

ANNUAL REPORT

OF THE

Minneapolis, St. Paul & Sault Ste. Marie
Railway Company.

FOR THE YEAR ENDING JUNE 30th, 1901.

MINNEAPOLIS:
TRIBUNE PRINTING COMPANY.

**MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE
RAILWAY COMPANY.**

DIRECTORS.

THOMAS LOWRY,	- - - - -	Minneapolis, Minn.
JOHN MARTIN,	- - - - -	Minneapolis, Minn.
W. D. WASHBURN,	- - - - -	Minneapolis, Minn.
J. S. PILLSBURY,	- - - - -	Minneapolis, Minn.
C. H. PETTIT,	- - - - -	Minneapolis, Minn.
F. H. PEAVEY,	- - - - -	Minneapolis, Minn.
SIR WM. C. VAN HORNE,	- - - - -	Montreal, Quebec.
T. G. SHAUGHNESSY,	- - - - -	Montreal, Quebec.
R. B. ANGUS,	- - - - -	Montreal, Quebec.
W. H. BRADLEY,	- - - - -	Tomahawk, Wis.
WM. B. DEAN,	- - - - -	St. Paul, Minn.

OFFICERS.

THOMAS LOWRY, <i>President.</i>	C. F. CLEMENT, <i>Sec'y and Treas.</i>
JOHN MARTIN, <i>Vice Pres't.</i>	C. W. GARDNER, <i>Auditor.</i>
E. PENNINGTON, <i>General Manager.</i>	

Transfer and Fiscal Agents, AGENTS' BANK OF MONTREAL, Wall Street, New York.

Registrar of Stock and Bonds, CENTRAL TRUST CO., New York.

Annual Meeting, Third Tuesday in September at Minneapolis, Minn.

ANNUAL REPORT

of the

Minneapolis, St. Paul & Sault Ste. Marie Railway Co.

FOR THE YEAR ENDING JUNE 30, 1901.

In submitting the following report showing operations for the year ending June 30th, we wish to call attention to the large decrease in Gross Earnings and Surplus, occasioned by the disastrous failure of the grain crop of 1900 on the line west of Minneapolis. This grain shortage and the loss of traffic incident thereto occasioned a loss of probably \$750,000.00.

The Company's Gross Earnings from all sources	
were.....	\$4,537,296.11
Operating Expenses.....	2,564,337.16
Net Earnings.....	1,972,958.95
Fixed Charges, etc.....	1,645,085.73
Which leaves a surplus of.....	327,873.22

The Gross Earnings per mile of road were \$3,442.05, compared with \$4,006.39, and the Operating Expenses \$1,954.05 compared with \$1,986.86 per mile of road the previous year. The average rate per ton per mile was 6.17 mills compared with 6.58 mills the previous year. The reduction in rate per ton per mile is occasioned by the reduction of grain tonnage, otherwise the rate per ton per mile would have shown an increase.

The Operating Expenses were 56.1 per cent of the Gross Earnings compared with 49.6 per cent the preceding year, 56.6 per cent in 1899 and 54.1 per cent in 1898.

Improved motive power and road bed resulted in the more economical handling of freight, the average number of freight cars per train being 27.37 compared with 25.66 the previous year. The average tons of freight per train was 314.49, previous year 301.24. Average tons freight per car 15.24, previous year 15.13.

The mileage was increased during the year 24.96 miles by the purchase of the Rice Lake, Dallas & Menominee Ry., Cameron to Rice Lake, Wis., 6.63 miles, and the construction of a line from Barron to Ridgeland, Wis. 18.33 miles. This line runs through a very rich farming territory and should prove a good feeder to the main line. The total mileage under operation June 30th, was 1,301.90 miles.

The Company's new Minneapolis Terminals, mentioned in the last report, were completed at a cost, including the land, of \$356,147.92. In addition to the direct benefits derived from the improved facilities thus obtained, there is a saving of over \$16,000.00 per year in rentals after allowing 4 per cent interest on the cost of the plant.

Thirty-four and sixty-eight hundredths miles of sixty-pound rails were replaced with eighty-pound rails. Fifty miles of road were ballasted with gravel during the year, the cost of the same being charged to Operating Expenses. Three steel bridges were built to replace wooden structures. The original cost of the wooden structures, \$35,389.05, being charged to Operating Expenses. Two additional bridges are building and will be completed before the fall traffic is moved.

The Company purchased three consolidated, and one decapod locomotives, and three hundred ninety-nine box cars.

The Company sold 1,141 of its Consolidated Bonds, dating from January 1st, 1901, and the proceeds are being used in the construction of 109.2 miles of road in North and South Dakota and Wisconsin, all of which will be completed by October 30th, 1901.

To handle the traffic of this increased mileage and on account of the large tonnage promised by the bountiful grain crop of this year, just harvested, there have been purchased three hundred more freight cars and four consolidat-

ed locomotives of the latest, most improved type. All of this equipment will be delivered during the fall of 1901. The Company's road bed, buildings and equipment are all in excellent condition.

Following will be found tables showing the financial condition of the Company and the results of its operation in detail, all of which are respectfully submitted.

THOMAS LOWRY, *President.*

E. PENNINGTON, *General Manager.*

MILEAGE.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.....	to Portal, N. D.....	1,038.88	miles
Northtown Jct.....	to Camden Place, Minneapolis	1.01	"
Hankinson.....	to Hebard, N. D.....	182.11	"
Dresser Jct.....	to St. Croix Falls, Wis.....	4.05	"
Cardigan Jct.....	to St. Paul, Minn.....	5.34	"
Rapid River.....	to Trenary, Mich.....	24.43	"
Barron.....	to Ridgeland, Wis	18.53	"
Cameron	to Rice Lake, Wis.....	6.63	"
		<hr/>	
		1,280.78	"
Add Spur Lines.....		21.12	"
Total mileage, June 30, 1901		1,301.90	"

In addition to the above, the Company has trackage facilities over 18.52 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

EARNINGS AND EXPENSES.

Gross earnings and expenses are as follows:

Passenger.....	\$875,948.37
Freight.....	3,298,651.28
Express, mail and miscellaneous.....	342,476.01
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	\$4,517,075.66

OPERATING EXPENSES—

Maintenance of way and structures.....	\$620,494.72
Maintenance of equipment.....	476,248.11
Conducting transportation.....	1,351,868.50
General expenses.....	115,725.83
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	\$2,564,337.16

Net earnings from operation	\$1,952,738.50
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REVENUE FROM OTHER SOURCES—

Interest, discount and exchange.....	\$17,255.45
Interest on bonds and stocks owned.....	2,965.00
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	\$20,220.45

Total income.....	\$1,972,958.95
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OTHER PAYMENTS—

Interest on bonds	\$1,320,360.00
Taxes and revenue.....	207,462.13
Rental of terminals	102,898.53
Interest on equipment notes.....	11,078.69
Accounts charged off.....	3,286.38
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	\$1,645,085.73

Surplus earnings.....	\$327,873.22
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CONDENSED GENERAL BALANCE SHEET, JUNE 30, 1901.*Debits.*

Cost of road, acquired lines, extensions and equipment.....	\$54,590,329.18
Real estate owned.....	413,912.88
Stocks and bonds owned—	
Treasury stock, this Company	\$225,600.00
St. Paul Union Depot Stock.....	43,750.00
Sainte Marie Union Depot Stock	25,000.00
Western Express Company stock.....	25,000.00
Sault Ste. Marie Bridge Co. stock.....	500.00
Minnesota Transfer Railway stock.....	7,000.00
Minnesota Transfer Railway bonds....	9,000.00
Chapin Mining Co. bonds	40,200.00
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Material and supplies on hand.....	\$376,050.00
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	490,632.14
Due from—	
Foreign roads.....	\$136,264.84
Agents and conductors	254,053.02
U. S. Postoffice Department.....	46,701.34
Bills and accounts receivable.....	183,118.37
Cash—Minneapolis, New York, Montreal and London.....	1,765,675.26
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Total cash and cash assets.....	\$2,385,812.83
Other advances and accounts.....	14,328.64
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	\$58,271,065.67

Credits.

Capital Stock—	
Common.....	\$14,000,000.00
Preferred	7,000,000.00
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Funded Debt—	\$21,000,000.00
First mortgage M. & P. bonds, 4%.....	\$461,000.00
First mortgage M., S. S. M. & A. bonds, 4%.....	8,239,000.00
First consol mortgage bonds, 4%	21,949,000.00
Second mortgage bonds, 4%	3,500,000.00
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Income and interest certificates outstanding	\$34,149,000.00
Bills Payable—	31,056.71
Car trust notes	\$504,151.13
Western Express Co	25,000.00
Mortgage notes on real estate	83,000.00
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Interest accrued on bonds due July 1	\$612,151.13
Taxes accrued, not yet due.....	611,460.00
Current Liabilities—	109,799.45
Vouchers and accounts payable	\$561,162.15
Pay rolls.....	207,682.90
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Income account.....	\$768,845.05
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	988,753.33
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	\$58,271,065.67

INCOME ACCOUNT, JUNE 30, 1901.

To Operating Expenses.....	\$2,564,337.16
Interest on Bonds.....	1,320,360.00
Terminal Rentals.....	102,898.53
Taxes.....	207,462.13
Interest on Equipment Notes.....	11,078.69
Accounts Charged off	3,286.38
Balance	<u>988,753.33</u>
	<u>\$5,198,176.22</u>
By Balance June 30, 1900.....	\$ 660,880.11
Freight Earnings.....	3,298,651.28
Passenger Earnings.....	875,948.37
Mail Earnings.....	190,130.30
Express Earnings.....	78,363.89
Miscellaneous Earnings	75,981.82
Dividend on Stock owned.....	2,626.00
Interest on Bonds owned.....	340.00
Interest on Advances.....	<u>17,255.45</u>
	<u>\$5,198,176.22</u>
By Balance, June 30, 1901.....	\$ 988,753.33

Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.		1890.	1900.	1901.
From Freight	.....	\$3,426,985.00	\$3,974,398.70	\$3,298,651.28
From Passengers	.....	621,192.95	822,908.78	875,048.37
From Mails	.....	177,193.06	195,144.67	190,130.30
From Express and Miscellaneous	.....	122,612.17	158,735.76	152,345.71
Total Gross Earnings	.....	\$4,348,585.04	\$5,151,187.91	\$4,517,075.66
OPERATING EXPENSES.				
MAINTENANCE OF WAY AND STRUCTURES.				
Repairs of Roadway	.....	\$ 283,382.51	\$ 283,805.61	\$ 305,070.68
Renewals of Rails	.....	2,700.10	Cr. 460.00	49.69
Renewals of Ties	.....	94,964.33	115,427.83	115,975.84
Repairs and Renewals, Bridges and Culverts	.....	75,633.33	71,729.33	83,702.01
Repairs and Renewals, Fences, Road Crossings, Signs and Cattle Guards	.....	7,018.76	7,143.05	6,081.15
Repairs and Renewals, Buildings and Fixtures	.....	53,432.38	37,829.94	35,130.84
Repairs and Renewals, Docks	.....	10,129.30	12,788.27	36,219.37
Repairs and Renewals, Wharfs	.....	190.65	.....	.....
Repairs and Renewals, Telegraph	.....	8,571.88	9,042.85	7,018.73
Stationery and Printing	.....	460.69	340.35	437.41
Other Expenses	.....	.....	.....	.....
Total	.....	\$ 536,463.81	\$ 537,617.15	\$ 620,494.72
MAINTENANCE OF EQUIPMENT.				
Superintendence	.....	\$ 5,730.06	\$ 5,735.12	\$ 4,530.70
Repairs and Renewals, Locomotives	.....	145,398.30	178,108.41	170,421.95
Repairs and Renewals, Passenger Cars	.....	58,876.51	54,790.56	64,155.53
Repairs and Renewals, Freight Cars	.....	208,694.49	165,548.41	197,413.92
Repairs and Renewals, Work Cars	.....	8,346.92	13,049.56	8,324.76
Repairs and Renewals, Shop Machinery and Tools	.....	19,013.38	14,251.92	16,496.54
Stationery and Printing	.....	1,167.96	1,410.67	1,277.36
Other Expenses	.....	15,494.25	12,897.87	14,027.35
Total	.....	\$ 462,721.87	\$ 445,792.52	\$ 476,248.11
GENERAL EXPENSES.				
Salaries, General Officers	.....	\$25,083.25	\$25,055.49	\$ 25,642.05
Salaries, Clerks and Attendants	.....	42,511.91	43,615.55	40,829.52
General Office Expenses and Supplies	.....	13,988.11	11,089.35	10,913.42
Insurance	.....	12,498.65	10,776.27	14,823.83
Law Expenses	.....	13,072.49	11,636.39	14,461.71
Stationery and Printing	.....	2,196.88	3,638.50	3,719.20
Other Expenses	.....	6,653.57	5,814.80	5,336.10
Total	.....	\$ 116,804.86	\$ 111,626.35	\$ 115,725.83
CONDUCTING TRANSPORTATION.				
Superintendence	.....	\$ 61,152.48	\$ 50,307.75	\$ 58,326.08
Engine and Round House Men	.....	251,929.14	253,185.33	247,286.13
Fuel for Locomotives	.....	278,858.08	366,453.56	367,113.05
Water Supply for Locomotives	.....	13,505.55	14,311.71	14,007.56
Oil, Tailor and Waste for Locomotives	.....	10,058.50	9,190.44	9,576.61
Other Supplies for Locomotives	.....	3,982.93	3,020.51	2,835.45
Freight Train Service	.....	142,364.76	142,056.75	125,970.52
Freight Train Supplies and Expenses	.....	19,171.16	14,658.30	12,980.66
Passenger Train Service	.....	48,976.19	44,457.85	43,849.00
Passenger Train Supplies and Expenses	.....	24,776.57	25,065.84	25,253.70
Switchmen, Flagmen and Watchmen	.....	3,898.98	37,780.54	41,220.16
Telegraph Expenses	.....	52,747.06	50,345.00	48,368.17
Station Service	.....	164,894.67	105,534.92	118,115.21
Station Supplies	.....	13,514.98	10,647.38	10,386.73
Switching Charges, Balance	.....	Cr. 2,897.99	Cr. 495.63	Cr. 3,523.89
Car Mileage, Balance	.....	55,129.06	32,862.35	57,393.33
Hire of Equipment	.....	3,868.17	4,291.86	3,038.95
Damage and Loss of Freight and Baggage	.....	16,845.41	5,418.13	14,595.01
Damage to Property, Including Live Stock	.....	2,853.16	8,044.02	5,078.73
Injuries to Persons	.....	29,981.07	25,867.12	17,166.05
Clearing Wrecks	.....	3,808.34	3,081.30	2,646.69
Operating Gladstone Ore Docks	.....	5,178.59	7,981.74	7,154.33
Operating Gladstone Flour and Mulse. Docks	.....	27,384.94	87,384.33	65,509.87
Operating Gladstone Coal Docks	.....	2,043.77	.....	.....
Operating Ferry Docks	.....	12,812.13	12,242.79	15,788.53
Advertising	.....	94,692.86	85,873.14	79,574.65
Outside Agencies	.....	5,706.61	6,101.87	5,603.14
Stock Yards and Elevators	.....	2,531.99	2,284.49	12,199.73
Rents of Buildings and Other Property	.....	Cr. 18,949.15	18,851.14	15,352.32
Stationery and Printing	.....	6,460.80	7,994.37	5,420.84
Other Expenses	.....	1,370.48	.....	.....
Dining Car Expenses	.....	77,721.66	92,841.47	69,405.32
Operating Yards, Tracks and Terminals	.....	\$1,347,324.88	\$1,459,516.97	\$1,351,888.50
Total Operating Expenses	.....	\$2,463,315.42	\$2,554,582.99	\$2,564,337.16
Net Earnings	.....	\$1,885,269.62	\$2,596,604.92	\$1,952,738.50
Percentage of Expenses to Earnings	.....	56.6 per cent.	49.6 per cent.	56.1 per cent.

"The increase in "Operating Gladstone Docks" is occasioned by a change in method of accounting, this expense having formerly been charged to Station Service.

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES.

EARNINGS.

	1901	1900	1899	1898	1897	1896	1895	1894
Freight.....	\$3,398,651.28	\$3,971,398.70	\$3,426,985.96	\$3,287,309.25	\$2,967,241.88	\$3,009,713.73	\$1,975,818.69	\$2,172,985.99
Passenger	875,918.37	821,908.78	621,792.95	602,710.38	477,148.23	475,704.15	386,819.37	540,622.10
Mail.....	190,130.30	165,141.67	177,163.96	157,456.03	155,547.73	160,383.34	132,961.38	88,916.28
Express	76,393.89	80,714.90	58,420.14	52,503.70	40,305.12	32,016.98	10,382.62	12,794.01
Miscellaneous	75,381.82	77,961.70	64,182.03	72,048.79	58,196.10	58,104.00	48,383.13	86,199.76
Total.....	\$1,517,075.06	\$3,151,187.91	\$4,348,565.04	\$1,132,090.24	\$3,598,302.00	\$1,735,872.20	\$2,557,275.49	\$2,907,903.14

EXPENSES.

Maintenance of way and structures ..	\$620,194.72	\$537,617.15	\$536,463.81	\$144,832.37	\$101,984.55	\$388,292.86	\$355,477.43	\$453,172.09
Maintenance of Equipment	476,248.11	445,792.52	462,721.87	418,046.11	396,249.19	450,927.41	267,647.18	324,115.16
Conducting transportation.....	1,351,868.50	1,459,516.97	1,317,324.88	1,291,479.66	1,210,638.21	1,252,066.79	986,556.62	1,068,725.97
General expenses.....	115,725.83	111,626.35	116,804.86	112,345.46	117,383.18	119,356.97	119,370.08	292,017.82
Total.....	\$2,564,337.16	\$2,554,582.90	\$2,463,315.42	\$2,237,705.59	\$2,150,226.13	\$2,210,584.03	\$1,714,61.51	\$1,138,331.04
Percentage earnings and expenses.....	56.1 per cent	49.6 per cent	56.61 per cent	54.1 per cent	60 per cent	50.1 per cent	67 per cent	73.5 per cent
Net earnings.....	\$1,952,738.50	\$2,590,604.82	\$1,485,200.62	\$1,894,193.65	\$1,439,064.83	\$1,425,288.17	\$843,220.98	706,622.10
Fixed charges and other items, taxes and terminal rentals.....	\$1,024,865.28	\$1,715,733.11	\$1,510,212.37	\$1,102,286.56	\$1,442,360.36	\$1,359,923.50	\$1,357,220.36	\$1,163,616.79
Surplus.....	327,873.22	.....	375,057.25	402,187.00	3,299.42	4,304.07	513,095.38	394,014.00
Deficit .....	.....	.....	.....	.....	.....	.....	.....	.....
Average miles operated.....	1,312.32	1,285.74	1,253.17	1,195	1,181.96	1,188.71	1,188.71	1,188.71
Earnings per mile.....	\$3,442.05	\$4,006.39	\$3,470.07	\$4,151.32	\$3,036.95	\$3,142.80	\$3,151.30	\$2,446.32

EXPENDITURES ACCOUNT
CONSTRUCTION OF NEW LINES AND EQUIPMENT.

Rice Lake, D. & M. Ry., including line to Ridgeland	\$233,515.94
Polk County Line.....	94,452.73
Rice Lake & Northern Line.....	23,869.57
Missouri River Extension.....	78,214.11
Wishek Extension.....	9,522.01
Rapid River Branch.....	60,390.11
Minneapolis Terminals.....	97,732.28
Rolling Stock, (see detailed statement, page 16)	104,581.88
Betterment to Main Line, (see statement page 14)	94,304.85
Advances Account Union Depots at St. Paul and Sault Ste. Marie	1,342.85
Preliminary Surveys	108.04
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	\$798,034.37

**EXPENDITURES ACCOUNT OF
BETTERMENTS AND IMPROVEMENTS TO MAIN LINE.**

Year Ending June 30, 1901.

New Rails (34-68 miles) difference between cost of 60 lb. and 80 lb. rails. ....	.....	\$42,358.83
Steel Span Bridges (3).....	.....	\$47,738.02
Less amount charged against working expenses..	35,389.05	.....
		12,348.97
Additional Side Tracks and Spurs		10,919.99
Coal Plants at Gladstone and Shoreham.....	....	8,046.57
New Buildings,		
Enlarged Depot at Hankinson	5,448.59	
Rapid River Depot.....	2,068.19	
Freight Conveyors, Gladstone.....	1,434.77	
Other Miscellaneous Buildings.....	819.16	.....
		9,770.71
Fencing, No. Dakota.....	.....	1,647.83
Right of Way.....		1,491.56
Filling Bridges, Crossings and other miscellan-		
ous items.....	..	7,720.39
	
		\$94,304.85

TRAFFIC AND MILEAGE STATISTICS.

		1900.	1901.
TRAIN MILEAGE.			
Freight revenue trains.....	(Miles)	1,618,312	1,454,836
Passenger revenue trains.....	"	845,602	1,001,925
Mixed revenue trains.....	"	386,270	246,853
Non-revenue trains.....	"	105,591	71,544
Total train mileage.....		2,955,775	2,774,658
FREIGHT TRAFFIC.			
Tons of freight carried.....		8,102,244	2,973,310
Tons of freight carried one mile.....		603,856,370	535,017,533
Tons of freight carried one mile per mile of road.....		469,656	407,687
Average distance haul of one ton..... (miles)		194.65	179.94
Average amount received for each ton of freight.....		\$1.28	\$1.10
Average rate per ton per mile.....		6.58 mills	6.17 mills
Freight Earnings per mile of road.....		\$3,096.17	\$2,518.29
Freight Earnings per train mile.....		\$1.98 1/4	\$1.94 1/4
PASSENGER TRAFFIC.			
Number of passengers carried earning revenue.....		486,813	478,016
Number of passengers carried one mile.....		37,543,998	39,375,793
Number of passengers carried one mile per mile of road.....		29,200	30,005
Average distance carried..... (miles)		85.95	82.37
Average amount received from each passenger.....		\$1.88	\$1.83
Average rate per passenger per mile..... (cents)		2.19	2.22
Passenger Earnings per mile of road.....		\$888.96	\$904.21
Passenger Earnings per train mile..... (cents)		92.78	95.34
MISCELLANEOUS.			
Gross Earnings per mile of road.....		\$4,006.39	\$3,442.05
Operating Expenses per mile of road.....		\$1,986.86	\$1,954.05
Mileage of Passenger Cars.....		5,867,640	6,141,591
Average number of passenger cars per train.....		4.76	4.92
Average number of passengers per train.....		30	32
Mileage of loaded freight cars—North or East.....		19,340,001	16,820,811
Mileage of loaded freight cars—South or West.....		20,562,326	18,295,805
Mileage of empty freight cars—North or East.....		5,886,641	6,917,310
Mileage of empty freight cars—South or West.....		5,049,500	4,531,447
Average number of freight cars in train.....		25.66	27.37
Average number of loaded cars in train.....		19.91	20.64
Average number of tons freight in train.....		301.24	314.49
Average number of tons freight in each loaded car.....		15.13	15.24
Average mileage operated during the year.....		1,285.74	1,312.32

ADDITIONS TO EQUIPMENT.

399 Box Cars.....	\$154,141.32
300 Draw Bar Springs for Cars Now Building.....	5,112.60
1 Decapod Locomotive.....	19,836.40
3 Consolidated Locomotives.....	48,303.25
Freight Charges on Refrigerator Cars.....	50.00
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	\$227,443.57

LESS, SOLD, DESTROYED, ETC.

4 Box Cars Destroyed	\$ 3,240.49
13 Flat Cars Destroyed.....	3,614.33
1 Locomotive Sold	7,630.00
Received to apply on purchase of 15 Tourist Cars and 51 Ballast Cars.....	108,376.87
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Net Additions for Year.....	\$104,581.88

EQUIPMENT OWNED JUNE 30, 1901.

Locomotives.....	100
Passenger Cars.....	12
Second Class Coaches.....	14
Combination Cars.....	6
Sleepers.....	8
Tourist Sleepers.....	5
Diners.....	4
Buffet.....	2
Baggage, mail and express.....	18
Official	2
Total passenger Cars.....	71
Freight Cars—	
Caboose.....	70
Box.....	5,950
Flat.....	698
Ore.....	144
Stock	98
Refrigerator	73
*Charcoal.....	20
Logging	20
Furniture.....	10
Total freight cars.....	7,083
Miscellaneous—	
Tool cars	3
Steam Shovels	3
Pile Drivers	2
Ditchers	2
Rotary Snow Plows.....	1
Total miscellaneous.....	11

* 29 Charcoal Cars converted into Flat Cars.