quantity, bringing the total up to 44,540.16. This is a large quantity of fuel for the work accomplished. If we do not install electric power for operation, I would at least most earnestly advise the developing of what power we have on Carp River, either for general use or for operating the Maas Mine.

Respectfully Submitted  
Hill & McKee  
m. m.

COMPARATIVE TABLES.

CLIFF SHAFT.

YEAR.	COAL BURNED.	ORE & ROCK.	CU. FT. AIR.	TONS CU. FT.		GALLONS OF WATER.	#SHIFTS.
				HOISTED PER TON COAL.	AIR PER TON HOISTED.		
1900	7,969.3	231,857	359,115,088	35.4	1,410	345,630,130	538.
1901	8,412.8	233,088	447,136,140	32.5	1,580	353,314,205	549.5
1902	8,381.8	278,756	401,970,520	33.2	1,442	377,910,450	538.
1903	8,156.4	268,568	322,753,874	34.1	1,200	374,292,965	511.
1904	6,287.6	169,651	191,094,862	27.	1,127	372,046,285	270.5

SALISBURY MINE.

1900	3,513	177,258	193,430,796	50.5	1,090	65,724,195	833.
1901	3,681.3	190,816	184,678,547	49.6	970	71,466,792	840.
1902	3,800.	175,782	191,100,368	46.1	1,090	71,962,803	841.
1903	4,167.	194,781	264,830,023	46.7	1,360	88,636,312	828.
1904	3,540.	159,875	216,911,720	45.2	1,358	77,697,201	550.

LAKE MINE.

1900	8,218.	510,132	376,432,932	62.	740		
1901	9,117.7	472,730	393,632,563	51.7	840	62,998,188	803.
1902	8,460.5	470,728	440,196,332	51.8	958	64,188,597	841.
1903	8,502.8	468,277	441,329,198	50.	993	70,848,359	787.
1904	6,983.	281,399	355,084,057	40.3	1368	78,662,195	

ENGINE HOUSE NO. 3. MINE.

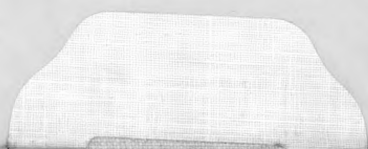
1900	3,359.7	80,577	156,642,514	23.9	1,875	127,301,055	544.
1901	3,537.4	83,321	198,187,706	23.5	2,375	123,434,439	545.
1902	3,749.9	79,329	209,140,586	21.3	2,550	124,952,502	561.
1903	3,978.6	75,458	202,735,698	18.8	2,660	139,284,463	594.

ASHLAND MINE.

1901	5,226.6	162,268	22,438,648	31.	1,385	101,103,902	
1902	11,245.9	368,237	408,713,680	32.	1,105		
1903	11,946	387,604	315,978,744	32.5	823		
1904	8,250	271,627	150,804,074	32.9	555	110,933,228.	

NEGAUNEE MINE.

1904	8,182.55	166,781	233,721,669	20.4	1401	476,056,512.	
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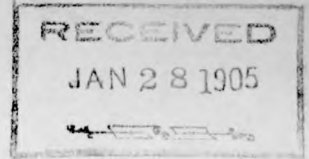
6

James H. Hoyt  
Allen C. Dustin  
Herman A. Kelley  
Homer H. McKeenan  
Horace Andrews  
Gustav von den Steinen  
Walter C. Merrick  
William B. Stewart  
George W. Colbrell

Law Offices of  
Hoyt Dustin & Kelley.  
Western Reserve Building.

Rooms 701-723

Cleveland, O. January 28, 1905.



Mr. William G. Mather,

President, The Cleveland-Cliffs Iron Company,

Mercantile Bank Building, City.

Dear Sir --

At your request we have prepared and here inclose to you in the form of a report a statement of the more important transactions which have been cared for by this firm in behalf of your company. If there is anything further that you desire prior to your annual meeting, please let us know and it will receive my attention.

Very truly yours,

*Horace Andrews*

*CASH  
Annual Report  
E.A.H.*

*No report on status of  
"99 Year lease"*

James H. Hoyt  
Alton C. Dustin  
Herman A. Kelley  
Homer H. McNeenan  
Horace Andrews  
Gustav von den Steinen  
Walter C. Merrick  
William B. Stewart  
George W. Cottrell

*Law Offices of*  
*Hoyt Dustin & Kelley.*  
*Western Reserve Building.*

*Rooms 701-723*

*Cleveland, O. January 28, 1905.*

Mr. William G. Mather,

President, The Cleveland-Cliffs Iron Company,

Mercantile Bank Building, City.

Dear Sir --

The following is a list of the more important transactions which have been conducted in your behalf by this firm during the year ending February 1, 1905;

BARABE STRIP.

The Cleveland-Cliffs Iron Company et al  
vs.  
Corbit et al.

This suit involved the central portion of your Maas mine property. It was brought by The Cleveland-Cliffs Iron Company, in the Circuit Court of Marquette County, Mich., to restrain Lewis Corbit, and numerous other defendants, from setting up or asserting rights in and to a certain strip of land, lying between the Barabe and the Gauthier farms, at Negaunee, Mich.; and to establish the rights of The Cleveland-Cliffs Iron Company and quiet its title in said land. The land in question was a wedge-shaped piece, so situated between the above named farms as to divide the Maas Mine, as it is called, almost in the center, and to include the mine now being sunk thereon.

Lewis Corbit, and a number of other persons, formerly the owners of the Gauthier and the Barabe farms, had, prior to this action, asserted rights and claims in this wedge-shaped strip of land, claiming that the same



had not passed by the conveyances made when the Barabe and the Gauthier farms were deeded to The Cleveland-Cliffs Iron Company and to George Maas; and such defendants were making elaborate preparation to assert their claims to this piece of land by proceedings in ejectment. They sought to compel you to either give up the land or pay them a large sum of money.

The trial of the suit took place during this last fall at Marquette, before Judge Stone, and the rights of both parties were strenuously asserted in a protracted fight. Subsequently, Judge Stone, after careful consideration, decided in our favor on every point in the case, establishing completely the rights of The Cleveland-Cliffs Iron Company as the owner of the property, and enjoining all the defendants from making any future claims to the same.

The firm of Ball & Ball, attorneys for the defendants, gave notice of appeal, but their appeal has not to this time been perfected. Even though the case should be appealed to the Supreme Court of Michigan, the evidence is so strong in your favor that we have little or no doubt of the final outcome of the case.

BALDWIN KILN ROAD.

The Iron Cliffs Company

vs.

The City of Negaunee  
and

The Cleveland-Cliffs Iron Company.

This suit was brought by the Iron Cliffs Company to determine the rights of the City of Negaunee in and to the body of iron ore lying under the "Baldwin Kiln Road"; and to determine whether or not the ownership of the city was such that it might execute to The Cleveland-Cliffs Iron Company a mining lease upon a royalty basis, and collect and receive the royalties for iron ore which might hereafter be mined from these premises. Many years ago this road was a private way owned by the Iron Cliffs Company and

used in its business. Subsequently, the road became useless as a right of way to the Iron Cliffs Company and was sold and conveyed by that company to the City of Negaunee, - the deed of conveyance being in the form of a warranty deed in fee simple. This road for many years was used by the city as a way to what is known as the "Nuisance Ground", lying northeastward of the city.

Prior to the execution of the lease, (which was really the subject matter of this suit), the City of Negaunee, by legal action for that purpose, abandoned the Baldwin Kiln Road as a public street, and in lieu of it accepted another right of way. Thereupon, the city executed to The Cleveland-Cliffs Iron Company a lease giving it the right, on a royalty basis, to mine out all the iron ore lying under the Baldwin Kiln Road. As a part of this lease it was expressly stipulated that the rights of the city to execute the same should be decided and that The Cleveland-Cliffs Iron Company should receive only such rights as the City of Negaunee legally owned and could properly have.

The Iron Cliffs Company brought this suit against the city and The Cleveland-Cliffs Iron Company, as its lessee, and claimed, in substance, that the City of Negaunee never acquired or owned more than an easement to use the surface of this land as a right of way or road, and that it could not and did not acquire the ownership of the entire fee; - by reason of which, except the right to use this road for travel, all the property in this strip of land, including the iron ore, was retained and owned by the Iron Cliffs Company and did not pass out of it at the time of the conveyance of the right to use the road; and that, for these reasons, the city had no legal right to lease this property for mining purposes, or to subsequently collect and hold the royalties received for iron ore mined out.

Upon investigation, it was found that the evidence tending to limit the ownership of the city would not be sufficiently strong to sustain the claims of the Iron Cliffs Company, and it was further found that various persons in the City of Negaunee would attempt to take the position that the

rights of The Cleveland-Cliffs Iron Company under its lease had not been acquired by the formalities required by the law of Michigan, and the ordinances of the City of Negaunee, - and that, therefore, your mining lease should be found and adjudged to be void. Under these conditions, it was thought best to adjust this case, and get a judgment establishing the rights of the City of Negaunee in this street, with the right to lease the same for mining purposes; and establishing at the same time the rights of The Cleveland-Cliffs Iron Company in its mining lease. A decree was, therefore, agreed upon and entered by the Circuit Court of Marquette County, finding and establishing the rights of all parties as hereinbefore stated. The leasehold rights of The Cleveland-Cliffs Iron Company in this property are, therefore, completely and finally determined by judgment of the Circuit Court of Marquette County.

CASES UNDISPOSED OF.

The Arctic Iron Company  
 vs.  
 The Cleveland-Cliffs Iron Company et al.

The above-entitled action was brought nominally by the Arctic Iron Company, but really by Kaufman and Breitung, the owners of one-half of the stock of the Arctic Iron Company. The suit was brought in the Circuit Court of Marquette County, Michigan, but was subsequently removed by us to the Circuit Court of the United States, where it is now pending.

This suit was brought to recover from The Cleveland-Cliffs Iron Company and require to be turned over all the stock of The Regent Iron Company, now owned by you. - together with the interest which was purchased from Breitung and Mrs. Kaufman in the fee of the mines covered by the lease executed by the Arctic Iron Company and others; and also to obtain an accounting for all iron ore delivered to The Cleveland-Cliffs Iron Company under the contract between The Cleveland-Cliffs Iron Company and the Regent

Iron Company, - it being averred and claimed in the complaint that the lease from the Arctic Iron Company and others, which was thereafter assigned to the Regent Iron Company, was consented to by Mr. Mather, as one of the directors of the Arctic Iron Company, (and President of The Cleveland-Cliffs Iron Company), on condition that the Cleveland-Cliffs Iron Company should receive an interest in the lease being negotiated, and in the iron ore to be mined out; and it being further alleged that such action on the part of Mr. Mather, who was at the time a director of the Arctic Iron Company, was fraudulent and in violation of the rights of the Arctic Iron Company; that the Regent stock, the interest in the fee of Kaufman and Breitung, and the iron ore obtained under said contract, - were the results so obtained by fraud; and that all said advantages which he obtained for The Cleveland-Cliffs Iron Company in this manner should inure to the benefit of the Arctic Iron Company. Sweeping and, (it seems to us), reckless allegations of fraud on the part of Mr. Mather and The Cleveland-Cliffs Iron Company are set out in the bill.

We have made careful and extended examinations of the facts in connection with the transactions set up and claimed by the Breitungs in this suit, and find that we will be able to establish, not only that Mr. Mather was innocent of all fraud or of inducing the execution of this contract, - but that the contract was in fact made by the Breitungs and Kaufman upon terms which they themselves fixed and agreed upon without consultation with Mr. Mather; and that they and their lessees threatened that unless these terms were agreed to, litigations would take place to tie up the property and seriously affect the interests and rights of The Cleveland-Cliffs Iron Company. Breitung and the Kaufmans were acting purely from a personal standpoint and in this suit they are seeking to gain a personal advantage.

We are not able, of course, at this time to do more than to say that when the knowledge of all the facts comes to a court of equity we cannot believe that an adverse decision will be entered.

The Cleveland-Cliffs Iron Company  
vs.  
The East Itasca Mining Company.

Sometime ago you entered into contract with the East Itasca Mining Company, by which you agreed to explore property covered by certain mining leases held by the East Itasca Mining Company, and if after exploration you desired to purchase said leases you agreed to pay to the East Itasca Mining Company therefor a bonus of seven cents per gross ton of iron ore discovered and found to exist on the premises which could be mined by the ordinary methods, which would average 56% or better in iron. The contract also provided that the property should be explored by the use of certain drills therein referred to. Thereafter, you employed Mr. Longyear, a mining engineer of known and acknowledged ability to test these properties and determine the amount of iron ore that existed thereon. After having made what was believed to be a proper and thorough test he reported to you in writing and this report was taken up and considered jointly by the representatives of The Cleveland-Cliffs Iron Company and of the East Itasca Mining Company. Mr. Longyear at that time believed and reported that by the tests actually made it was found that there existed upon the property 2,992,961 gross tons of iron of the quality provided for in the contract which could be mined in the ordinary way. Thereupon, believing this report to be true you paid to the East Itasca Mining Company the sum of \$167,507.27. Sometime after this payment, mining operations were begun by you, and further investigations were made under Mr. Longyear's supervision, and it was found that a serious mistake had been made in the estimate of iron ore, and that instead of 2,992,961 tons of iron ore, as reported by Mr. Longyear, there existed on the premises only about 1,076,264 tons, for which you should have made payment.

Without going into the reasons for the mistake, it is sufficient to say that demand was immediately made on the East Itasca Mining Company for the return of \$92,168.79, the over-payment so made to them by mistake as above set forth. They refused to repay the amount so received and this suit was brought in the Circuit Court of the United States, at Duluth, Minn., to recover the amount so paid to the East Itasca Mining Company by mistake. The issues are not fully made up, but the papers will all be filed very soon and the case will probably be tried within a few months.

It is our opinion, and also the opinion of Mr. Grannis of Duluth, who is representing you locally there in connection with this firm, - that under the facts as they exist you should be permitted to recover and collect back from the East Itasca Mining Company the over-payment so made by mistake.

#### TRANSACTIONS NOT LITIGATED.

##### Taylor Farm.

During the year 1903, you purchased the Taylor Farm, so-called, situated to the northeastward from Toledo, but left in the hands of outside owners three small parcels of land lying immediately north of your Taylor property and between your land and the mouth of Otter Creek. Negotiations were, at your request, taken up, and by option and contracts we obtained the right to acquire these three parcels of land. They were owned by Schmidt; Weaver; and Detwiler & Metzger. The pieces which were owned by Detwiler & Metzger and by Weaver have been actually purchased and deeded to you.

The Schmidt parcel we hold under contract, but owing to delay on the part of Schmidt a deed has not yet been executed. We hope to complete this purchase before February 1st, and have lately written to Mr. Schmidt, demanding that he submit to us his abstract.

The facts relative to these properties, together with their relation to your Taylor property are all set forth in our previous written report now among your files. They need not be here repeated.

Boyne City Contract.

During the fall of 1904 your company entered into contract with the Boyne City Charcoal Iron Company, by which The Cleveland-Cliffs Iron Company arranged to sell to the Boyne City people all the iron ore needed and to be used by that company in the manufacture of iron during the life of the contract. You also agreed to undertake the sale of iron manufactured by that company, and assumed various other duties, - all of which are shown by the contract itself. Subsequently, that contract, together with all securities to you for the performance of the same was, (with the consent of the Boyne City people), assigned by you to the Superior Charcoal Iron Company; but you received back from that company its contract to purchase from The Cleveland-Cliffs Iron Company all iron ore needed and to be used by the Boyne City Charcoal Iron Company in the operation of its furnaces. The practical result of your transactions is that you sold and assigned to the Superior Charcoal Iron Company the entire contract with the Boyne City people, saving and excepting to yourselves that part of the contract whereby you agreed to furnish the iron ore to be used by the Boyne City people. As the contract now stands, you sell the iron ore direct to the Superior Charcoal Iron Company for the use of the Boyne City Company. You thus have the responsibility of the Superior Charcoal Iron Company, together with the mortgage and other securities which were given by the Boyne City Company as security for the payment required to be made for iron ore. As the papers and other instruments in connection with these matters are drafted we believe that your interests are in all respects carefully protected.

Dunbar Furnace Lease.

Among other non-litigated matters worthy of mention is the additional Dunbar Furnace lease which was obtained during the past year, - by means of which the storage grounds for your material and the property

belonging to you, as provided by your contracts, may be kept and stored. This new lease was so drawn as to protect the rights of The Cleveland-Cliffs Iron Company as fully as did the lease for the original ground.

Hall & Munson Purchase.

The Hall & Munson Company was a corporation operating in northern Michigan and owning large tracts of timber and farming lands and also owning town site and other property at Bay Mills, together with certain plants, mills and machinery. Some time ago that company went into the hands of a receiver. Negotiations have been entered into with the receiver of said company, Mr. Robert H. Munson, looking to the purchase of the property in his hands, - and a proposition has been made by The Cleveland-Cliffs Iron Company and C. LaRue Munson to purchase the entire property, real and personal, of the Hall & Munson Company now held by its receiver, for the sum of \$370,000. The timber and other lands now held by the receiver and which would be covered by your purchase, should the offer already made to the receiver be accepted, are as follows;

- About 72,000 acres timber lands; taxes paid in full;
- About 4,700 acres of land not timbered; taxes paid in full;
- About 10,000 acres farm lands; taxes paid in full;
- About 13,000 acres on which the taxes are delinquent; also

All plat and town site lands at Bay Mills, including the company's plant with mills, machinery, appurtenances, fixtures and equipment.

Inasmuch as the receiver in this case was appointed in a suit pending in the United States Court at Grand Rapids, - the sale, if made, will be by order of the court. A petition has been prepared and filed with the court, asking for an order permitting the sale of the property at private sale, and notices have been sent out to stockholders and creditors of the company, fixing the time of hearing on the application for authority to make the sale. We are not yet able to state as to what the attitude of creditors



will be toward this sale and the probable action of the court cannot be known prior to the time for appearance of the parties interested.

Monongahela Foundry & Forge Company.

On the 3rd of September, 1904, George P. Rhodes was appointed receiver of the above named company by the Clerk of the Court of Common Pleas of Allegheny County, Pa. We prepared an intervening petition in your behalf, setting up your claim amounting in the aggregate to \$3,873.42, and sent it to Messrs. Reed, Smith, Shaw & Beal, of Pittsburgh. Those gentlemen thought it unnecessary to file the intervening petition, but have been watching the proceedings and will make proof of your claim when it becomes necessary. In December the receiver filed an application, asking for leave to sell the assets of the company, and at that time it was estimated that the creditors would receive from 80 to 90 per cent. on their claims. There have been no new developments in the matter recently, but we have instructed Messrs. Reed, Smith, Shaw & Beal to advise us promptly should anything of interest occur.

Munising Paper Company, Ltd.

In January, 1904, pursuant to your instructions we attended to the preparation and putting in legal form of an issue of three hundred six per cent. \$1000, gold, coupon debentures of the Munising Paper Company, Ltd., bearing date July 1, 1904, and payable July 1, 1914. - a part of which issue, we understand, was purchased by The Cleveland-Cliffs Iron Company and that the latter company sold some of the debentures taken by it after endorsing thereon its guarantee of the payment thereof, principal and interest.

Grand Island Steamship Company.

Pursuant to your instructions we organized, in November, 1904, the Grand Island Steamship Company, under the laws of West Virginia, with an authorized capital stock of \$25,000, to which corporation The Cleveland-Cliffs Iron Company assigned its contract with the Great Lakes Engineering Works for the construction of a 10,000 ton steel freight steamer, to be delivered on or before July 20, 1905, - the Cleveland-Cliffs Iron Company being obligated to advance to the Grand Island Steamship Company the moneys necessary to enable the latter company to pay for said vessel. For said assignment and agreement to advance moneys The Cleveland-Cliffs Iron Company received the entire \$25,000 for capital stock of the Steamship Company, five shares of which stand in the names of the directors of the Steamship Company, and also is to receive from the Steamship Company its \$1000 first mortgage five per cent. gold coupon bonds of the Steamship Company for the amount of moneys advanced to the Steamship Company with interest, being the entire issued part of an authorized issue of \$400,000 par value of bonds secured by first mortgage on said steamship. These bonds, we understand, you have contracted to sell to The Citizens Savings and Trust Company, on the basis of 98-1/2, said bonds to bear the guarantee of The Cleveland-Cliffs Iron Company. The Grand Island Steamship Company has been fully organized and the form of mortgage on its steamship has been drawn and is now in your hands for examination. The execution of the mortgage cannot take place before July 1, 1905, the date thereof, nor until the delivery and enrollment of the steamship covered thereby.

Respectfully submitted,

*Hoyt Dustin Kelley*

REPORT OF SOLICITOR

From January 1st, 1904 to January 1st, 1905.

The following is a general summary of what is shown by my monthly reports rendered during the year above mentioned.

1.

Cases disposed of by litigation or settlement.

1. Marquette & Southeastern Railway Co. vs. Longyear, et al.

Condemnation proceedings in Marquette Probate Court. This was the re-trial ordered by the Supreme Court as to one parcel of land. Verdict for Mr. Longyear of \$175, which is considerably less than we had offered to pay. He claimed \$11,000. (See January report.)

2. John M. Longyear vs. James Russell, Marquette & Southeastern

Railway and others. Foreclosure proceedings in Marquette Circuit Court in Chancery to foreclose mortgage on land crossed by right of way obtained by proceedings, referred to in preceding paragraph. Our interest consisted in seeing that we were not made liable beyond the sum of \$350 already deposited in Probate Court to make good the injury to the mortgage security. (See January and May reports).

3. Pioneer Iron Co. et al. vs. Township of Rock River.

Suit brought in Alger Circuit in Chancery to set aside certain taxes alleged to have been fraudulently assessed. This case was settled and discontinued at the June term of Court. (See January and June reports.)

4. The Munising Company vs. Edgar P. Swett and wife.

Ejectment suit in Alger Circuit Court to obtain possession of the N.W. Fract. quarter of Section 19 T.47 N.R.19 W. judgment for plaintiff

at June term of Court. (See June report.)

5. George W. Shaw vs. the Munising Railway Company.

Suit in Alger Circuit Court in Chancery to enforce tax titles on certain lots in Walbridge Addition to the Village of Munising. Defendant's demurrer sustained and bill dismissed. (See June report.)

6. The Cleveland-Cliffs Iron Co. vs. Charles Muck, and wife.

Suit in Marquette Circuit Court in Chancery to enforce specific performance of a written agreement to execute a mining lease. Tried at the June term. Decree for complainant. No appeal. (See May and June reports.)

7. Iron Cliffs Co. vs. City of Negaunee & The Cleveland-Cliffs Iron Company.

Suit in the Marquette Circuit Court in Chancery to establish title in the Iron Cliffs Company to the mineral rights under Baldwin Kiln Road. This case was settled at the September term of Court. (See reports for September, January, July and August.)

11.

Cases which have been tried and appealed to Supreme Court.

1. John Hutchinson vs. The Cleveland-Cliffs Iron Co.

Personal injury case in Delta Circuit. Tried in April, resulting in verdict for plaintiff for \$1500. (See April report.) We have taken an appeal in this case and have in my judgment more than even chances of reversing the case. In the meantime Hutchinson has been twice arrested, once for burglary and once for being drunk and disorderly and on the last occasion was given twenty-four hours by the City Authorities to get out of town. If we get a reversal, I doubt if the case is ever tried again.

2. The Cleveland-Cliffs Iron Company vs. Corbit, et al.

Suit in Marquette Circuit Court in Chancery to quiet title to the wedge shaped strip of land on which the Maas Mine shaft is located. This was the most important case tried during the year, and it resulted in a decree for the complainants. (For a history of this case see reports for February, May, August, September and November). The Gauthier defendants represented by Ball & Ball have taken an appeal to the Supreme Court, but I think we can defeat them with the assistance of Judge Stone's opinion, as readily in the Supreme Court as we did at the Circuit.

III.

Cases Pending.

1. The Railway Taxation cases in which we take no active part.

2. Louis Girard vs. Peter Mc Rae, The Cleveland-Cliffs Iron Co, et al.

Suit in Marquette Circuit Court in Chancery to reach the title to certain lands which we purchased by warranty deed from Mc Rae. I think we have a good defense and have tried to bring the case to trial, but it has been continually delayed by the complainant. (See August report.)

3. The Cleveland-Cliffs Iron Co. vs. Isaac Calkins, et al.

Suit brought in Alger Circuit Court in Chancery to quiet title on Grand Island. This is merely a formal matter. (See March report.)

4. Arctic Iron Co. vs. The Cleveland-Cliffs Iron Co., et al.

Bill for injunction and accounting filed in Marquette Circuit Court in Chancery and removed by us to the U. S. Circuit Court in Chancery. In this case I am acting entirely under the direction of Hoyt, Dustin & Kelley, who are managing this case and preparing it for trial.

5. The Cleveland-Cliffs Iron Co. vs. East Itasca Co. et al.

In U. S. Circuit Court at Duluth. Suit brought to recover amount overpaid in the purchase price at the Crosby Mine. I am not an attorney

of record in this case but am assisting from time to time as requested by the attorneys in it.

6. Margaretha Lonstorf vs. George J, Maas, and The Cleveland-Cliffs Iron Company.

Bill filed in the U. S. Circuit Court in Chancery at Marquette to secure an accounting from Maas. We have no special interest in this case as the relief sought is to compel us to pay complainant certain rents and amounts which we are now obligated to pay to Maas. This case requires no active attention from me. Hoyt, Dustin & Kelley are counsel for Maas and are guarding our company's rights.

IV.

In addition to the above cases, I have disposed of a number of Justice Court cases relating to granishment and similar matters and have aided the Furnace Department in settling or denying several claims for personal injury and have attended all inquests at accidents occurring on our line of railroad.

V.

The following is a summary of the written opinions and reports rendered during the year.

	Mining Dept.	Land Dept.	Fur. Dept.	Ry. Dept.	Mr. Mather, H.D. & K.	
Jan.	3	3	5	3	1	1
Feb.	3	6	3	2	4	4
March	5	4	2	5	4	2
April	3	3	2	1	4	4
May	3	5	2	1	10	2
June	5	8	3		5	4
July	9	6	2	3	1	5
Aug.	5	5	4	2	1	
Sept.	6	7	3	2	1	4
Oct.	8	9		1		3
Nov.	3	5	2	3	1	2
Dec.	6	7	1	1	2	2
	59	68	29	25	34	33

Total 248.

## VI.

The list of deeds, agreements, leases, etc, including all instruments exclusive of pleadings and other legal documents used in the trial or preparation of cases, is as follows:

This list does not include deeds, leases etc, prepared by the departments and submitted to me merely for approval.

January six, February five, March eleven, April six, May two, June seven, July six, August five, September five October eleven, November three, and December six. Total 72.

## VII.

### Traveling.

During the year I have, at the request of the different departments made 47 trips to Marquette, 18 trips to Munising, three to Gladstone and Escanaba, one to Chatham, one to Milwaukee and one to Chicago on behalf of this company. I made one trip to California in the month of May to take testimony in the case of The Cleveland-Cliffs Iron Company vs. Corbit.

## VIII.

### Expenses.

During the past year, the amount of money which I have expended for traveling expenses, for the company's proportion of my office expenses and for legal expenses which have been paid through my office, are as follows given by months. The items of these amounts appear in detail attached to each monthly report.

January	\$ 56.30
February	49.23
March	62.15
April	87.37
May (regular)	69.86
May (special, Trip to California)	277.50
June	69.52
July	85.11
August	95.97
September	98.89
October	64.70
November	50.79
December	88.72
	<hr/>
Total	\$1156.11

lx.

Local Attorneys.

During the past year we have had no local attorneys under retainer except Mr. Cooper at Ironwood. Mr. Hill of Marquette has helped in behalf of the Central Land & Timber Co. Ltd. in relation to certain land matters in which I could not appear. Mr. Bell has assisted in the trial of the Maas Mine cases as the representative of Mr. Maas, the expense of his work being borne jointly by the Company and Mr. Maas, and Mr. Empson assisted in the trial of the Hutchinson case at Escanaba, in the matter of selecting a jury and other matters where local knowledge was required, but is taking no part in the appeal of the case. We have also had Mr. Gad Smith assist us in one or two small matters relating to tax titles where it was necessary to do the work in the name of some one else. Aside from these matters we have employed no outside assistance during



the past year. Mr. Andrews attended and participated in the trial of the Corbit case at Marquette. Hoyt, Dustin & Kelley were consulted with reference to the Corbit case and the Baldwin Kiln Road case, which they were handling when I came to this company. None of the other cases have been of sufficient importance to warrant consulting them, except of course the Arctic Iron Co. case and the East Itasca Co. case, which they are managing direct from their office.

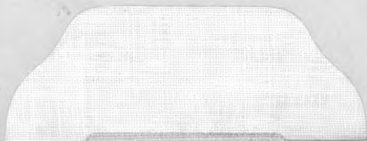
X.

Other Work.

In every month there has been a considerable amount of work done not included in any of the regular sections of my report. It is perhaps unnecessary to mention those matters again as they will be found listed at the conclusion of each monthly report.

William P. Bolden

Solicitor.



7