

PIONEER IRON COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

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NEW YORK

LONDON, E. C.

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CHICAGO
HARRIS TRUST BUILDING

ST. LOUIS
THIRD NATIONAL BANK BUILDING

CLEVELAND
WILLIAMSON BUILDING

PITTSBURGH
FARMERS BANK BUILDING

BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, Jackson Iron Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Jackson Iron Company for the year ended December 31, 1910, for the purpose of verifying Securities Owned, Cash Accounts, Paymaster's Account, and Capital Stock, and submit the following comments:

SECURITIES OWNED - \$1.00

The securities owned at December 31, 1910, carried on the books of the Company at a valuation of \$1.00 are as follows:

	<u>Par Value</u>	<u>Book Value</u>
Capital Stock of the Republic Iron & Steel Company - 52 Shares, Preferred,.....	\$ 5,200.00)	
Capital Stock of the Republic Iron & Steel Company - 52 Shares, Common,.....	5,200.00)	\$1.00
Total,.....	<u>\$10,400.00</u>	<u>\$1.00</u>

These securities are in the custody of the Company, deposited in safety vaults, and were verified by examination.

CASH IN HAND AND ON DEPOSIT - \$53,318.63

The cash in hand and on deposit December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

GENERAL OFFICE - CLEVELAND,.....	\$50,100.47
MINE DEPARTMENT - ISHPEMING, MICHIGAN:	
General Account,.....	\$275.77
Paymaster's Account,.....	4.20
Total - Mine Department,.....	279.97
LAND DEPARTMENT - NEGAUNEE, MICHIGAN:	
General Account,.....	2,938.19
TOTAL,.....	<u>\$53,318.63</u>

Cash in banks was verified by certifications obtained from the various depositories, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

The general office cash balance of the Mine Department, Ishpeming, was on deposit with The Miners' National Bank.

The general office cash balance of the Land Department, Neegaunee, consisted of Cash Items in the hands of the cashier amounting to \$90.80, and \$2,847.39 cash on deposit with the First National Bank. The cash items in hands of cashier at December 31, 1910, were deposited in bank during January, 1911.

PAYMASTER'S ACCOUNT

The cash to be accounted for by C. J. Shaddick, Paymaster, Mine Department, was verified February 21, 1911. The balance at this date was \$4.20, and consisted of due bills and checks in his possession. The amount on deposit in banks to his credit was reconciled, and, after allowing for outstanding and unrepresented checks, the amount in banks was found to be in agreement with the checks and due bills held by him.

We have also examined the reconciliation of the paymaster's account, made by the Auditing Department of the Company as of December 31, 1910, and the balance at that date, \$4.20, appears to be correct. All payrolls of the various operating departments for the year were examined and the amounts credited to cash and charged to C. J. Shaddick, Paymaster, were in agreement therewith.

CAPITAL STOCK \$300,000

The capital stock issued and outstanding December 31, 1910, consisted of 12,000 shares, par value \$25.00 each. The Stock Certificate Book was examined and found to be in agreement with the General Ledger.

Yours truly,



Certified Public Accountants.

JACKSON IRON COMPANY

REPORT
RELATING TO THE EXAMINATION
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THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

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BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,

President, Grand Island Steamship Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Grand Island Steamship Company for the year ended December 31, 1910, for the purpose of verifying Securities Owned, Cash Account, and Capital Stock, and submit the following comments:

SECURITIES OWNED - \$210.72

The securities owned at December 31, 1910, carried on the books of the Company at a valuation of \$210.72, consisted of 376.94 shares of the capital stock of the Lake Carriers' Association, and were verified by examination.

CASH - \$1,618.90

The cash balance, amounting to \$1,618.90, at December 31, 1910, was on deposit with The National Commercial Bank, Cleveland, and was verified by certification obtained from the depository. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

The following working funds, shown by the books of the Company as in the hands of steamship captains, were not verified by us:

S. A. Lyons, Captain "Steamer Sheadle",.....	\$ 789.21
T. E. Murray, Captain "Steamer Michigan",....	200.00
Total,.....	<u>\$ 989.21</u>

CAPITAL STOCK - \$25,000.00

The capital stock issued and outstanding December 31, 1910, consisted of 250 Shares, par value \$100.00 each. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

Yours truly,

Haskins & Sells

Certified Public Accountants.

GRAND ISLAND STEAMSHIP COMPANY

REPORT
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THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

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EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, Excelsior Iron Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Excelsior Iron Company for the year ended December 31, 1910, for the purpose of verifying Cash Accounts and Capital Stock, and submit the following comments:

CASH - \$3,040.58

No cash transactions are reflected by the general books of the Company in Cleveland during the year ended December 31, 1910, all receipts and disbursements being recorded on the books of the Land Department, Negaunee, Michigan.

The cash balance, as shown by the books of the Land Department, was \$3,040.58 at December 31, 1910, and consisted of cash items in the hands of the Cashier amounting to \$25.00, and \$3,015.58 on deposit with The First National Bank, Negaunee. Cash in bank was verified by certification obtained from the depository, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for. The cash items in the hands of the Cashier at December 31, 1910, were deposited in bank during January, 1911.

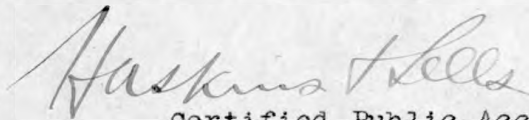
CAPITAL STOCK - \$100,000

The capital stock issued and outstanding December 31, 1910, as shown by the general books of the Company, consisted of 4,000 shares,

par value \$25.00 each.

No stock certificates, in the usual form, have been issued by the Company, but a book, said to be the register of capital stock issued, was submitted to us. This book indicates an issue in excess of 4,000 shares, but we are advised that several transfers have been made, although the shares transferred have not been marked as canceled. We suggest that this record be made to reflect the true condition, and the shares transferred be so designated.

Yours truly,



Certified Public Accountants.

EXCELSIOR IRON COMPANY

REPORT
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THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

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CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, The Munising Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of The Munising Company, for the year ended December 31, 1910, for the purpose of verifying Cash Accounts and Capital Stock, and submit the following comments:

CASH - \$6,071.71

The cash balance, December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

General Office - Cleveland,.....	\$2,620.61
Land Department - Negaunee,.....	<u>3,451.10</u>
Total,.....	<u>\$6,071.71</u>

The cash balance as shown by the books of the Cleveland Office was on deposit with The Citizens Savings & Trust Company, Cleveland, and the balance shown by the books of the Land Department consisted of cash items in the hands of the Cashier amounting to \$16.08 and \$3,435.02 on deposit with the First National Bank of Alger County.

Cash in bank was verified by certifications obtained from the depositaries, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for. The cash items in the hands of the Cashier at December 31, 1910, were deposited in bank during January, 1911.

CAPITAL STOCK - \$415,900.00

The capital stock issued and outstanding, December 31, 1910, consisted of 4,159 shares, par value \$100 each. The Stock Certificate Book was examined and found to be in agreement with the General Ledger.

Yours truly,

Haskins & Sells

Certified Public Accountants.

THE MUNISING COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

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EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,

President, Bay Mills Land and Lumber Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Bay Mills Land and Lumber Company, for the year ended December 31, 1910, for the purpose of verifying Cash Account and Capital Stock, and submit the following comments:

CASH - \$1,025.50

No cash transactions are reflected by the general books of the Company in Cleveland during the year ended December 31, 1910, all receipts and disbursements being recorded on the books of the Land Department, Negaunee, Michigan.

The cash balance, as shown by the books of the Land Department, was \$1,025.50 at December 31, 1910, and consisted of cash items in the hands of the cashier amounting to \$10, and \$1,015.50 on deposit with The First National Bank, Negaunee. Cash in bank was verified by certification obtained from the depository, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for. The cash items in the hands of the cashier at December 31, 1910, were deposited in bank during January, 1911.

CAPITAL STOCK - \$250,000

The capital stock issued and outstanding December 31, 1910, consisted of 2,500 shares, par value \$100 each. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

Yours truly,

Haskins & Sells

Certified Public Accountants.

BAY MILLS LAND AND LUMBER COMPANY

REPORT
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OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
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PITTSBURGH BALTIMORE

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BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,

Vice-President and Treasurer,
The Presque Isle Transportation Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. Ans.

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of The Presque Isle Transportation Company for the year ended December 31, 1910, for the purpose of verifying Securities Owned, Cash Account, and Capital Stock, and submit the following comments:

SECURITIES OWNED - \$1.00

The securities owned at December 31, 1910, carried on the books of the Company at a valuation of \$1.00, consisted of 132.92 shares of the capital stock of the Lake Carriers' Association, and were verified by examination.

CASH - \$34,909.76

The cash balance December 31, 1910, \$34,909.76, was on deposit with The National Commercial Bank, Cleveland, and was verified by certification obtained from the depository. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

The following working funds shown by the books of the Company as in the hands of steamship captains, were not verified by us:

S. M. Murphy, Captain "Steamer Peter White",...	\$199.00
J. Kennedy, Captain "Steamer Presque Isle",.....	304.50
J. A. Stewart, Captain "Steamer Angeline",.....	609.62

Total,..... \$1,113.12

CAPITAL STOCK - \$500,000.00

The capital stock issued and outstanding December 31, 1910, consisted of 5,000 shares, par value \$100 each. The Stock Certificate Book was examined and found to be in agreement with the General Ledger.

Yours truly,

Hastings & Sees

Certified Public Accountants.

THE PRESQUE ISLE TRANSPORTATION CO.

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

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BALTIMORE
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CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, Hopkins Steamship Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an audit of the books and accounts of the Hopkins Steamship Company for the year ended December 31, 1910, for the purpose of verifying Securities Owned, Cash Account, and Capital Stock, and submit the following comments:

SECURITIES OWNED - \$1.00

The securities owned at December 31, 1910, carried on the books of the Company at a valuation of \$1.00, consisted of 27.28 shares of the capital stock of the Lake Carriers' Association, and were verified by examination.

CASH - \$7,400.82

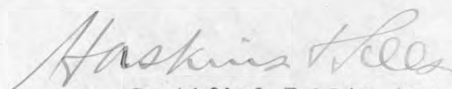
The cash balance December 31, 1910, \$7,400.82, was on deposit with The Citizens Savings & Trust Company, Cleveland, and was verified by certification obtained from the depository. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

The books of the Company show a working fund amounting to \$277.99 in the hands of F. D. Perew, Captain of the Steamer "Centurion". This fund was not verified by us.

CAPITAL STOCK - \$265,000.00

The capital stock issued and outstanding December 31, 1910, consisted of 5,300 shares, par value \$50.00 each. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

Yours truly,



Certified Public Accountants.

HOPKINS STEAMSHIP COMPANY

REPORT
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THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
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CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, Negaunee Mine,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Negaunee Mine, for the year ended December 31, 1910, for the purpose of verifying Cash Accounts, Paymaster's Account, and Capital Stock, and submit the following comments:

CASH - \$8,006.31

The cash balance, December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

GENERAL OFFICE - CLEVELAND,.....	\$7,859.87
MINE DEPARTMENT - ISHPEMING, MICHIGAN:	
General Account,.....	\$140.86
Paymaster's Account,.....	5.58
Total Mine Department,.....	<u>146.44</u>
Total,.....	<u>\$8,006.31</u>

Cash in banks was verified by certifications obtained from the various depositories, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

PAYMASTER'S ACCOUNT

The cash to be accounted for by C. J. Shaddick, Paymaster, Mine Department, was verified February 21, 1911. The balance at this date was \$11.73, and consisted of due bills and checks in his possession.

The amount on deposit in banks to his credit was reconciled, and, after allowing for outstanding and unrepresented checks, the amount in banks was found to be in agreement with the checks and due bills held by him.

We have also examined the reconciliation of the paymaster's account, made by the Auditing Department of the Company as of December 31, 1910, and the balance at that date, \$5.58, appears to be correct. All payrolls of the various operating departments for the year were examined, and the amounts credited to cash and charged to C. J. Shaddick, Paymaster, were in agreement therewith.

CAPITAL STOCK - \$500,000

The capital stock issued and outstanding December 31, 1910, consisted of 20,000 shares, par value \$25 each. The Stock Certificate Book was examined and found to be in agreement with the General Ledger.

Yours truly,

Haskins & Wells

Certified Public Accountants.

C. ACCOUNTANTS

NEGAUNEE MINE

REPORT
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CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

The Central Land & Timber Company, Ltd.,
Grand Rapids, Michigan.

RECEIVED

MAY 23 1911

Ask. Ans.

Dear Sirs:

In accordance with your request, we have made an examination of the Treasurer's statements, as submitted to the Cleveland Office, for the year ended December 31, 1910.

All disbursements shown by the Treasurer's reports were supported by checks paid through the Kent State Bank, Grand Rapids. The cash balance at December 31, 1910, as shown by the books, was \$153.52, whereas the Treasurer's statements show \$145.37. The difference, \$8.15, is due to items appearing on the Treasurer's statements which were not credited to his account on the books of the Company.

The certificate of the Kent State Bank, reconciled with the Company's records, shows an available balance at December 31, 1910, of \$219.87. This amount is in excess of the Treasurer's report, December 31, 1910, by \$74.50.

Yours truly,

Haskins & Sells

Certified Public Accountants.

Let. to J. B. Howard 5/29

THE CENTRAL LAND &
TIMBER COMPANY, LTD.

REPORT
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CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, Michigamme Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. Ans.

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Michigamme Company, for the year ended December 31, 1910, for the purpose of verifying Cash Accounts and Capital Stock, and submit the following comments:

CASH - \$1,073.44

The cash balance, December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

General Office - Cleveland,	\$ 191.49
Land Department - Negaunee, Michigan,	881.95
Total,	<u>\$1,073.44</u>

The cash balance as shown by the books of the Cleveland Office was on deposit with The National Commercial Bank, Cleveland, and the balance shown by the books of the Land Department was on deposit with The First National Bank, Negaunee.

Cash in banks was verified by certifications obtained from the depositaries, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

CAPITAL STOCK - \$500,000

The capital stock issued and outstanding, December 31, 1910, consisted of 20,000 shares, par value \$25 each. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

Yours truly,

Certified Public Accountants.

MICHIGAMME COMPANY

REPORT
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DATED MAY 2, 1911
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CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Win. G. Mather,
President, American Iron Mining Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. Ans.

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the American Iron Mining Company, for the year ended December 31, 1910, for the purpose of verifying Cash Accounts and Capital Stock, and submit the following comments:

CASH - \$36.11

The cash balance, December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

General Office - Cleveland,.....	\$23.04
Land Department - Negaunee, Michigan,.....	13.07
Total,.....	<u>\$36.11</u>

The cash balance as shown by the books of the Cleveland Office was on deposit with The National Commercial Bank, Cleveland, and the balance shown by the books of the Land Department was on deposit with The First National Bank, Negaunee.

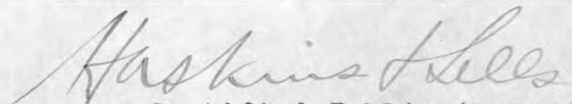
Cash in banks was verified by certifications obtained from the depositaries, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

CAPITAL STOCK - \$316,275.00

The authorized issue of Capital Stock is 20,000 shares, par value \$25.00 each. The amount issued and outstanding December 31, 1910, was \$316,275.00, represented by 12,651 shares. The 7,349 shares unissued, par value \$183,725.00, are carried on the books of the Company as

Treasury Stock. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

Yours truly,



Certified Public Accountants.

ACCOUNTANTS

8 SELLS

AMERICAN IRON MINING COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND
PITTSBURGH BALTIMORE

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

LONDON, E. C.

30 COLEMAN STREET

CHICAGO
HARRIS TRUST BUILDING

ST. LOUIS
THIRD NATIONAL BANK BUILDING

CLEVELAND
WILLIAMSON BUILDING

PITTSBURGH
FARMERS BANK BUILDING

BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
Secretary and Treasurer,
Arctic Iron Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. _____ Ans. _____

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Arctic Iron Company, for the year ended December 31, 1910, for the purpose of verifying Cash Account and Capital Stock, and submit the following comments:

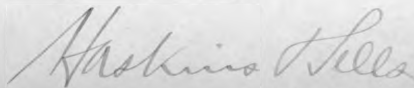
CASH - \$54.92

The cash balance of \$54.92 at December 31, 1910, was on deposit with The Citizens Savings & Trust Company, Cleveland, and was verified by certification obtained from the depository, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

CAPITAL STOCK - \$500,000

The capital stock issued and outstanding, December 31, 1910, consisted of 20,000 shares, par value \$25 each. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

Yours truly,



Certified Public Accountants.

ARCTIC IRON COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND
PITTSBURGH BALTIMORE

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
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LONDON, E. C.
30 COLEMAN STREET

CHICAGO
HARRIS TRUST BUILDING

ST. LOUIS
THIRD NATIONAL BANK BUILDING

CLEVELAND
WILLIAMSON BUILDING

PITTSBURGH
FARMERS BANK BUILDING

BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, Munising Railway Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. Ans.

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Munising Railway Company for the year ended December 31, 1910, for the purpose of verifying Cash Accounts, Note Receivable, and Capital Stock, and submit the following comments:

CASH - \$6,411.27

The cash balance December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

Railway Department - Marquette,....	\$3,125.35
Land Department - Negaunee,.....	<u>3,285.92</u>
Total,.....	<u>\$6,411.27</u>

The cash balance, as shown by the books of the Railway Department, consisted of \$2,223.46 and \$901.89 on deposit with The First National Bank of Alger County, Munising, and Marquette National Bank, Marquette, respectively. The balance shown by the books of the Land Department, \$3,285.92, was on deposit with The First National Bank of Alger County, Munising. The cash in banks was verified by certifications obtained from the various depositaries, reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

NOTE RECEIVABLE - \$10,000

This item is represented by a note dated May 20, 1908, due six months after date, given by the Munising Paper Company, Limited, for \$46,749.13, which has been reduced to \$10,000 by payments aggregating \$36,749.13. The note was verified by inspection.

CAPITAL STOCK - \$870,000

The capital stock issued and outstanding December 31, 1910, consisted of 8,700 shares, par value \$100 each. The Stock Certificate Books were examined and found to be in agreement with the General Ledger.

Yours truly,

Haskins & Sells

Certified Public Accountants.

MUNISING RAILWAY COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND
PITTSBURGH BALTIMORE

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET
NEW YORK

LONDON, E. C.
30 COLEMAN STREET

CHICAGO
HARRIS TRUST BUILDING

ST. LOUIS
THIRD NATIONAL BANK BUILDING

CLEVELAND
WILLIAMSON BUILDING

PITTSBURGH
FARMERS BANK BUILDING

BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,

President, Marquette & Southeastern Railway Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. Ans.

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Marquette & Southeastern Railway Company for the year ended December 31, 1910, for the purpose of verifying Cash Account and Capital Stock, and submit the following comments:

CASH - \$5,077.95

The cash balance December 31, 1910, consisted of \$4,516.58 and \$231.14 on deposit with The Marquette National Bank and The First National Bank of Marquette, respectively, and cash in hands of the cashier amounting to \$330.23. The cash in banks was verified by certifications obtained from the depositaries, reconciled with the Company's records. The cash in the hands of the cashier was counted March 2, 1911, and the balance on that date, \$281.47, as shown by the books of the Company, consisted of the following items:

Cash,.....	\$153.98
Check - O. S. Johnson, dated December 23, 1910,	10.00
Expenses Paid, as per Receipts on File,.....	<u>117.49</u>
Total,.....	<u>\$281.47</u>

The cash balance in the hands of the cashier at December 31, 1910, allowing for receipts and disbursements subsequent thereto and prior to March 2, 1911, was found to be correct. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

CAPITAL STOCK - \$1,000,000

The capital stock issued and outstanding December 31, 1910, consisted of 10,000 shares, par value \$100 each. The Stock Certificate Books were examined and found to be in agreement with the General Ledger.

Yours truly,

Haskins & Sells

Certified Public Accountants.

MARQUETTE & SOUTHEASTERN
RAILWAY COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
30 BROAD STREET
NEW YORK
LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND
PITTSBURGH BALTIMORE

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

LONDON, E. C.

30 COLEMAN STREET

CHICAGO
HARRIS TRUST BUILDING

ST. LOUIS
THIRD NATIONAL BANK BUILDING

CLEVELAND
WILLIAMSON BUILDING

PITTSBURGH
FARMERS BANK BUILDING

BALTIMORE
EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
President, The Lake Superior &
Ishpeming Railway Company,
Cleveland, Ohio.

RECEIVED

MAY 23 1911

Ack. ___ Ans. ___

Dear Sir:

In accordance with your request, we have made an audit of the books and accounts of The Lake Superior & Ishpeming Railway Company and The United Dock Company for the year ended December 31, 1910, for the purpose of verifying Cash Accounts, Note Receivable, and Capital Stock, and submit the following comments:

CASH - \$13,580.55

The cash balance December 31, 1910, as shown by the books of the Company, is represented by the following accounts:

GENERAL OFFICE - CLEVELAND:

Cash in Transit,..... \$27,837.69

Overdraft - The National Com-
mercial Bank, Cleveland,..... 26,289.58

Remainder,..... \$ 1,548.11

MARQUETTE OFFICE - MARQUETTE,..... 12,032.44

Total,..... \$13,580.55

Cash in transit, Cleveland Office, consisted of checks of the Iron Cliffs Company and Cleveland Iron Mining Company, dated December 31, 1910, for \$9,223.49 and \$18,614.20, respectively. These items were deposited in bank January 5, 1911. The overdraft on The National Commercial Bank, Cleveland, was verified by certification obtained from the depository, reconciled with the Company's records.

The cash balance, Marquette, as shown by the books of the Company, consisted of cash items in the hands of the cashier amounting to \$15 and \$12,017.44 on deposit in the Marquette National Bank. The cash in bank was verified by a certification obtained from the depository,

reconciled with the Company's records. All disbursements during the year were examined, and the receipts, as shown by the books of the Company, have been properly accounted for.

NOTE RECEIVABLE - \$143,750

This item is represented by a demand note, dated March 11, 1898, given by The Lake Superior & Ishpeming Railway Company, payable to The United Dock Company. The note was verified by inspection.

CAPITAL STOCK

The capital stock of The Lake Superior & Ishpeming Railway Company issued and outstanding December 31, 1910, consisted of 10,000 shares, par value \$100 each. The Stock Certificate book was examined and found to be in agreement with the General Ledger.

The books of The United Dock Company show no liability for capital stock, whereas an examination of the stock certificate records show 500 shares, par value \$100 each, issued and outstanding.

Yours truly,

Haskins & Wells

Certified Public Accountants.

Letter to Haskins & Wells

THE LAKE SUPERIOR & ISHPEMING
RAILWAY COMPANY AND
THE UNITED DOCK COMPANY

REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 1910

DATED MAY 2, 1911

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
30 BROAD STREET
NEW YORK
LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND
PITTSBURGH BALTIMORE

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
30 BROAD STREET
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 30 COLEMAN STREET

CHICAGO
 HARRIS TRUST BUILDING

ST. LOUIS
 THIRD NATIONAL BANK BUILDING

CLEVELAND
 WILLIAMSON BUILDING

PITTSBURGH
 FARMERS BANK BUILDING

BALTIMORE
 EQUITABLE BUILDING

CABLE ADDRESS "HASKSELLS"

CLEVELAND, May 2, 1911.

Mr. Wm. G. Mather,
 Treasurer, Munising Paper Company, Limited,
 Cleveland, Ohio.

RECEIVED
MAY 23 1911
 Ack. Ans.

Dear Sir:

In accordance with your request, we have made an examination of the books and accounts of the Munising Paper Company, Limited for the eighteen months ended December 31, 1910, for the purpose of verifying Cash Accounts, Securities Owned, Pay Rolls and Capital Stock, and submit the following comments:

CASH - \$21,823.82

The cash balance, December 31, 1910, was represented by the following accounts:

Treasurer's Account,.....	\$21,840.64
Manager's Account,.....	430.00
Pay Roll Account,.....	351.35
Time Order Account,.....	11.83
Petty Cash,.....	50.00
Total,.....	<u>\$21,823.82</u>

All cash accounts except petty cash are on deposit with The First National Bank of Alger County, Munising, Michigan, and were verified by certifications obtained from the depository, reconciled with the Company's records.

The petty cash fund was counted March 9, 1911, and consisted of the following items:

Cash,.....	\$31.29
Advances to Employees:	
L. B. Steward,.....	\$ 1.00
H. Funkheimer,.....	4.00
J. E. Lutch,.....	4.00
Expenses Paid as per Receipts on File,.....	18.64
Total,.....	<u>\$58.93</u>
Less - Cash received from M. M. Whitman in payment of account,.....	9.01
Remainder (Forward),.....	<u>\$49.92</u>

(Forward) Remainder,.....	\$49.92
Amount of Fund,.....	50.00
Deficit,.....	<u>\$.08</u>

Letter to G.P.S. 5/29

All disbursements during the period under review were examined and the receipts, as shown by the books of the Company, have been properly accounted for.

SECURITIES OWNED - \$1.00

The Company accepted Capital Stock and Second Mortgage Bonds of the Georgia Manufacturing and Public Service Company in settlement of their account amounting to \$3,147.75. We are advised that the property was sold and the proceeds partially satisfied the holders of First Mortgage Bonds. In accordance with a resolution of the Board of Managers adopted October 19, 1909, the Company charged off \$3,146.75 to Uncollectible Accounts leaving a balance of \$1.00 on the books.

PAY ROLLS

Pay rolls for the year were examined, and the amounts disbursed were in agreement therewith.

CAPITAL STOCK - \$1,000,000

The capital stock authorized and outstanding December 31, 1910, consisted of 10,000 shares, par value \$100 each, and was verified by a certificate obtained from the Registrar.

Yours truly,

Certified Public Accountants.

MUNISING PAPER COMPANY, LIMITED

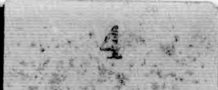
REPORT
RELATING TO THE EXAMINATION
OF THE BOOKS AND ACCOUNTS FOR THE
EIGHTEEN MONTHS ENDED DECEMBER 31, 1910.

+ + + +

DATED MAY 2, 1911.

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
30 BROAD STREET
NEW YORK
LONDON, E. C.
30 COLEMAN STREET

CHICAGO ST. LOUIS CLEVELAND
PITTSBURGH BALTIMORE



ANNUAL REPORT
CHEMICAL SALES DEPARTMENT
FOR FISCAL YEAR ENDING DEC.31, 1910.

Mr. Wm. G. Mather,

Office, Feb. 23, 1911.

President.

Dear Sir:

I respectfully submit a report covering the sales of our chemical products for the past year showing a comparison with the sales and prices received for our products during the fiscal year 1909 (12 months) and also give you my estimate regarding the outlook for the sale of our chemical products during 1911.

REFINED WOOD ALCOHOL AND ALIEN PRODUCTS:

95% Refined Wood Alcohol	Quantity sold.	Net price rec'd.
	1909 (12 mo.)	225351 gal. \$.463 per gal.
	1910	307330 " .4476 do.

We have had no difficulty in marketing all of this grade of Alcohol we have had available for shipment and have passed by a considerable amount of business, making a special effort to market our production to the strongest buyers in each territory that we have entered, and in practically all cases we have retained the patronage of all of the customers we have started on this product.

The buyers of this product have been educated to handle their business on a minimum stock and order their supplies virtually from hand to mouth as required. The Wood Products Co., our principal competitor, has followed the plan of carrying distributing stocks at each one of the principal consuming centers, thereby being in a position to make quick deliveries - usually the same day orders are received.

We endeavor to keep a bulk reserve stock from 25,000 to 50,000 gallons on hand at our plant in order that we may be able to make our shipments promptly, but, owing to the increased requirements of our customers during the winter months, we are not always able to do this; it frequently happens, as at present, that we have sufficient orders so that our 95% Alcohol is shipped as fast as it is made.

Mr. Wm. G. Mather -2-

We realized a considerably better price for this grade of Alcohol during 1909 than during the previous year, but the prices have declined slightly during 1910. The lower net price received this last year is accounted for as follows:

1st: There has been a general decline in the market price for 5 barrel or larger quantities from $48\frac{3}{4}\%$ during 1909 to $47\frac{1}{2}\%$ during the principal part of 1910.

2nd: Owing to the increased use of Denatured Alcohol, which the manufacturers continue to sell at from 8 to 10¢ per gallon under the market price for Wood Alcohol, many of our customers have gone over to Denatured for all or a large portion of their requirements. This is especially true in the case of practically all of the shellac - varnish manufacturers who are now following the plan of using either half and half Denatured and Wood or, in some cases, all Denatured, Alcohol for cutting their shellac.

This increased competition from Denatured Alcohol has made it necessary for us to reach out over a larger territory to market our Wood Alcohol; this means increased cost for freight, as our competitor has established, and continues to maintain, the same market price for 95% Wood Alcohol delivered at all portions of the United States except for points in the southwest, northwest and Pacific Coast.

The Wood Products Co. have some advantage over us in this particular, as they are in position to make their shipments from either Cadillac, Mich., Buffalo, N.Y. or Sligo, Mo. This gives them a very great advantage not only in the cost for freight but, also, the length of time required to make deliveries.

Buyers at various points like Louisville, Ky., St. Louis, Mo., Kansas City, Mo. and points in Iowa and Nebraska have advised me that it takes from two to three weeks longer to obtain their shipments from us than from the Wood Products Co.

This has proven a serious handicap in many cases owing to the fact

Mr. Wm. G. Mather -3-

practically all of the buyers have been accustomed to receive their shipments within a few days after placing their order, while when ordering from us they have to anticipate their requirements from three to six weeks.

Our Production Department advise me that it requires about a week to prepare the barrels and make shipment after our shipping instructions are received at Marquette, but in many cases it has required two weeks or longer to get our shipments off, the additional delay being due, as advised by our Production Department, to their delay in securing cars.

We have had less delay and trouble in securing equipment during 1910 than previous years, as, in connection with the work my department has been doing on traffic matters and revision of freight rates, we have taken pains to urge the officials in charge of the various railroads who get the principal amount of freight to keep themselves in a position so our Production Department might receive equipment promptly.

Complaints received.

We have not received a large number of complaints and in practically every case they have been due to discoloration which seems to come from contact with the barrels. We have found some cases where certain barrels included in a carload shipment would show considerable discoloration while the balance of the load would be in prime condition. This would indicate perhaps our Production Department have not been careful in preparing all of the barrels, or else there is a variation in the quality of the cooperage.

A large percentage of the complaints we have received on account of discoloration have been on Alcohol delivered from our Cleveland warehouse and practically all of these complaints were made on goods shipped from the Marquette plant.

Shortages have been claimed in some cases and we have found by investigation that this was due to leakage in transit. In practically all cases we have been able to recover from the railroads for the loss.

These complaints have all been reported to Mr. Farrell promptly as received and he advises that they are taking every possible precaution

Mr. Wm. G. Mather -4-

in buying only the best quality of barrels obtainable and carefully preparing same.

Our Wood Alcohol barrels are now all being painted a dark red on the outside and the heads a bright yellow color. I believe this painting of the barrels is a step in the right direction, as in many cases the Alcohol will soak into the pores of the wood - enough to give the outside of the barrel a dark colored appearance in places - and lead the customer to believe there has been some leakage when as a matter of fact there is practically no loss in the actual invoiced weight.

We now make it a rule to include about one-half gallon extra in each barrel over and above the quantity gauged and make our Alcohol test about $1/2$ of 1% higher than the quality specified to insure our product testing full strength and gauge the full quantity invoiced on receipt of goods by our customers, unless there has been some serious loss through leakage during transit. I believe that the same plan is followed by the Wood Products Co.

We have made only a very few contracts on 95% Refined Wood Alcohol for 1911, but are retaining the business from practically all of our old customers on an open market basis.

I believe that it will not be advisable to make any large number of contracts as we have done during previous years on this grade unless our competitor shows an inclination to tie up the trade.

We are watching the situation closely and I believe that all of our customers will give us an opportunity to close contracts with them in case they receive similar propositions from our competitor.

I estimate that we will have no difficulty in marketing all of this grade of Alcohol we will have available for shipment during 1911, although I would not be at all surprised to see the market price go still lower on account of the vigorous effort which is being made by the Industrial Alcohol Co. to increase the consumption of Denatured Alcohol.

97% Refined Wood Alcohol.	Quantity sold.	Net price rec'd.
	1909 (13 mo.) 12580.5 gal.	\$.509 per gal.
	1910 8321.5 "	.505 do.

Mr. Wm. G. Mather -5-

The demand for this grade is declining owing to the fact many of the former buyers are now using Denatured Alcohol instead. We have maintained a difference of 5¢ per gallon in our selling prices between 95 and 97% Refined Wood Alcohol.

Complaints received.

The only serious complaint we received on this grade was from the Columbus Varnish Co. which occurred during February, 1910. They claimed a shortage on some of our barrels, advising there was no indication of leakage and that the barrels would have to be filled full - clear up to the bung - in order to gauge the quantity we had marked on them.

I investigated this matter personally and their Superintendent, Mr. Bryant, who has been handling and gauging Wood Alcohol from the Wood Products Co. for a good many years, opened and gauged in my presence with a standard United States gauging rod, four barrels of our Alcohol.

All four of these barrels would have had to be filled full - clear up to the bungs - in order to meet our gauging stamped on the heads of these barrels. After gauging the contents we were able to put into three of the barrels an additional quantity of 3 gallons and into the other one $4\frac{1}{2}$ gallons.

I reported the result of this investigation to Mr. Farrell under date of March 5th, 1910, and also took the precaution of having a United States government gauger here in Cleveland gauge three barrels taken from the same carload shipment which were in stock in our Cleveland warehouse; his report showed a shortage of $2\frac{1}{2}$ gallons each on two of these barrels and $1\frac{1}{2}$ gallons on the other.

Mr. Farrell advised under date of March 21st that they had carefully investigated this reported shortage and he could not account for same unless it was due to evaporation, leakage or loss of some kind after the barrels left our plant, as his original gauging was correct and he had no doubt whatever that when the barrels left our plant they contained the full quantity of Alcohol, further stating:

Mr. Wm. G. Mather -6-

"We simply stand pat that we sent out the right amount of Alcohol from our plant, and have no recommendations to make as to what settlement you should make with the Columbus Varnish Company."

As neither the barrels examined at the Columbus Varnish Company's plant nor the three barrels in our Cleveland warehouse checked by the United States gauger showed any indication of leakage, I settled with the Columbus Varnish Co. by allowing them \$35.83 covering a shortage of 3 gallons per barrel on five barrels of 95% Wood Alcohol and 18 bbls. of 97% Wood Alcohol.

We have received no further complaints from this concern and they are still buying their requirements from us.

I do not believe that the sale of 97% Refined Wood Alcohol will increase much, if any, during 1911, as while we are occasionally finding new customers we are also liable to lose some of our old ones who may go over to the use of Denatured Alcohol.

98% Refined Wood Alcohol.	Quantity sold.	Net price rec'd.
	1909 (18 mo.)	56339.5 gal. \$.417 per gal.
	1910	45064 " .44 do.

We also shipped under the name of Special Alcohol No. 8 during the latter part of 1910 - - - - - 3811 gal. \$.455 per gal.

Practically all of this grade has been used for special customers like The Celluloid Co. and the Viscoloid Co. who we found had been receiving a product from the Wood Products Co. billed as 97% Refined Wood Alcohol but actually testing 98% to 99%.

Our contract with The Celluloid Co. expired Sept. 30th, 1910. They have gone back to the Wood Products Co. for their supplies, claiming that our product did not run uniform and was not as satisfactory for their requirements.

We have had a great deal of trouble with this concern and were forced to take off from their hands about two carloads on account of our product not meeting the Nitrous Acid test when received at Newark. These goods were turned over to our New York agent and largely reduced by adding

Mr. Wm. G. Mather -7-

the proper amount of water and sold as regular 95% Alcohol.

The product which we supplied The Celluloid Co., Special Solvent No. 12, consisted of No. 8 Alcohol from which the Acetone had been removed down to less than 1%; then we shipped them separately a sufficient quantity of Pure Acetone to mix with the Alcohol to bring up the Acetone content of the finished product to 6%. They claim that the Wood Products Co. make their product by sorting their regular production of Wood Alcohol, taking out the middle of the runs which gives an Alcohol testing 98% or better containing about 6% Methyl Acetone, which is practically free from the principles which caused discoloration with the Nitrous Acid.

The first year we had this contract, namely, from Oct. 1st, '08 to Sept. 30th, '09, our selling price was 45¢ per gal. net, packaged in returnable drums F.O.B. Newark, N.J; the last year, from Oct. 9th, '09 to Sept. 30th, '10, our price was 47¢ per gallon packaged in returnable drums F.O.B. Newark.

When making a bid for their business for this year I submitted a price of 48¢ and understand that they gave the business to the Wood Products Co. at the same price owing to the fact that they believed our competitor's product ran more uniform in quality than our product.

Dr. Hudson and myself made several different trips to Newark in order to investigate their complaints with the result that it seemed to appear that there was some change in the quality of our Alcohol owing to contact with the drums during transit. Dr. Hudson claims that The Celluloid Co's. Superintendent admitted to him that they were having a great deal of trouble with discoloration on their finished celluloid products which might be due either to a variation in the quality of the Alcohol or a variation in the quality of the nitro cellulose used in making this product, and Dr. Hudson is of the opinion that this Superintendent laid all of the blame for the trouble with their finished article to our Alcohol as he was responsible for making their nitro cellulose, and Dr. Hudson assumed that it was easier for the Superintendent to get out from under the responsibility for the trouble they were having with their finished celluloid product by laying this trouble to our

Mr. Wm. G. Mather -8-

Alcohol rather than to their nitro cellulose.

We have secured a contract for 1911 from the Viscoloid Co., Leominster, Mass. for one-half their requirements of Alcohol, amounting to about six carloads. This concern is a competitor of The Celluloid Co. and their business is more profitable for us, as we do not have to furnish them any Pure Acetone with the Alcohol.

I am conducting negotiations with several other consumers in other lines of work and believe that we shall be able to market some additional quantities of this No. 8 (98%) Alcohol at a delivered price of 50¢ per gallon or higher.

Diamond Spirits.	Quantity sold.	Net price rec'd.
	1909 (18 mo.)	2115.5 gal. \$.645 per gal.
	1910	6031 " .643 do.

The use of this special grade, which is practically a Pure Methyl Alcohol, has been largely curtailed owing to the restrictions of the Pure Food and Drug Law which prohibits its use in hair tonics, liniments or any products which are recommended for the cure, mitigation or alleviation of disease.

This narrows the field down to a few cases where a high proof solvent is required. I have found during the last few months that the Wood Products Co. sell a similar quality of Alcohol under the name of Columbian Spirits, and various other special names, at a wide range of prices. For instance, they are regularly exporting to Europe considerable quantities of Pure Methyl Alcohol for aniline color makers' use, which I am advised is sold at a price equal to about 60¢ per American gallon net, C.I.F. London, Havre, Rotterdam or Hamburg. This high grade product is usually exported in iron drums, which have to be returned at the Alcohol manufacturer's expense.

Taking into consideration the cost for freight, marine insurance and the return of the empty drums, a price of 60¢ per American gallon for carload lots C.I.F. London will only net us about 53¢ per gallon at Marquette.

In the United States they are selling a similar quality of Alcohol

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at various prices ranging from 55¢ per gallon to 70¢ per gallon.

We have maintained a firm market price on our Diamond Spirits of 70¢ per gallon in barrels, or 68¢ per gallon in returnable iron drums, but, owing to the trouble we have from loss of strength and discoloration when shipped in wood, we are now making our shipments exclusively in drums.

During the last few months in opening up the eastern territory we have been compelled to make lower prices, and, rather than cut our established price for Diamond Spirits, have sold some quantities of this product under the name Special Spirits No. 1 at 63¢ per gallon delivered through our agent at New York.

I am now making a special effort to secure some business on this oniline color makers' Alcohol in England, as I believe it advisable for us to get in touch with this class of trade, but estimate that this export business will not net us over 50 to 53¢ per gallon for our product at Marquette. Dr. Hudson's last revised cost for Diamond Spirits is 45½¢ per gallon in drums on board cars at Marquette. This cost is based on our selling price for 95% Alcohol, so even the above figures will show us a margin of about 5¢ per gallon more profit than we are obtaining for the regular 95% grade.

Soap Spirits:	Quantity sold.	Net price rec'd.
	1909 (13 mo.) 107.5 gal.	\$.5998 per gal.
	1910 3102.5 "	.616 do.

This product is identical in strength and purity with Diamond Spirits only that it has to be given one additional distillation over Caustic Soda in order to make the product fast to alkalies.

There formerly were large quantities of this product used by the soap manufacturers in making transparent soaps, but I estimate that it will be done away with entirely, as many of the larger consumers have already gone over to a Specially Denatured Alcohol which seems to answer the same purposes and is sold them under present conditions at 45¢ per gallon delivered.

The Industrial Alcohol Co. have made, and are making, a vigorous

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effort to line up all of the soap makers to use their Specially Denatured Alcohol, even in some cases where the Wood Products Co. have formerly enjoyed a large business on their Soap Spirits; in one case particularly the consumer was formerly buying about 50,000 gallons per year, paying the Wood Products Co. 60¢ per gallon delivered. The soap manufacturers have now gone over to the Industrial Alcohol Co's. Specially Denatured Alcohol which is sold them at 45¢ per gallon delivered.

Perfume Spirits.	Quantity sold.	Net price rec'd.
	1909 (13 mo.)	1368 gal. \$.933 per gal.
	1910	2904 " .816 do.

This product is made by adding a small quantity of concentrated perfume material to our regular Diamond Spirits, just enough to overcome the characteristic odor of Wood Alcohol, and is used by small manufacturers of cheap perfumes and colognes.

I have been unable to interest any of the large perfume manufacturers in this product and do not believe that we shall be able to work up a very large business on this special product.

The Wood Products Co. are now also putting out a similar product and are offering it at prices considerably below the prices we have made. In fact, they seem to follow up our customers closely and do not hesitate to cut our prices in order to supplant our goods.

Special Denaturing Alcohol, United States Government specifications.

	Quantity sold.	Net price rec'd.
	1909 (13 mo.)	47028.5 gal. \$.591 per gal.
	1910	32902.5 " .54 do.

The reduction in the quantity sold of this product is due to the fact that several of the independent distillers who formerly made Denatured Alcohol have discontinued same, owing to an agreement made with the Industrial Alcohol Co. or else to the high prices prevailing for corn there was no profit in making and selling Denatured in competition with the so called combination, who, I am informed, make their Denatured Alcohol from Cuban molasses.

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The Hammond Distilling Co., Hammond, Ind., the Lakeside Distilling Co., Milwaukee, Wis. and the Woolner Distilling Co., Peoria, Ill. are the only independent distillers who have continued to make and sell Denatured. I believe we have supplied practically all of the Special Denaturing Alcohol required by these consumers.

The Western Grain & Sugar Products Co., Agnew, Cal. are an independent concern so far as their manufacturing goes, but their manager informed me early in 1910 that they had entered into an agreement with the Industrial Alcohol Co. whereby the latter concern is selling their entire production on the Pacific Coast.

The Purity Distilling Co., Cambridge, Mass. is owned and operated by the same interests who control the Western Grain & Sugar Products Co. at Agnew, Cal. This concern have very close working arrangements with the Industrial Alcohol Co. and we have been unable to sell them but one carload of Special Denaturing Alcohol on account of the fact that the Wood Products Co. offered them lower prices than we have been willing to make.

I have secured a contract from the Hammond Distilling Co. for their entire requirements over 1911, estimated minimum quantity 6 carloads, maximum quantity 10 carloads, at 52¢ per gallon net in barrels, containers inclusive, F.O.B. Hammond, Ind.

The Western Grain & Sugar Products Co. advise that they will give us one-half of their requirements for Special Denaturing Alcohol during 1911, estimated minimum quantity 4 carloads, maximum six carloads, the price to be 52¢ per gallon net in barrels, containers inclusive, F.O.B. Marquette.

The Lakeside Distilling Co. and the Woolner Distilling Co. are giving us their business but they only use small quantities, 10 to 15 bbls. at a time. We obtain a little higher price per gallon on this business than we do from carload buyers.

The Western Grain & Sugar Products Co. told us frankly in a recent letter that the Wood Products Co. were making them a price of 52¢ F.O.B. Buffalo

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and offered voluntarily to give us one-half of their business for the coming year providing we would meet this price.

The Hammond Distilling Co. showed me a letter signed by the President of the Wood Products Co. offering them a price of 55¢ per gallon, less 5¢ for carloads F.O.B. Hammond, Ind., which, on the basis of the present rate of freight, would net them only 50³/₄¢ per gallon F.O.B. Buffalo.

Mr. Hennessy, the manager of the Hammond Distilling Co., told me confidentially in Chicago last week that this price was made them in consideration of buying their entire supplies from the Wood Products Co. and, as he was afraid that this might eventually mean forcing them into some agreement limiting their production or curtailing their sale of the Denatured Alcohol, he finally decided to continue giving us their business for the coming year at 53¢ per gallon f.o.b. Hammond, which would make the product net us about 51¹/₂¢ per gallon in barrels, containers inclusive, F.O.B. Marquette.

There is a new plant being built at Hadlock, Wash. for making Denatured Alcohol from sawdust. The promoters of this enterprise have advised me that they believe their plant will be ready to commence operations during April. I have already a verbal understanding with them that they will buy their entire requirements of Special Denaturing Alcohol from us and also enter into an agreement whereby we can sell their entire production of Denatured Alcohol in case we care to do so.

The McEwen interests, who owned and operated the experimental plant at Chicago Heights which we visited over a year ago, have built a plant at Georgetown, S.C. which I am advised is now in operation; in fact they are offering some of their product in Chicago. The promoters claim that this plant was built under an arrangement with the DuPont Powder Co. that they would purchase same providing it fulfilled the guarantees made by the promoters. I was informed last week in Chicago that these promoters claim the DuPont Powder Co. have now taken over the plant, but am inclined to doubt this statement as they are still making a persistent effort to sell

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the Denatured Alcohol made from this Georgetown, S.C. plant in Chicago, and I assume if the DuPont Powder Co. really owned this plant they would use a large portion of the production in their own work in making special solvents and lacquers and market their surplus, if any, in the New York, Philadelphia and Baltimore territory, as the freight rates are more favorable for them to these points than to Chicago.

I have been unable to secure any information from this concern as to their requirements for Special Denaturing Alcohol, and assume that they are probably drawing their supplies of this product either from the Wood Products Co. or from the Bay City, Mich. Wood Alcohol plant which is owned and operated by the DuPont interests.

Refined Methyl Acetone A.A.	Quantity sold.	Net price rec'd.
	1909 (13 mo.)	15658.5 gal. \$.563 per gal.
	1910	24086.5 " .559 do.

We have had a great deal of trouble in holding our customers on this product, for the reason that our Methyl Acetone contains practically no Methyl Acetate while the product made by the Wood Products Co. and The Standard Chemical Co. Limited of Toronto contains a large percentage, running from 20 to 30% Methyl Acetate.

Methyl Acetone is used almost entirely in this country for making paint and varnish removers. The tests we have made indicate that the Methyl Acetate is even a better solvent than the Acetone itself, also that the presence of this product gives to the finished Methyl Acetone a smoother and more agreeable odor.

Prices are very unsettled; in fact there is no regular market price on Methyl Acetone. The Sherwin-Williams Co., to whom we formerly sold this product in carload lots at 60¢ per gallon F.O.B. Kensington, Ill., have discontinued buying from us as they claim they are able to secure a product equal if not better in quality to our Methyl Acetone at about 52¢ per gallon delivered at Kensington.

We have found some new customers for this product and I believe

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that we shall be able to continue selling about the same quantity as we have sold during the past year, but I estimate that the prices will go lower; in fact I do not believe that we can count on receiving much over 50¢ per gal. net for our product at Marquette packaged in drums. This will, however, show us a good margin of profit as the only use we could make of our Methyl Acetone, in case we could not sell it, would be to run it into our Alcohol; then we would only obtain the same price that we are realizing for our 95% Alcohol.

PURE ACETONE.	Quantity sold.	Net price rec'd.
	1909 (18 mo.)	990705.5 lbs. \$.114 per lb.
	1910	1502253 " .1255 do.

We have had a good strong demand for this product, in fact have had to turn down a large amount of business. Our product seems to give general satisfaction, and we have made a new contract for 1911 with The Prest-O-Lite Co. and the Diamond Rubber Co. which call for a total maximum quantity of 1602000 pounds regular U.S.P. Acetone.

We have not sold any of the Special Powder Grade, which Mr. Farrell advised costs 10% more to manufacture than the U.S.P. Grade, during 1910, as we have been able to obtain a better price for all of our Acetone in the United States than in Europe.

We have received inquiries from practically all of the Acetone consumers in the United States. In addition to the two carload consumers above mentioned who take a large portion of our production, we have some smaller customers who are buying from us regularly in L.C.L. lots, and I believe we shall have no difficulty in finding a market for all of this product we can make during 1911.

We receive quite frequently inquiries from European buyers of Acetone but it appears that the Hungarian manufacturers, who dominate the English market, keep the price about on a par with the market price in the United States.

So long as we have an ample outlet for our product in this country I believe it will be more profitable for us to sell our Acetone on this side

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rather than sell any portion of our production in Europe.

Refined Light Acetone Oil.	Quantity sold.	Net price rec'd.
	1909 (13 mo.)	83300 lbs. \$.683 per lb.
	1910	215107 " .072 do.

We have sold during 1910, under the name Superior Spirits, some Light Acetone Oil which is put through another distillation:

	Quantity sold.	Net price rec'd.
	1910	4806 lbs. \$.106 per lb.

Heavy Yellow Acetone Oil.	Quantity sold.	Net price rec'd.
	1910	26951 lbs. \$.047 per lb.

We have now succeeded in making a very profitable outlet for our Acetone Oils which occur as by-products in the manufacture of Pure Acetone, so that this increased revenue adds materially to the profit of our Acetone plant.

Our Production Department advised that these oils were only worth about $2\frac{1}{2}\%$ per gallon (\$.0037 per lb.) for fuel.

We are using a large portion of our production of the Heavy Yellow Acetone Oil in making Special Solvent No. 11, for which we realize about 73% per gallon net. This seems to be the cheapest grade in the market and I have been unable to find any other use for same in the United States.

I believe that we shall have no difficulty in selling our surplus for export at a price that will net us a considerable profit over its fuel value.

The most profitable outlet I have found for our Light Acetone Oil is for export and we have made a definite contract with Stein Bros. for six carloads this grade for shipment during 1911 at a price that nets us 6.93% per pound at Marquette, and believe we shall have no difficulty in marketing our surplus, if any, at about the same price.

The prices on both the Heavy and Light Acetone Oil are a little lower for 1911 than we realized for our production during 1910, owing to the fact that all three of our Acetone competitors have increased their capacity so that there is a correspondingly larger quantity of the Oils offered for sale.

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I estimate that we can obtain a price for the Heavy grade that will net us 3.3¢ per pound at Marquette.

We have carefully investigated the various lines of trade in the United States who we thought might be able to use these products, but I have been unable to find any large domestic consumers.

There are small quantities used in various ways and I believe that the Albany Chemical Co. and the Roessler & Hasselcher Chemical Co. find an outlet for some of their production by working in certain fractions of their Acetone Oils with Amyl Acetate or other material in making special solvents for the artificial leather and lacquer manufacturers' use.

SPECIAL SOLVENT NO.11.	Quantity sold.	Net price rec'd.
	1909 (13 mo.) 15690 gal.	\$.772 per gal.
	1910 8134 "	.729 do.

This product is made by mixing equal portions of our Heavy Yellow Acetone Oil, Methyl Acetone A.A. and a cheap petroleum distillate. It is all sold by The Prest-O-Lite Co. who by doing a large amount of advertising have succeeded in creating a considerable demand for the product as a carbon remover for removing the accumulation of carbon and silica from the cylinders of gasoline, automobile and launch engines.

A large number of competitors have come into the field with various products during 1910, some of them nothing more than Kerosene Oil, which I am informed seems to do the work fairly well and, as all of these competitors are advertising more or less extensively, it has cut into The Prest-O-Lite Co.'s. business so that I believe our business for this product will not be increased much, if any, during 1911.

The Prest-O-Lite Co. have just informed me that they are already starting their spring advertising and are going to push the sale of this product even more vigorously than they have during the last two years.

FORMALDEHYDE.	Quantity sold.	Net price rec'd.
	1909 (13 mo.) 1377489 lbs.	\$.084 per lb.
	1910 1291417 "	.081 do.

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Our business on this product has gone along very satisfactorily. The lower price received during 1910 is due to the fact that the Perth Amboy Chemical Works thought it advisable to reduce their selling prices during this year, and from the advices they have given us, I do not believe that there is much probability of the price being increased during 1911.

On account of the increased percentage of the total sales of this product which we will receive commencing with January 1st, 1911, and the increased consumption of Formaldehyde, I estimate that we will probably find it necessary to ship 10 or 15% more Formaldehyde during 1911 than we have during 1910.

Early in the year 1910 we decided it would be advisable to paint our Formaldehyde barrels and kegs a dark red outside in order to cover up the stains in the wood at places where the Formaldehyde soaks into the pores of the wood enough to stain the outside of the containers.

This plan has worked out very satisfactorily as we have received practically no complaints on account of discoloration or loss from leakage except where the goods were damaged in transit, and in these cases claims are always put in and usually paid by the railroads.

HEXAMETHYLENAMINE, U.S.P.	Quantity sold.	Net price rec'd.
	1909 (12 mo.) 3900 lbs.	\$.061 per lb.
	1910 4731 "	.5885 do.

We have had a great deal of trouble with this product, in fact, have received complaints from every single customer that we have started on our goods. Some of the complaints received have only been on account of a variation in the size of the crystals, and this has been remedied.

The most serious complaints have been on account of the disagreeable odor which seems to develop in some portions of our product when it is stored in tight containers.

Messrs. Eli Lilly & Co., one of our largest customers on this product, have been compelled to return several lots of goods to us on account of the odor.

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Parke, Davis & Co., Detroit, Mich., a large consumer of this product, have tested several different lots of samples that we have submitted them at various times, but have reported each time that our product was unsatisfactory for their use on account of its odor.

One of our other large customers, the Upjohn Co., Kalamazoo, Mich. have not made any complaints regarding the odor of our product, but only recently advised us that they had on hand about 400000 tablets which were made from the last shipment of our Hexa. and which developed a pink color after standing.

I have reported all of these complaints to Mr. Farrell. Dr. Hudson made a trip to Indianapolis in order to investigate Eli Lilly & Co's. original complaint personally. Also, Mr. Farrell and Dr. Hudson made a trip with me to Detroit in order to investigate Parke, Davis & Co's. complaint.

Mr. Farrell has steadily maintained that our product had no odor and said he believed the complaints made by our customers were due to some other reason, perhaps the fact that they were offered lower prices by our competitors.

I have investigated this matter carefully and do not agree with Mr. Farrell's opinion. All of our customers have advised me that they never have experienced the same trouble with the Hexa. made by our competitors; as these concerns have been using this product for several years in comparatively large quantities, I believe there are some points in connection with the manufacture of Hexa. which our Production Department do not thoroughly understand.

Both Eli Lilly & Co. and The Upjohn Co. have always claimed, and have demonstrated, this to be true by giving us their business that they preferred to buy the product from us on account of the fact that the other manufacturers seemed to be working under an agreement whereby they held them up for very much higher prices until we came into the field.

I have sent in to you a memorandum, subject "Complaints on Hexa." to which I have attached a letter recently received from The Upjohn Company

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also letters from Mr.Farrell and Dr.Hudson, and have given you in this memo. some further detailed information regarding the complaints we have received from our customers.

I believe it is extremely important, and earnestly recommend, that we have our chemists investigate this subject carefully, as, in view of the fact that all of the buyers know that we are large manufacturers of Formaldehyde, they believe we should be in a strong position as manufacturers of Hexa., and I do not think it would be advisable for us to discontinue manufacturing this product now and withdraw from the field, as I feel sure that our competitors, both the Heyden Chemical Works and the Roessler & Hasslacher Chem.Co. would take advantage of the situation to advise the buyers of this product, who are also buyers of Chloroform, as well as a large number of medicinal chemicals which we may later make, that while The Cleveland-Cliffs Iron Co. may be in a strong position from the standpoint of having the crude materials they have not the technical knowledge and ability to make fine medicinal chemicals.

I have not made any effort to increase our number of customers on this product, as I thought it was not advisable to do so until we have demonstrated that we can make regularly just as fine a quality of this product as our competitors are offering and also be sure that we shall be in a position to manufacture the product, of standard quality, economically so that we can compete with the other manufacturers.

Mr.DuBois, of the Perth Amboy Chemical Works, mentioned during the course of one conversation that they could manufacture Hexa. and sell it profitably at a price of 40¢ per pound owing to the fact that they use very large quantities of Ammonia in making their Cyanide products.

The latest revised cost given me by Dr.Hudson under date of Nov.29th, 1910, for this product is as follows:

Hexa. Crystals, packaged in wooden drums, F.O.B. cars at Marquette,

42½¢ per pound;

Hexa. Siftings, " " " " " " " " " "

37½¢ per pound.

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All of the largest buyers of this product prefer a small granular crystal, about the size of granulated sugar, which must run uniform as they use the product in making compressed tablets. We have been able to satisfy our customers on this point.

Dr. Hudson informs me that in order to produce this grade of crystals it is necessary to sift our product so that we accumulate from each lot of Hexa. made a considerable quantity of siftings which consists of a mixture of finely powdered and broken crystals.

We have succeeded in getting some of our customers to use considerable quantities of these siftings by making them a price 2¢ per pound under that for the regular fine crystals. They can use these siftings to good advantage for dissolving for making solutions where Hexa. is used in making liquid medicinal products.

ACETATE OF LIME.	Quantity sold.	Net price rec'd.
	1909 (13 mo) 6244766 lbs.	\$ 1.27 per cwt.
	1910 976945 "	1.518 do.

We have had no difficulty in selling our entire surplus of this product through Wm. S. Gray & Co., but I estimate now that we have our Acetic Acid plant in operation we will consume our entire production during 1911 in manufacturing Acetic Acid and Acetone which will show us a considerably better profit than selling Acetate of Lime, as our market prices for Acetone and Acetic Acid are always based on the ruling market price for Acetate.

On the basis of the market price for Acetate of Lime in force up to January 1st, 1911, \$2 per cwt., the price we realized for Acetone shows us a profit of 17.5¢ per cwt. on Acetate of Lime over and above the market price.

Our experience with Acetic Acid has been so short that I am unable to determine definitely just what profit this product will show on Acetate over and above the market price, but believe that the higher grades and strengths like Glacial 99 and 99½% Acid will show us a greater margin of profit than we made on Acetone.

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ACETIC ACID.	Quantity sold.	Net price rec'd.
	1910 28%	2000 lbs. \$.0155 per lb.
	56%	64973 " .0295 do.
	60%	66918 " .0355 do.
	70%	35160 " .0365 do.
	75%	278812 " .0375 do.
	80%	14365 " .0425 do.
	99%	67925 " .0695 do.
	99½%	40680 " .0725 do.

Owing to the unexpected delay in getting our Acetic Acid plant completed, we were unable to commence shipping this product in any large quantities until about the middle of the year, and on account of this fact our competitors had all of the largest consumers tied up by contract. Some of the contracts, however, expired during the fall, and we have succeeded in lining up enough business so that I believe we shall be able to run our plant to its maximum capacity during 1911.

The Acetic Acid consumers all seem very friendly toward us; in fact many of them expressed themselves as being anxious to help support us in the independent position we have taken when satisfied that we were in a strong position and had the disposition to remain independent.

It seems that the General Chemical Co. and the Grasselli Chem. Co. have been working in complete harmony on this product so that as a matter of fact the General Chemical Co. has dictated the market price on the various grades of Acetic Acid throughout the United States for several years, and the consumers feel that they have been forced to pay exorbitant prices.

As a matter of fact, the prices have been held so high that some of the larger consumers have seriously considered building Acetic Acid plants in order to make the product for their own requirements.

Our competitors made several cuts in the market price between Jan. 1st, 1910 and July 1st, 1910, and apparently started out making a vigorous effort to quote prices that would discourage us in starting

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business on this product.

We cannot compete with the above mentioned manufacturers on the lower grades and strengths of Acid; for instance, the 28% Commercial Acetic Acid; as the saving that we make in freight and cost of handling for Acetate of Lime is more than offset by the large yield, 200 lbs. 28% Acid, from each cwt. Acetate, ^{and} the increased freight we have to pay on the 72% of water contained in this product.

Our competitors have their various Acetic Acid plants located at the principal consuming centers.

On the basis of the market price of \$2.00 per cwt. for Acetate of Lime, our competitors were quoting prices as low as \$1.35 to \$1.65 on the 28% strength delivered at the customer's place of business in drayload lots in the New York, Boston, Pittsburg, St. Louis and Chicago territory.

Our cost for this grade based on our cost for buying Sulphuric Acid, \$15.00 per ton, was as follows delivered in carload lots F.O.B. the points mentioned:

New York,	\$1.92 per cwt.
Boston,	1.96 do.
Pittsburg,	1.75 do.
St. Louis,	1.75 do.
Chicago,	1.63 do.

Therefore, after securing this information I made a special effort to induce some of the large consumers who have always used the 28% and 56% Acid to take in a higher strength product and dilute same with water at their plants as required for their work. This plan has worked out satisfactorily and we have now contracted for shipment during 1911 the following quantities of Acetic Acid of the various grades and strengths mentioned:

70% Commercial (Crude)	1000000 pounds.
56% Redistilled	260000 "
70% Water White Redistilled	430000 "
80% " " "	80000 "

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80% U.S.P.	65000 pounds
99% U.S.P. Glacial	150000 "
99½% U.S.P. Glacial	110000 "

Our Production Department advised me when we started out to commence marketing this product that our refining apparatus had a capacity sufficient to handle only two-thirds of the production of our crude plant and that in case we were unable to sell this surplus crude production the cost of our higher grades would be increased 10%.

Therefore, I made a special effort to market one-third of our crude production first and succeeded in doing so although we were forced to make very close prices.

The contracts we have made show the following profit per cwt. on Acid for the following grades and strengths mentioned, based on the estimated costs furnished by Dr. Hudson, which he advised were calculated on Acetate of Lime at the market price and Sulphuric Acid at the price we now have to pay when buying same, \$15 per ton:

70% Commercial (Crude)	.2637 per cwt.
56% Redistilled	.25 do.
70% Water White Redistilled	.4255 do.
80% do.	.4929 do.
80% U.S.P.	.7729 do.
99% U.S.P. Glacial	2.465 do.
99½% U.S.P. Glacial	2.0656 do.

Our competitors have established the custom on Acetic Acid of invoicing the barrels and carboys extra and crediting same at the price charged when returned in good condition at their expense. In fact, in the case of practically all of the large consumers it is the custom of the Acetic Acid manufacturers to take back the empty carboys and barrels with their own drays when delivering new supplies of Acid.

This is rather of a difficult and expensive matter for us to handle, as we have of course to return all of these empty barrels and carboys

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to our plant at Marquette, but in the figures for profit shown above we have made our calculations on the basis of taking into consideration the cost for freight both ways on the carboys and barrels, and in the case of the barrels have estimated their life at 3 trips. This, however, is purely an estimate as we have not as yet had enough experience with this style container to know what the actual results will be.

In the case of carboys, we believe their life is practically unlimited, and our sales have all been made on the basis of charging extra for the carboys when returned in good condition to our plant at Marquette, Mich. We do allow the return freight. Therefore, in case any of these carboys are broken in transit, I estimate we will be able to collect for the loss from the railroads.

It is interesting to note the cost for freight on the containers themselves. Taking into consideration the cost for freight on the container which has to be paid the same as on the Acid for the loaded movement and the return freight on the empty containers, our costs to the various consuming points per cwt. of Acid is as follows, which figures are calculated on the basis of the all-rail freight rates in force at the present time, and it looks as though we shall be unable to take advantage of any lower rates during the period of navigation as the Anchor Line of steamers is the only line touching Marquette and they refuse to handle this commodity:

	Packaged in barrels.	Packaged in carboys.
Chicago,	.34	.58
New York City,	.63	1.31
Boston,	.67	1.36
Pittsburg,	.46	.74
St. Louis,	.46	.74
Cleveland, O.	.45	.95

You will note from the above figures that the Glacial Acetic Acid seems to be by far the most profitable product for us to make from Acetate of Lime, which shows a very much larger margin of profit than either Acetone

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or the lower grades of Acetic Acid.

The Eastman Kodak Co. are the largest consumers of Glacial Acetic Acid I have found in the United States. They advise that they are regularly using from 100,000 to 200,000 pounds of the 99 $\frac{1}{2}$ % U.S.P. Glacial Acetic Acid monthly, but inasmuch as they are tied up by contract with our competitors until Dec. 31st, '11., we have been unable to secure any of their business.

This concern express themselves as being very friendly disposed toward us, and have already requested that we place ourselves in a position to submit them a definite proposition by the middle of 1911 for either a one or a two year contract covering all or a portion of their requirements commencing with Jan. 1st, 1912.

They would not tell me definitely the price they are paying for 99 $\frac{1}{2}$ % Glacial Acid at present, but from the information I have obtained I believe they are getting the product in carload lots, packaged in wooden barrels, containers returnable at the Acid manufacturer's expense, at about \$8.00 per cwt., F.O.B. Rochester.

If we could secure the business at this price it would show us a profit, based on the present rates of freight, of about \$3.25 per cwt. of Acid, which equals a profit of \$1.82 per cwt. on Acetate of Lime, and these profits are figured on the basis of the costs furnished by Dr. Hudson which calculate Sulphuric Acid on the basis of our present cost when buying same, \$15.00 per ton.

I believe it quite probable that this price will be cut considerably by our competitors when they submit propositions for a new contract.

It seems to me as though we should be able to secure some of this business as the savings we make on account of freight and cost of handling on the Acetate of Lime counts to our advantage in making this grade, as our yield of the 99 $\frac{1}{2}$ % Acid is only 56.3 pounds per cwt. of Acetate.

The Eastman Kodak Co. have requested that we submit them a definite proposition by the middle of this year, as above stated, but before doing so