

ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1904.

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.
C. H. PETTIT	-	-	-	-	-	-	Minneapolis, Minn.
E. PENNINGTON	-	-	-	-	-	-	Minneapolis, Minn.
G. R. NEWELL	-	-	-	-	-	-	Minneapolis, Minn.
SIR WM. C. VAN HORNE	-	-	-	-	-	-	Montreal, Quebec.
SIR T. G. SHAUGHNESSY	-	-	-	-	-	-	Montreal, Quebec.
R. B. ANGUS	-	-	-	-	-	-	Montreal, Quebec.
ALFRED H. BRIGHT	-	-	-	-	-	-	Minneapolis, Minn.
E. A. YOUNG	-	-	-	-	-	-	St. Paul, Minn.

OFFICERS.

THOMAS LOWRY, <i>President.</i>	C. F. CLEMENT, <i>Sec'y and Treas.</i>
JOHN MARTIN, <i>Vice-President.</i>	C. W. GARDNER, <i>Auditor.</i>
E. PENNINGTON, <i>2nd Vice-President and General Manager.</i>	

Transfer and Fiscal Agents, AGENTS' BANK OF MONTREAL,
Wall Street, New York.
Registrar of Stocks 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 30th, 1904.

We submit herewith a report showing result of operations for the year indicated above and a comparison with previous year's results.

The gross earnings, expenses, etc., were as follows:

	1904	1903
Gross Earnings from all sources.....	\$7,082,153.19	\$7,293,743.26
Operating Expenses.....	3,746,780.49	3,719,923.63
Net Earnings.....	\$3,335,372.70	\$3,573,820.63
Fixed Charges, Taxes, etc.....	1,948,126.82	1,909,323.20
Surplus Earnings.....	\$1,387,245.88	\$1,664,497.43

The gross earnings as compared with the previous year decreased \$211,590.07, or 2.9 per cent, while the operating expenses increased \$26,857.86 and the fixed charges \$38,803.62, resulting in a decrease in the net earnings of \$238,447.93, or 6.6 per cent, and in surplus of \$277,251.55, or 16.6 per cent.

When the unfavorable conditions that prevailed throughout the year are considered, the result is most encouraging; a comparatively small wheat crop in 1903 was followed by a very severe winter, making operation most difficult and expensive; the heavy snowfall of the winter coupled with an abnormal rainfall in the spring resulted in very disastrous washouts in North Dakota, which paralyzed traffic during the busy spring season and made expensive repairs necessary. The late opening of navigation on the Great Lakes in

the spring of 1904 eliminated a very large volume of business usually handled over the lines east of Minneapolis, and greatly reduced business activity throughout the entire Northwest. When these unfavorable local conditions are considered, and the abnormal condition of business generally throughout the entire country, the fact that the gross earnings were maintained at a figure within 2.9 per cent of the most favorable year in the Company's history reflects the wonderful growth of the territory along its lines, and certainly offers brightest prospects for the future.

On October 15, 1903, the Company paid its first dividend. This was paid out of the surplus earnings of the calendar year 1902, being the full dividend of 7 per cent on the preferred shares and 2 per cent on the common shares. In April, 1904, a second dividend was paid; the preferred shares receiving $3\frac{1}{2}$ per cent from the earnings of 1903 and the common shares 2 per cent from the earnings of 1902. The Company also appropriated from its surplus earnings of the current year \$250,000 for betterments and improvements to the property; \$200,000 having been appropriated from the previous year for similar purposes, the Improvement Fund aggregated \$450,000, and was expended principally as follows:

In Filling Bridges	\$ 16,000.00
In Steel Bridges (\$20,000 charged Operating Expenses).....	27,000.00
In Replacing 60-lb. Rails with 80-lb. Rails Minneapolis to Hoffman, about 141 miles, and about 17 miles east of Minneapolis (cost of relaying charged to Operating Expenses)	182,528.71
In Ballasting Minneapolis to Glenwood	66,000.00
In Extending Side and Passenger Tracks, about...	44,000.00

The balance of the fund was used to enlarge the shops and roundhouses at Minneapolis and to improve and enlarge the fuel and water stations, including several automatic coal-ing plants. Full details of these expenditures will be found in the subjoined statements.

About \$75,000 was expended to complete the acquirement of terminal grounds at St. Paul and Minneapolis, and \$45,000 for a suitable piece of property in Minneapolis, on which during the coming year a general office building will be erected.

During the year the Company completed the extension of its line from Birchwood to Reserve, Wis., 18.85 miles; purchased the line from Rex to Meads Quarry, Mich., 15.54 miles; completed and put in operation the extension Glenwood to a point eight miles south of Detroit, Minn., 84 miles, and purchased the Bismarck, Washburn & Great Falls Railway, extending from Bismarck northwesterly to Underwood, N. D., 59.97 miles. Making a total addition to mileage, 176.36 miles.

The extension north from Glenwood, known as the Winnipeg line, is under construction, and will be completed and in operation not later than December 1, 1904. To provide the funds for the construction and purchase of this additional mileage the Company issued during the fiscal year 3,572 of its First Consolidated Mortgage bonds; and since the close of the fiscal year has issued 580 more of said bonds, which will provide all the funds required to complete the Winnipeg line and pay for additional equipment contracted for delivery at an early date. With the completion of this line, and after the issuance of the above mentioned bonds, the Company will own about 160 miles of railroad on which no bonds have as yet been issued.

The equipment was increased during the year by the purchase of fifteen locomotives and five passenger cars, besides considerable secondhand equipment received with the purchase of the Bismarck, Washburn & Great Falls Railway. Complete statement of equipment purchased, destroyed and owned will be found herein.

The Company's property, including roadbed, buildings and equipment, has been not only maintained but greatly improved by many additions, of which no detail mention is made for the reason that the cost of same has been carried in its operating expenses.

The usual detailed statements will be found in the following pages.

Respectfully submitted,

THOS. LOWRY,
President.

E. PENNINGTON,
Second Vice-Prest. and Gen'l Manager.

Mileage.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.....to Portal, N. D.....	1,038.88	miles.
Northtown Jct., Minn.....to Camden Place (Mpls.)..	1.01	"
Cardigan Jct., Minn.....to St. Paul, Minn.....	5.34	"
Glenwood, Minn.....to Ottertail, Minn.....	59.00	"
Ottertail, Minn.....to North	25.00	"
Hankinson, N. D.....to Bismarck, N. D.....	214.18	"
Bismarck, N. D.....to Underwood, N. D.....	57.97	"
Wishek, N. D.....to Pollock, S. D.....	70.35	"
Dresser Jct., Wis.....to St. Croix Falls, Wis....	4.05	"
Summit Jct., Wis.....to Frederic, Wis.	22.43	"
Barron, Wis.....to Ridgeland, Wis.....	18.33	"
Cameron, Wis.....to Reserve, Wis.....	41.67	"
Tony & Northeastern, Wis.....	2.21	"
Rex, Mich.....to Meads Quarry, Mich...	15.54	"
Rapid River, Mich.....to Eben Jct., Mich.....	30.55	"
	1,606.51	"
Add Spur Lines.....	23.13	"
Total Mileage, June 30th, 1904.....	1,629.64	"

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:**

Passenger.....	\$1,523,262.18
Freight.....	4,987,476.36
Express, Mail and Miscellaneous.....	482,759.87
	<u>\$6,993,498.41</u>

OPERATING EXPENSES:

Maintenance of way and structures.....	\$ 705,516.74
Maintenance of equipment.....	730,674.10
Conducting transportation.....	2,143,575.99
General Expenses.....	167,013.66
	<u>\$3,746,780.49</u>

Net Earnings from Operation.....	<u>\$3,246,717.92</u>
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REVENUE FROM OTHER SOURCES:

Interest, discount and exchange.....	\$ 73,657.95
Interest on bonds and stock.....	16,288.50
	<u>\$ 89,946.45</u>
Total income.....	<u>\$3,336,664.37</u>

OTHER PAYMENTS:

Interest on bonds.....	\$1,528,496.88
Taxes.....	327,784.71
Rental of terminals.....	91,845.23
Loss on sale of 15 Minnesota Transfer Ry. Bonds	1,291.67
	<u>\$1,949,418.49</u>

Surplus earnings.....	<u>\$1,387,245.88</u>
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Deduct amount appropriated for additions and betterments.....	<u>\$ 250,000.00</u>
	<u>\$ 250,000.00</u>

Net surplus for year	<u>\$1,137,245.88</u>
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General Ledger Balance Sheet, June 30th, 1904.

Debits.

Cost of Road, Acquired Lines, Extensions and Equipment	\$62,463,750.13
Real Estate owned.....	371,925.69
Stocks and Bonds owned—	
St. Paul Union Depot Stock	\$ 100,000.00
Minnesota Transfer Ry. Stock.....	7,000.00
Western Express Company Stock	25,000.00
Sault Ste. Marie Bridge Co. Stock.....	500.00
Sault Ste. Marie Union Depot Co. Stock	50,590.56
Treasury Stock, this Company.....	225,600.00
Minnesota Transfer Ry. Bonds	2,000.00
Bonds, this Company	12,000.00
Bonds, Village of Henning	4,000.00
Bonds, Village of Alexandria.....	16,000.00
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	\$ 442,690.56
Material and Supplies.....	815,685.94
Due from—	
Foreign Roads	\$ 142,185.81
Agents and Conductors	316,486.74
U. S. Postoffice Department	56,570.88
Bills and Accounts Receivable.....	147,535.75
Cash—Minneapolis, New York and London	2,852,042.25
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Total Cash and Cash Assets	\$ 3,514,821.43
Other Accounts	7,501.72
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	\$67,616,375.47

Credits.

Capital Stock—	
Common	\$14,000,000.00
Preferred	7,000,000.00
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	\$21,000,000.00
Funded Debt—	
First Mortgage M. & P. Bonds, 4%	\$ 335,000.00
First Mortgage M. S. S. M. & A. Bonds, 4%	8,209,000.00
First Consolidated Mortgage Bonds, 4%	28,631,000.00
Second Mortgage Bonds, 4%	3,500,000.00
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	\$40,675,000.00
Bills Payable—	
Car Trust Notes	\$ 93,764.79
Western Express Company	14,000.00
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	\$ 107,764.79
Interest Accrued on Bonds due July 1st	\$ 741,320.00
Accrued Terminal Charges due July 1st ...	25.00
Accrued Taxes not yet due.....	340,332.47
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	\$ 1,081,677.47
Current Liabilities—	
Vouchers and other Items	\$ 850,021.43
Pay Rolls.....	289,997.57
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	\$ 1,140,019.00
Betterment and Improvement Fund.....	12,032.09
Dividends due and unpaid	3,926.50
Income Account	3,595,955.62
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	\$67,616,375.47

Income Account, June 30th, 1904.

To Operating Expenses.....	\$ 3,746,780.49
Interest on Bonds.....	1,528,496.88
Taxes.....	327,784.71
Rental of Terminals.....	91,845.23
Fund for Additions and Improvements.....	250,000.00
Loss on sale of 15 Minnesota Transfer Bonds.....	1,291.67
7% Dividend on Preferred Stock from 1902 Surplus...	484,687.00
4% Dividend on Common Stock from 1902 Surplus....	554,012.00
3½% Dividend on Preferred Stock from 1903 Surplus.	242,343.50
	<u>\$ 7,227,241.48</u>
 By Balance June 30th, 1903.....	 \$ 3,739,752.24
Freight Earnings.....	4,987,476.36
Passenger Earnings.....	1,523,262.18
Mail Earnings.....	226,519.87
Express Earnings.....	116,879.98
Miscellaneous Earnings.....	139,380.02
Dividend on Stocks owned.....	15,188.50
Interest on Bonds owned.....	1,100.00
Interest on Advances.....	73,657.95
	<u>\$10,823,197.10</u>
 By Balance June 30th, 1904.....	 \$ 3,595,955.62

RAILWAY COMPANY

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Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.	1902	1903	1904
From Freight	\$4,566,222.89	\$5,254,735.41	\$4,987,476.36
From Passengers	1,257,037.61	1,524,378.01	1,523,262.18
From Mails	195,573.84	206,928.27	226,519.87
From Express and Miscellaneous	303,558.71	251,222.59	256,240.00
Total Gross Earnings	\$6,222,387.55	\$7,237,264.28	\$6,993,498.41
OPERATING EXPENSES.			
MAINTENANCE OF WAY AND STRUCTURES.			
Repairs of Roadway	\$332,612.81	\$439,786.26	\$414,783.52
Renewals of Rails	292.40	299.15	
Renewals of Ties	117,100.79	126,136.53	121,576.44
Repairs and Renewals, Bridges and Culverts	80,894.15	113,150.59	77,818.06
Repairs and Renewals, Fences, Road Crossings, Signs, and Cattle Guards	7,565.29	10,825.27	11,942.27
Repairs and Renewals, Buildings and Fixtures	60,113.85	77,873.07	55,903.47
Repairs and Renewals, Docks	22,096.95	14,153.19	9,005.83
Repairs and Renewals, Telegraph	13,077.71	17,955.45	14,829.96
Stationery and Printing	266.74	610.43	727.66
Other Expenses	10.00	1.77	124.53
Total	\$684,160.69	\$800,791.71	\$705,516.74
MAINTENANCE OF EQUIPMENT.			
Superintendence	\$3,682.41	\$3,842.65	\$4,064.95
Repairs and Renewals, Locomotives	186,242.54	248,552.75	279,640.38
Repairs and Renewals, Passenger Cars	63,395.53	76,719.99	77,160.44
Repairs and Renewals, Freight Cars	215,853.29	274,587.77	302,148.50
Repairs and Renewals, Work Cars	16,509.07	18,038.83	17,493.36
Repairs and Renewals, Shop Machinery and Tools	18,097.52	21,069.88	27,048.95
Stationery and Printing	1,678.30	2,207.21	2,020.57
Other Expenses	15,728.58	16,049.29	21,076.86
Total	\$621,182.27	\$661,058.37	\$730,674.10
GENERAL EXPENSES.			
Salaries, General Officers	\$31,107.89	\$37,459.84	\$37,879.76
Salaries, Clerks and Attendants	43,922.10	51,402.88	56,456.98
General Office Expense and Supplies	14,327.44	16,187.82	18,516.93
Insurance	16,180.86	18,889.88	22,669.63
Law Expenses	26,756.77	20,632.99	18,866.28
Stationery and Printing	3,960.92	5,664.02	8,312.09
Other Expenses	3,822.33	9,807.80	4,312.05
Total	\$140,078.31	\$160,045.13	\$167,013.66
CONDUCTING TRANSPORTATION.			
Superintendence	\$65,447.28	\$74,354.20	\$80,768.40
Engine and Round House Men	287,263.34	351,624.93	357,846.10
Fuel for Locomotive	455,258.26	673,937.35	753,980.34
Water Supply for Locomotives	17,479.71	28,234.93	29,685.31
Oil, Tallow and Waste for Locomotives	11,273.07	16,740.97	14,339.41
Other Supplies for Locomotives	4,478.55	6,256.49	7,242.08
Freight Train Service	161,383.89	194,909.14	204,346.80
Freight Train Supplies and Expenses	14,030.69	17,822.70	20,331.35
Passenger Train Service	46,247.32	57,247.58	67,397.98
Passenger Train Supplies and Expenses	28,143.98	34,611.57	39,757.82
Switchmen, Flagmen and Watchmen	43,244.50	51,089.24	53,739.25
Telegraph Expenses	56,030.44	73,402.09	77,672.79
Station Service	126,582.29	167,645.87	191,993.74
Station Supplies	12,671.40	14,894.81	18,194.57
Switching Charges, Balance	Cr. 1,404.60	Cr. 983.02	688.53
Car Mileage, Balance	Cr. 48,947.94	Cr. 87,698.61	Cr. 147,512.92
Hire of Equipment	Cr. 7,024.62	Cr. 749.67	777.26
Damage and Loss of Freight and Baggage	8,080.10	40,280.90	39,216.88
Damage to Property, Including Live Stock	5,844.24	8,858.78	10,449.51
Injuries to Persons	20,292.75	45,545.22	19,375.10
Clearing Wrecks	4,010.37	6,598.21	9,004.93
Operating Gladstone Ore Docks	4,826.47	3,965.27	3,092.31
Operating Gladstone Flour and Mds. Docks	63,900.21	63,381.81	44,333.25
Advertising	17,685.56	21,327.88	14,354.77
Outside Agencies	97,842.38	107,474.03	104,822.16
Stock Yards and Elevators	6,562.21	7,217.65	7,067.45
Rents of Buildings and Other Property	Cr. 9,700.38	Cr. 8,218.98	Cr. 9,080.80
Stationery and Printing	18,982.23	23,611.34	24,182.63
Other Expenses	6,305.56	6,447.80	12,448.59
Operating Yards, Tracks and Terminals	69,746.67	86,963.63	79,811.80
Sleeping Car Expenses		11,186.33	13,310.60
Total	\$1,598,206.13	\$2,098,027.42	\$2,143,575.99
Total Operating Expenses	\$2,941,627.40	\$3,719,922.63	\$3,746,790.49
Net Earnings	\$3,280,760.15	\$3,517,341.65	\$3,246,717.92
Percentage of Expenses to Earnings	47.3 per cent	51.4 per cent	53.6 per cent

Comparative Statement of Earnings and Expenses.

EARNINGS.

	1904	1903	1902	1901	1900	1899	1898	1897	1896
Freight.....	\$4,087,476.36	\$5,354,735.41	\$4,566,222.89	\$3,298,051.28	\$3,974,398.70	\$3,423,985.96	\$3,387,309.25	\$2,897,224.98	\$3,009,713.73
Passenger.....	1,523,292.18	1,594,378.01	1,257,087.61	875,948.37	822,908.78	621,792.96	562,791.88	477,143.23	475,704.15
Mail.....	226,519.87	308,938.27	196,573.34	190,130.30	195,144.67	177,193.96	167,366.03	156,547.78	190,333.34
Express.....	116,879.98	116,090.78	101,723.52	76,868.58	80,744.06	68,490.14	62,593.79	40,306.12	32,016.98
Miscellaneous.....	139,380.02	135,131.87	101,880.19	75,981.28	77,991.70	64,138.03	72,648.79	58,186.10	58,104.00
Total.....	\$6,063,498.41	\$7,237,264.28	\$6,322,387.55	\$4,517,076.66	\$5,151,187.91	\$4,348,586.04	\$4,132,659.24	\$3,598,303.06	\$3,785,872.20

EXPENSES.

Maintenance of way and structures.....	\$ 705,516.74	\$ 800,791.71	\$ 684,160.69	\$ 620,494.72	\$ 537,647.15	\$ 536,463.81	\$ 444,832.37	\$ 404,984.55	\$ 388,232.86
Maintenance of equipment.....	730,874.10	661,058.37	521,182.27	476,248.11	445,792.52	462,721.87	419,048.11	396,239.19	450,927.41
Conducting transportation.....	2,143,575.99	2,098,027.42	1,596,206.13	1,351,868.50	1,459,516.97	1,347,334.88	1,261,479.66	1,240,638.21	1,352,068.79
General Expenses.....	167,013.66	160,045.13	140,078.31	115,725.53	111,636.35	116,804.86	112,345.46	117,383.18	119,356.97
Total.....	\$3,746,780.49	\$3,719,922.63	\$2,941,627.40	\$2,564,337.16	\$2,554,582.99	\$2,463,315.42	\$2,237,705.59	\$2,159,295.13	\$2,310,584.03
Percentage earnings and expenses.....	53.6 percent	51.4 percent	47.3 percent	56.1 percent	49.6 percent	56.6 percent	54.1 percent	60 percent	59.1 percent
Net earnings.....	\$3,246,717.92	\$3,517,341.65	\$3,280,760.15	\$1,952,738.50	\$2,596,604.92	\$1,885,269.62	\$1,894,953.65	\$1,439,066.93	\$1,525,288.17
Fixed charges and other items, taxes and terminal rentals.....	\$1,559,472.04	\$1,852,844.22	\$1,694,258.67	\$1,624,865.28	\$1,715,733.11	\$1,510,212.37	\$1,492,906.55	\$1,442,366.35	\$1,520,923.50
Surplus.....	1,387,245.88	1,664,497.43	1,586,501.48	327,873.22	880,871.81	375,057.25	402,187.09	.....	4,364.67
Deficit.....	.....	.....	.....	.....	.....	.....	.....	3,299.42	.....
Average miles operated.....	1,529.85	1,463.97	1,396.43	1,312.32	1,285.74	1,253.17	1,195.00	1,184.86	1,183.71
Earnings per mile.....	\$4,371.36	\$4,943.69	\$4,455.92	\$3,442.05	\$4,006.39	\$3,470.07	\$3,458.32	\$3,036.95	\$3,142.80

Traffic and Mileage Statistics.

	1901	1902	1903	1904
TRAINS MILEAGE.				
Freight revenue trains..... (Miles)	1,454,336	1,707,925	1,909,476	1,836,792
Passenger revenue trains..... "	1,001,925	1,079,116	1,170,656	1,302,506
Mixed revenue trains..... "	246,853	253,967	401,534	420,216
Non-revenue trains..... "	71,544	88,224	123,071	109,159
Total train mileage..... "	2,774,658	3,129,232	3,604,737	3,668,972
FREIGHT TRAFFIC.				
Tons of freight carried.....	2,973,310	3,234,028	3,430,594	3,475,781
Tons of freight carried one mile.....	535,017,533	617,746,549	705,751,739	678,504,595
Tons of freight carried one mile per mile of road.....	407,687	442,376	482,083	443,510
Average distance haul of one ton (miles).....	179.94	191.01	205.70	195.21
Average amount received for each ton of freight.....	\$1.10	\$1.41	\$1.53	\$1.43
Average rate per ton per mile.....	6.17 mills	7.39 mills	7.45 mills	7.35 mills
Freight Earnings per mile of road.....	\$2,518.29	\$3,274.35	\$3,590.75	\$3,272.29
Freight Earnings per train mile.....	\$1.91½	\$2.33	\$2.28	\$2.22
PASSenger TRAFFIC.				
Number of passengers carried earning revenue.....	478,016	604,287	718,491	776,100
Number of passengers carried one mile.....	39,373,793	58,046,978	68,281,621	67,074,997
Number of passengers carried one mile per mile of road.....	30,005	41,568	46,941	43,844
Average distance carried..... (miles)	82.37	96.05	95.03	96.42
Average amount received for each passenger.....	\$1.83	\$2.08	\$2.12	\$1.96
Average rate per passenger mile (cents).....	2.22	2.17	2.23	2.27
Passenger Earnings per mile of road.....	\$904.21	\$1,153.11	\$1,315.34	\$1,273.55
Passenger Earnings per train mile (cents).....	95.34	\$1.2079	\$1.3248	\$1.18097
MISCELLANEOUS.				
Gross Earnings per mile of road.....	\$3,442.05	\$4,455.92	\$4,943.59	\$4,571.36
Operating Expenses per mile of road.....	\$1,954.05	\$2,106.53	\$2,510.99	\$2,449.12
Mileage of Passenger Cars.....	6,141,591	6,827,836	7,663,682	8,226,003
Average number of passenger cars per train.....	4.92	5.12	4.87	4.78
Average number of passengers per train.....	32	44	43	39
Mileage of loaded freight cars—North or East.....	16,820,611	18,434,209	21,765,457	21,233,877
Mileage of loaded freight cars—South or West.....	18,295,806	23,150,998	24,181,153	23,159,574
Mileage of empty freight cars—North or East.....	6,917,310	8,366,459	7,862,094	8,402,222
Mileage of empty freight cars—South or West.....	4,531,447	4,878,722	5,107,790	5,763,290
Average number of freight cars in train.....	27.37	27.95	25.49	25.49
Average number of loaded cars in train.....	20.64	21.20	19.88	19.67
Average number tons freight per train entire line.....	314.49	314.88	305.38	300.62
Average number tons freight per train main line.....				335.53
Average number tons freight per train branch line.....				81.59
Average number of tons freight in each loaded car.....	15.24	14.85	15.36	15.28
Average mileage operated during the year.....	1,312.32	1,396.43	1,463.97	1,529.85

Freight Traffic Movement.

(Company's Material Excluded.)

COMMODITY.	1902.		1903.		1904.	
	Whole Tons.	Per Cent.	Whole Tons.	Per Cent.	Whole Tons.	Per Cent.
Grain.....	446,312	13.80	589,322	17.18	590,334	16.98
Flour.....	289,144	8.94	346,869	10.11	311,142	8.96
Other mill products.....	51,520	1.58	38,719	1.13	37,638	1.06
Hay.....	15,040	.46	15,843	.46	17,630	.51
Tobacco.....	175	.01	1,594	.05	153	.01
Fruit and vegetables.....	19,080	.59	26,065	.76	16,489	.47
Tea.....	1,780	.06	2,625	.08	2,862	.08
Other agricultural products.....	959	.03	3,501	.10	2,547	.07
Live stock.....	27,293	.84	44,348	1.29	39,117	1.13
Dressed meats.....	8,529	.26	8,311	.24	16,672	.49
Other packing-house products.....	8,148	.25	13,241	.38	2,199	.06
Poultry, fish and game.....	8,086	.25	7,810	.23	6,049	.18
Wool.....	1,754	.05	1,879	.05	1,846	.05
Hides and leather.....	3,989	.12	6,517	.19	6,003	.17
Butter and eggs.....	6,819	.21	8,054	.23	6,518	.19
Anthracite coal.....	31,780	.98	25,229	.73	43,534	1.25
Bituminous coal.....	88,499	2.74	92,613	2.70	98,749	2.84
Lignite coal.....	39,713	1.23	80,021	2.33	61,748	1.78
Coke.....	668	.02	271	.01	2,597	.07
Ores.....	299,266	9.25	185,936	5.42	166,883	4.86
Stone, sand, etc.....	12,362	.38	16,324	.48	30,034	.88
Salt.....	5,749	.18	6,410	.19	5,513	.16
Lumber.....	1,295,319	40.05	1,311,638	38.23	1,467,265	42.21
Charcoal.....	9,562	.30	7,769	.23	2,621	.08
Cooperage.....	31,731	.98	32,988	.96	27,901	.80
Petroleum and other oils.....	17,962	.56	20,126	.59	9,196	.27
Sugar.....	5,448	.17	3,115	.09	4,652	.13
Iron, pig and bloom.....	54,176	1.68	49,580	1.45	31,844	.92
Iron and steel rails.....	32,150	.99	26,513	.77	42,414	1.22
Other castings and machinery.....	21,105	.65	24,448	.71	20,815	.60
Bar and sheet metal.....	24,123	.75	32,908	.96	25,465	.73
Cement, brick and lime.....	48,072	1.49	49,212	1.43	46,532	1.34
Agricultural implements.....	10,890	.34	12,540	.37	10,605	.31
Wagons, carriages, tools, etc.....	2,227	.07	2,433	.07	1,170	.04
Wines, liquors and beers.....	9,553	.30	7,596	.22	7,202	.21
Household goods and furniture.....	48,366	1.49	57,188	1.67	40,334	1.16
Merchandise.....	118,021	3.65	134,379	3.92	122,590	3.52
Miscellaneous.....	138,647	4.29	137,949	4.02	145,869	4.20
Total.....	3,234,023	100.00	3,430,894	100.00	3,475,781	100.00

Expenditure Account Construction and Equipment.

Tony Branch...	\$ 3,846.60
Birchwood Extension.....	218,934.79
Glenwood Extension.....	1,999,571.72
Bismarck, Washburn & Gt. Falls Ry.....	1,112,086.29
Rex Branch.....	63,147.24
Preliminary Surveys.....	4,209.69
Terminal Property, St. Paul and Minneapolis.....	75,466.75
Betterments to Main Line.....	44,129.78
General Office Building, Minneapolis.....	44,877.12
Joint Terminals, Sault Ste. Marie.....	1,060.23
New Equipment, see statement attached page 17.....	317,090.12
	<u>\$3,884,420.33</u>

**Expenditures Charged to Fund Appropriated for Additions
and Betterments.**

Side tracks.....	\$ 44,165.00
Shops, engine houses and turn tables.....	25,736.63
Shop tools and machinery.....	5,069.94
Buildings	36,894.71
Fuel and water stations.....	35,462.34
Ballasting, etc.....	82,657.50
Bridges and culverts.....	27,124.89
Rails and fastenings.....	182,528.71
Fencing.....	7,170.07
Crossings, cattle guards and signs.....	1,486.24
Telegraph lines.....	659.77
	<u>\$448,945.80</u>
 Balance at credit of fund, June 30th, 1903.....	 \$210,977.89
Appropriated from earnings year 1903-4.....	250,000.00
	<u>\$460,977.89</u>
Deduct expenditures as above	448,945.80
Balance forward June 30th, 1904	<u>\$ 12,032.09</u>

N. B.—158.2847 miles 60-lb. steel replaced by 80-lb. steel.

Additions to Equipment.

6 Box Cars	\$ 1,200.00
7 Flat Cars.....	350.00
7 Caboose.....	5,132.31
36 Gondolas.....	19,592.36
1 Passenger Coach.....	2,000.00
2 Combination Passenger and Baggage Cars....	7,994.62
3 Baggage and Mail Cars.....	17,036.87
2 Steamboats.....	5,000.00
2 Barges.....	1,000.00
7 Compound Consolidated Locomotives	122,790.86
7 Compound Mogul Locomotives.....	113,514.88
1 Simple Pacific Locomotive.....	16,792.73
3 Locomotives (secondhand).....	17,273.54
Advances account of equipment under construction, etc.....	22,321.61
	<hr/> \$351,999.78
LESS DESTROYED.	
46 Box Cars.....	\$ 24,615.95
10 Flat Cars.....	4,170.96
1 Caboose	772.05
1 Baggage Car	3,024.00
1 Locomotive	600.00
2 Stock Cars	676.83
1 Refrigerator Car.....	1,049.87
	<hr/> \$ 34,909.66
Net Additions for Year	\$317,090.12

Equipment Owned June 30th, 1904.

Locomotives.....	133
First Class Passenger Coaches.....	27
Second Class Passenger Coaches.....	12
Combination Cars.....	8
Sleepers.....	16
Tourist Sleepers.....	9
Diners.....	6
Buffet.....	1
Baggage, Mail and Express.....	30
Official.....	2
Total Passenger Cars.....	111
Freight Cars:	
Caboose.....	74
Box.....	6,762
Flat.....	1,081
Gondolas.....	36
Ore.....	143
Stock.....	96
Refrigerator..	121
Charcoal.....	20
Logging.....	20
Furniture.....	8
Total Freight Cars.....	8,361
Miscellaneous:	
Tool Cars.....	3
Steam Shovels.....	4
Pile Drivers.....	2
Ditchers.....	2
Snowplows.....	2
Ballast Unloader.....	1
Wrecking Crane.....	1
Steamboats.....	2
Barges.....	2
Total Miscellaneous.....	19