

ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1905.

MINNEAPOLIS:
TRIBUNE PRINTING COMPANY.

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

DIRECTORS.

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

OFFICERS.

THOMAS LOWRY, *President.* C. F. CLEMENT, *Sec'y and Treas.*
E. PENNINGTON, *Vice-President and General Manager.*
C. W. GARDNER, *Auditor.*
W. L. MARTIN, *2d Vice-President and Traffic Manager.*

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 30, 1905

Herewith we submit a report for the year ending June 30, 1905. The gross earnings, operating expenses, fixed charges, etc., are as follows:

	1905	1904
Gross Earnings from operation	\$8,716,621.58	\$6,993,498.41
Income from other sources	66,335.58	88,654.78
Total Income from all sources	8,782,957.16	7,082,153.19
Operating Expenses	4,502,607.33	3,746,780.49
Net Earnings	4,280,349.83	3,335,372.70
Fixed Charges, Taxes, etc.	2,216,934.92	1,948,126.82
Surplus Income	\$2,063,414.91	\$1,387,245.88

Notwithstanding the partial destruction of the north-western grain crop of 1904 the Company's gross earnings increased 24.6 per cent; its net earnings 29.8 per cent, and its surplus earnings 48.7 per cent. The operating expenses increased 20.2 per cent and fixed charges (which include interest on funded debt, rentals paid for terminal property and taxes) increased 15.7 per cent.

The following comparisons show the rapid growth of the Company's business during the last five years. In 1900 the gross earnings were \$4,006.39 per mile, in 1905 \$4,913.60 per mile, an increase of 22.6 per cent. Its surplus earnings during 1900 were \$685.11 per mile and in 1905, \$1,163.15 per mile, an increase of \$478.04 per mile or 69.8 per cent.

It is also interesting to note that during the same period the Company's financial condition has greatly improved. In 1900 the funded debt aggregated \$26,375.40 per mile; in 1905, \$24,500.03, a decrease of \$1,875.37 per mile. In 1900 its funded debt and capital stock aggregated \$42,805.39 per mile, and in 1905 \$36,097.82 per mile, a decrease of \$6,707.57 per mile.

During the period from June 30, 1900, to June 30, 1905, there has been added 532.54 miles and the fact that with this additional mileage the gross earnings have been largely increased per mile of road, indicates that the new lines have been located in profitable territory.

During the year there has been completed the line from Glenwood, Minn., to a connection with the Canadian Pacific Ry. at Emerson, Manitoba, thus giving direct connection to Winnipeg. This line passes through the lake region of Northern Minnesota and the Red River Valley, reaching the finest farming country in the Northwest. The line is laid with eighty pound steel, is well ballasted with gravel, and in first class condition in every respect. The wide territory served via Winnipeg insures a large tonnage and satisfactory passenger traffic. The Company is building a line from Thief River Falls, Minn., (a point on its Winnipeg line) westward crossing the Red River Valley, passing through the northern part of North Dakota and terminating at Kenmare, (a point on its Pacific Coast line), a distance of 300 miles; also a branch leaving this line at Egeland, extending 21 miles northwest to Armourdale, N. D., and an extension of the line north of Bismarck from Underwood to Garrison, N. D., a distance of 20 miles, making about 340 miles new construction during the year. This will all be completed in time to move a large portion of this season's grain crop. The funds for the construction of these new lines are provided by the issuance of 4 per cent first consolidated mortgage bonds.

Many improvements have been made during the year to enlarge the Company's facilities for business, among which are a six story fire proof office building in Minneapolis the purchase of additional grounds in St. Paul and Minneapolis for terminals, including an independent right of way into both cities; additional buildings and expensive modern

machinery have been added to the Company's shops in Minneapolis, and numerous buildings, stockyards, loading platforms, track scales, improved water supply, interlocking plants, automatic coaling stations at various points along the road, twenty-two miles of passing and side tracks, and additional telegraph lines from Minneapolis to Emerson (Winnipeg division) 386 miles in length.

During the year the work of improving the alignment and reducing the grades on the line from Minneapolis to Paynesville, Minn., was begun. The cost of these improvements, statements of which will be found in the following pages, aggregate about \$490,000, of this amount \$214,603.42 was charged against the fund appropriated from surplus earnings for improvements, leaving \$183,000 for similar work now under way. Substantial additions were made to the equipment, including 2,000 box cars, 15 cabooses, 12 passenger cars, 150 ballast cars and 9 locomotives. The operating efficiency of the property has not only been maintained, but much improved in both motive power, equipment and roadbed.

The prospects for a very large crop this season are now well assured and should result in a most satisfactory showing for the ensuing year.

Respectfully submitted,

THOS. LOWRY,

President.

E. PENNINGTON,

Vice Pres't & Gen'l Manager.

Mileage.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.....to Minneapolis, Minn.....	490.02 miles.
Cardigan Jct., Minn.....to St. Paul, Minn.....	5.34 "
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 Branch, Wis.....	2.21 "
Rex, Mich.....to Meads Quarry, Mich...	15.54 "
Rapid River, Mich.....to Eben Jct., Mich.....	30.55 "
Gladstone Ore Docks, Mich.....	1.10 "
Gladstone Coal Docks, Mich.....	1.13 "
Total Mileage East of Minneapolis	632.37
Northtown Jct., Minn.....to Camden Place, Minn...	1.01 miles.
Minneapolis, Minn.....to Portal, N. D.....	548.86 "
Glenwood, Minn.....to Emerson, Minn.....	265.05 "
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 "
Total Mileage West of Minneapolis.....	1,157.42
	1,789.79
Add Spur Lines.....	20.90
Total Mileage, June 30th, 1905.....	1,810.69

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:

Freight.....	\$6,387,247.86
Passenger.....	1,799,034.13
Mail, Express and Miscellaneous.....	530,339.59
	\$8,716,621.58

OPERATING EXPENSES:

Maintenance of way and structures.....	\$ 743,693.20
Maintenance of equipment.....	881,702.13
Conducting transportation.....	2,687,173.57
General Expenses.....	190,038.43
	\$4,502,607.33
Net Earnings from Operation.....	\$4,214,014.25

REVENUE FROM OTHER SOURCES:

Interest, discount and exchange.....	\$ 60,249.83
Interest on bonds and stock.....	6,085.75
	\$ 66,335.58
Total income.....	\$4,280,349.83

OTHER PAYMENTS:

Interest on bonds.....	\$1,706,826.67
Taxes.....	417,163.68
Rental of terminals.....	92,944.57
	\$2,216,934.92
Net surplus for year	\$2,063,414.91

General Ledger Balance Sheet, June 30th, 1905.

Debits.

Cost of Road, Acquired Lines, Extensions and Equipment	\$67,277,011.41
Real Estate owned	472,835.92
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
Benton Packet Company Stock	6,000.00
Treasury Stock, this Company	225,600.00
Minnesota Transfer Ry. Bonds	4,000.00
Bonds, this Company	52,000.00
Bonds, Village of Henning	2,000.00
Bonds, Village of Alexandria	16,000.00
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	\$ 488,690.56
Material and Supplies	1,558,817.51
Due from—	
Foreign Roads	\$ 88,651.31
Agents and Conductors	325,975.47
U. S. Postoffice Department	58,194.45
Bills and Accounts Receivable	200,941.43
Cash—Minneapolis, St. Paul, New York and London	2,615,773.93
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Total Cash and Current Assets	\$ 3,289,536.59
Other Accounts	7,501.72
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	\$73,094,393.71

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%	\$ 314,000.00
First Mortgage M. S. S. & A. Bonds, 4%	8,209,000.00
First Mortgage M., St. P. & S. S. M. Consolidated Bonds	32,272,000.00
Second Mortgage M., St. P. & S. S. M. Bonds	3,500,000.00
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	\$44,295,000.00
Bills Payable—	
Car Trust Notes	\$ 66,974.85
Western Express Company	14,000.00
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	\$ 80,974.85
Interest Accrued on Bonds due July 1st	\$ 813,600.00
Accrued Taxes not yet due	392,438.96
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	\$ 1,206,038.96
Current Liabilities—	
Vouchers	\$ 1,702,647.60
Pay Rolls	389,101.10
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	\$ 2,091,748.70
Betterment and Improvement Fund	183,977.74
Dividends due and unpaid	2,531.00
Income Account	4,234,122.46
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	\$73,094,393.71

Income Account, June 30th, 1905.

To Operating Expenses.....	\$ 4,502,607.33
Interest on Bonds.....	1,706,826.67
Taxes.....	417,163.68
Rental of Terminals.....	92,944.57
Fund for Additions and Improvements from Surplus prior to January 1, 1900.....	386,549.07
3½ % Dividend on Preferred Stock from 1903 Surplus.....	242,343.50
4 % Dividend on Common Stock from 1903 Surplus....	554,012.00
3½ % Dividend on Preferred Stock from 1904 Surplus.....	242,343.50
	<u>\$ 8,144,790.32</u>
By Balance June 30th, 1904.....	\$ 3,595,955.62
Freight Earnings.....	6,387,247.86
Passenger Earnings.....	1,799,034.13
Mail Earnings.....	230,918.78
Express Earnings.....	118,629.00
Miscellaneous Earnings.....	180,791.81
Dividend on Stocks owned.....	5,600.00
Interest on Bonds owned.....	485.75
Interest on Advances.....	60,249.83
	<u>\$12,378,912.78</u>
By Balance June 30th, 1905.....	\$ 4,234,122.46

Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.	1903	1904	1905
From Freight	\$5,254,735.41	\$4,987,476.30	\$6,387,247.86
From Passengers	1,524,378.01	1,523,362.18	1,799,034.13
From Mails	206,928.27	226,519.87	230,918.78
From Express and Miscellaneous	251,222.59	226,210.00	299,420.81
Total Gross Earnings	\$7,237,264.28	\$6,993,498.41	\$8,716,621.58
OPERATING EXPENSES.			
MAINTENANCE OF WAY AND STRUCTURES.			
Repairs of Roadway	\$439,786.26	\$414,783.52	\$412,834.83
Renewals of Rails	299.15		
Renewals of Ties	126,136.53	121,576.44	100,233.49
Repairs and Renewals, Bridges and Culverts	113,150.59	77,218.06	110,838.01
Repairs and Renewals, Fences, Road Crossings, Signs, and Cattle Guards	10,835.27	11,342.27	13,807.32
Repairs and Renewals, Buildings and Fixtures	77,873.07	55,904.47	79,078.40
Repairs and Renewals, Docks	14,153.19	9,005.83	9,156.43
Repairs and Renewals, Telegraph	17,955.45	14,829.96	16,728.95
Stationery and Printing	610.43	727.66	914.77
Other Expenses	1.77	124.53	100.00
Total	\$800,791.71	\$705,516.74	\$743,693.20
MAINTENANCE OF EQUIPMENT.			
Superintendence	\$3,842.05	\$4,084.95	\$1,524.58
Repairs and Renewals, Locomotives	248,552.75	279,610.38	339,528.88
Repairs and Renewals, Passenger Cars	76,719.99	77,160.44	114,657.14
Repairs and Renewals, Freight Cars	274,587.77	302,148.59	355,980.70
Repairs and Renewals, Work Cars	18,038.83	17,493.36	21,590.04
Repairs and Renewals, Shop Machinery and Tools	21,059.88	27,048.95	22,090.33
Stationery and Printing	2,207.21	2,020.57	2,698.02
Other Expenses	16,049.20	21,076.86	20,632.44
Total	\$661,058.37	\$730,674.10	\$881,702.13
GENERAL EXPENSES.			
Salaries, General Officers	\$37,459.84	\$37,879.76	\$38,728.76
Salaries, Clerks and Attendants	51,402.88	56,456.98	59,396.63
General Office Expense and Supplies	16,187.82	18,516.93	19,644.26
Insurance	18,889.88	22,069.63	31,556.90
Law Expenses	20,632.89	18,866.22	23,351.69
Stationery and Printing	5,664.02	8,312.69	8,109.34
Other Expenses	9,807.80	4,312.05	9,248.85
Total	\$160,045.13	\$167,013.66	\$190,038.43
CONDUCTING TRANSPORTATION.			
Superintendence	\$74,354.20	\$80,768.40	\$89,912.43
Engine and Round House Men	351,624.93	357,845.10	431,135.27
Fuel for Locomotives	673,937.35	753,969.34	787,565.79
Water Supply for Locomotives	28,234.93	29,695.31	28,925.06
Oil, Tallow and Waste for Locomotives	16,710.97	14,339.41	19,729.07
Other Supplies for Locomotives	6,256.49	7,242.08	8,959.38
Freight Train Service	194,009.14	204,346.80	279,001.89
Freight Train Supplies and Expenses	17,822.70	20,331.35	21,174.79
Passenger Train Service	57,247.58	67,307.98	85,569.51
Passenger Train Supplies and Expenses	34,611.57	39,757.82	46,437.47
Switchmen, Flagmen and Watchmen	51,089.24	53,739.25	64,111.98
Telegraph Expenses	73,402.09	77,672.79	87,762.45
Station Service	167,645.87	191,933.74	227,317.08
Station Supplies	14,884.81	18,194.57	21,939.07
Switching Charges, Balance	Cr. 998.02	688.53	1,181.14
Car Mileage, Balance	Cr. 87,698.61	Cr. 147,512.92	Cr. 68,231.06
Hire of Equipment	749.67	777.26	Cr. 4,615.44
Damage and Loss of Freight and Baggage	40,260.90	39,218.88	41,726.35
Damage to Property, Including Live Stock	8,858.78	10,449.51	19,804.33
Injuries to Persons	45,545.22	19,375.10	115,092.64
Clearing Wrecks	6,598.21	9,004.93	8,955.44
Operating Gladstone Ore Docks	3,965.27	3,092.31	1,336.87
Operating Gladstone Flour and Mdse. Docks	63,381.81	44,333.25	62,870.20
Advertising	21,327.86	14,354.77	24,498.93
Outside Agencies	107,474.03	104,822.16	131,770.68
Stock Yards and Elevators	7,217.65	7,057.45	8,511.00
Rents of Buildings and Other Property	Cr. 8,218.98	Cr. 9,090.80	Cr. 8,417.11
Stationery and Printing	23,611.34	24,182.63	35,215.55
Other Expenses	6,447.80	12,446.59	12,664.34
Operating Yards, Tracks and Terminals	86,983.63	79,811.80	91,546.45
Sleeping Car Expenses	11,186.33	13,310.60	14,692.02
Total	\$2,068,027.42	\$2,143,575.99	\$2,687,173.57
Total Operating Expenses	\$3,719,922.63	\$3,746,790.49	\$4,502,607.83
Net Earnings	\$3,517,341.65	\$3,246,717.99	\$4,214,014.25
Percentage of Expenses to Earnings	51.4 percent	53.6 percent	51.7 percent

Comparative Statement of Earnings and Expenses. EARNINGS.

	1905	1904	1903	1902	1901	1900	1899	1898	1897
Freight.....	\$6,387,247.86	\$4,987,476.36	\$5,354,735.41	\$4,596,222.89	\$3,298,651.28	\$3,974,398.70	\$3,436,886.96	\$3,257,309.25	\$2,987,224.88
Passenger.....	1,799,034.13	1,523,302.18	1,524,378.01	1,257,037.61	875,948.37	822,908.78	621,792.95	562,791.38	477,148.23
Mail.....	230,918.78	226,519.87	\$66,938.27	196,073.34	190,130.80	186,144.67	177,160.96	157,356.03	155,547.73
Express.....	118,629.00	116,879.98	116,090.72	101,723.52	76,363.99	80,744.06	58,130.14	52,563.79	40,305.12
Miscellaneous.....	180,791.81	139,360.02	135,131.87	101,830.19	75,981.88	77,991.70	64,132.03	72,648.79	58,186.10
Total.....	\$8,716,021.58	\$8,993,498.41	\$7,237,264.28	\$6,222,387.55	\$4,517,076.66	\$5,151,187.91	\$4,348,585.04	\$4,192,699.24	\$3,598,303.06

EXPENSES.

	1905	1904	1903	1902	1901	1900	1899	1898	1897
Maintenance of way and structures.....	\$ 743,663.20	\$ 705,516.74	\$ 800,791.71	\$ 864,160.69	\$ 630,494.72	\$ 537,647.15	\$ 536,463.81	\$ 444,833.37	\$ 404,984.55
Maintenance of equipment.....	881,702.13	730,674.10	661,068.37	621,182.27	476,248.11	445,792.52	462,721.87	419,048.11	396,289.19
Conducting transportation.....	2,687,173.57	2,143,575.99	2,098,027.42	1,596,306.13	1,351,988.50	1,459,516.97	1,347,324.88	1,261,479.66	1,240,638.21
General Expenses.....	190,038.43	167,013.66	160,046.13	140,073.31	115,725.83	111,626.35	110,804.86	112,315.45	117,383.18
Total.....	\$4,502,607.33	\$3,746,750.49	\$3,719,922.63	\$2,941,267.40	\$2,564,337.16	\$2,554,582.99	\$2,463,315.42	\$2,297,705.69	\$2,180,295.13
Percentage earnings and expenses.....	51.7 percent	53.6 percent	51.4 percent	47.3 percent	56.1 percent	49.6 percent	56.6 percent	54.1 percent	60 percent
Net earnings.....	\$4,214,014.25	\$3,246,717.92	\$3,517,341.65	\$3,280,760.15	\$1,952,738.50	\$2,596,604.92	\$1,885,269.62	\$1,904,963.65	\$1,439,006.93
Fixed charges and other items, taxes and terminal rentals.....	\$2,150,599.34	\$1,859,472.04	\$1,852,844.22	\$1,694,253.97	\$1,694,895.28	\$1,715,783.11	\$1,510,212.37	\$1,492,808.50	\$1,442,396.35
Surplus.....	2,063,414.91	1,387,245.88	1,664,497.43	1,596,506.18	327,873.22	880,871.81	375,057.25	402,157.09	8,299.42
Deficit.....									
Average miles operated.....	1,778.95	1,539.85	1,463.97	1,396.43	1,312.82	1,285.74	1,253.17	1,195.00	1,184.86
Gross earnings per mile of road.....	4,913.60	\$4,571.36	\$4,943.59	\$4,455.92	\$3,442.06	\$4,006.39	\$3,470.07	\$3,458.82	\$3,086.95

Traffic and Mileage Statistics.

	1903	1904	1905
TRAINS MILEAGE.			
Freight trains..... (Miles)	1,909,476	1,836,792	2,336,233
Passenger trains..... "	1,170,656	1,302,505	1,454,782
Mixed trains..... "	401,534	430,216	523,827
Non-revenue trains..... "	123,071	109,459	162,684
Total train mileage..... "	3,604,737	3,668,972	4,477,526
CAR MILEAGE.			
Freight—			
Loaded cars North or East	21,765,457	21,233,877	27,108,038
Loaded cars South or West	24,181,153	23,159,574	30,043,207
Empty cars North or East	7,862,084	8,402,222	10,896,799
Empty cars South or West	5,107,790	5,763,290	7,365,564
Total freight car mileage.....	58,916,494	58,558,963	75,415,608
Passenger Coaches, mail and express cars—			
North or East.....	3,821,842	4,099,186	4,766,258
South or West	3,841,840	4,126,917	4,819,007
Total passenger car mileage.....	7,663,682	8,226,003	9,585,265
FREIGHT TRAFFIC.			
Tons of revenue freight carried.....	3,436,894	3,475,781	3,913,161
Tons of non-revenue freight carried.....	.....	591,864	648,709
Total tons freight carried .....	.....	4,067,645	4,561,870
Tons of revenue freight carried one mile.....	705,754,739	678,504,595	882,474,735
Tons of Non-revenue freight carried one mile.....	.....	107,410,879	170,813,742
Total tons freight carried one mile.....	.....	785,915,474	1,053,288,477
Tons of revenue freight carried one mile per mile of road	482,083	443,510	497,455
Tons of non-revenue freight carried one mile per mile of road.....	.....	70,210	96,288
Total tons (all classes) freight carried one mile per mile of road.....	.....	513,720	593,743
Average distance haul of one ton revenue freight, miles.....	205.70	195.21	225.51
Average distance haul of one ton freight (all classes).....	.....	193.21	230.89
Average amount received per ton for revenue freight.....	\$1.53	\$1.43	\$1.63
Average amount received per ton per mile revenue freight.....	7.45 mills	7.35 mills	7.24 mills
Freight Earnings per mile of road.....	\$3,599.75	\$3,272.29	\$3,616.14
Freight Earnings per train mile.....	\$2.28	\$2.22	\$2.24
Average number of freight cars in train.....	25.49	25.96	26.37
Average number of loaded cars in train.....	19.88	19.67	19.98
Average number of tons revenue freight per train (entire line).....	305.38	300.62	308.55
Average number of tons of non-revenue freight per train (entire line).....	.....	47.59	59.73
Average number of tons all classes of freight per train (entire line).....	.....	348.21	368.28
Average number of tons revenue freight per train (main line).....	.....	335.53	358.51
Average No. of tons revenue freight per train (branch lines).....	.....	81.59	117.82
Average No. of tons revenue freight in each loaded car.....	15.36	15.28	15.44
Average No. of tons of non-revenue freight in each loaded car.....	.....	2.42	2.99
Average No. of tons of (all classes) of freight in each loaded car.....	.....	17.70	18.43
PASSENGER TRAFFIC.			
No. of passengers carried earning revenue.....	718,491	776,100	931,174
No. of passengers carried one mile.....	68,281,621	67,074,997	78,878,949
No. of passengers carried one mile per mile of road	46,641	43,844	44,464
Average distance carried..... (miles)	95.03	96.42	84.71
Average amount received for each passenger.....	\$2.12	\$1.96	\$1.93
Average rate per passenger mile (cents).....	2.23	2.27	2.28
Passenger earnings per mile of road.....	\$1,315.34	\$1,273.55	\$1,270.51
Passenger earnings per train mile.....	\$1.2248	\$1.13097	\$1.13912
Average No. of passenger cars per train.....	4.87	4.78	4.84
Average No. of passengers per train.....	43	39	40
MISCELLANEOUS.			
Gross Earnings per mile of road.....	\$4,943.59	\$4,571.36	\$4,913.60
Operating Expenses per mile of road.....	\$2,500.99	\$2,449.12	\$2,538.14
Net earnings per mile of road.....	\$2,402.60	\$2,122.24	\$2,375.46
Average mileage operated during the year.....	1,463.97	1,529.85	1,773.98

Freight Traffic Movement.

(Company's Material Excluded.)

COMMODITY.	1903.		1904.		1905.	
	Whole Tons.	Per Cent.	Whole Tons.	Per Cent.	Whole Tons.	Per Cent.
Grain.....	589,322	17.18	590,334	16.98	871,610	22.28
Flour.....	346,869	10.11	311,142	8.95	268,232	6.85
Other mill products.....	38,719	1.13	37,658	1.08	90,673	2.33
Hay.....	15,843	.46	17,830	.51	20,758	.53
Tobacco.....	1,594	.05	153	.01	.....	.....
Fruit and vegetables.....	26,065	.76	16,489	.47	22,380	.57
Tea.....	2,625	.08	2,862	.08	2,527	.07
Other agricultural products.....	3,501	.10	2,547	.07	1,268	.03
Live stock.....	44,348	1.29	39,117	1.13	48,178	1.23
Dressed meats.....	8,311	.24	16,872	.49	18,381	.47
Other packing-house products.....	13,241	.38	2,199	.06	3,474	.09
Poultry, fish and game.....	7,810	.23	6,049	.18	6,656	.17
Wool.....	1,879	.05	1,846	.05	1,291	.03
Hides and leather.....	5,517	.16	6,003	.17	5,618	.14
Butter and eggs.....	8,054	.23	6,518	.19	8,847	.23
Anthracite coal.....	25,229	.78	43,534	1.25	38,283	.98
Bituminous coal.....	92,613	2.70	98,749	2.84	94,459	2.41
Lignite coal.....	80,021	2.33	61,748	1.78	98,604	2.52
Coke.....	271	.01	2,587	.07	1,744	.04
Ores.....	185,936	5.42	168,883	4.86	32,127	.82
Stone, sand, etc.....	16,324	.48	30,634	.88	87,587	2.24
Salt.....	6,410	.19	5,513	.16	11,563	.30
Lumber.....	1,311,638	38.23	1,467,265	42.21	1,521,155	38.87
Charcoal.....	7,769	.23	2,621	.08	1,492	.04
Cooperage.....	32,988	.96	27,901	.80	27,831	.71
Petroleum and other oils.....	20,126	.59	9,196	.27	12,838	.33
Sugar.....	3,115	.09	4,652	.13	5,148	.13
Iron, pig and bloom.....	49,580	1.45	31,844	.92	30,561	.78
Iron and steel rails.....	26,513	.77	42,414	1.22	38,345	.98
Other castings and machinery.....	24,448	.71	20,815	.60	21,917	.56
Bar and sheet metal.....	32,908	.96	25,495	.73	26,599	.68
Cement, brick and lime.....	49,212	1.43	46,532	1.34	62,064	1.59
Agricultural implements.....	12,540	.37	10,605	.31	14,798	.38
Wagons, carriages, tools, etc.....	2,438	.07	1,170	.04	1,692	.04
Wines, liquors and beers.....	7,596	.22	7,202	.21	9,027	.23
Household goods and furniture.....	57,198	1.67	40,334	1.16	41,149	1.06
Merchandise.....	134,379	3.92	122,590	3.52	149,219	3.81
Miscellaneous.....	137,949	4.02	145,869	4.20	215,046	5.50
Total.....	3,430,894	100.00	3,475,781	100.00	3,913,161	100.00

Expenditure Account Construction and Equipment.

Tony Branch.....	\$ 10.00
Birchwood Extension.....	12,976.40
Winnipeg Line.....	2,053,984.76
Bismarck, Washburn & Gt. Falls Ry.....	874.85
Rex Branch.....	305.03
Thief River Falls Line.....	912,495.59
Egeland Line.....	6,554.81
Underwood Extension.....	36,710.80
A. B. and N. W. Railway.....	204.21
Preliminary Surveys.....	8,769.36
Terminal Property, St. Paul, Minneapolis and other points.....	155,806.67
Betterments to Main Line, see statement "A" page 16	120,075.24
New Equipment, see statement page 17.....	1,504,493.56
	<u>\$4,813,261.28</u>

Statement "A"

Betterments to Main Line Charged to Capital Account.

Right of Way	\$ 19,818.41
Elevator at Washburn, N. D.	7,134.16
Round House, Shoreham	5,604.48
Machine Shops and Boiler House, Shoreham	11,913.41
Electric Crane and other machinery, Shoreham	18,427.69
General Office Building, Minneapolis	56,756.00
Other Minor Expenditures	421.09
	<u>\$120,075.24</u>

Expenditures Charged to Fund Appropriated for Additions
and Betterments.

Side tracks	\$45,051.54
Shops, engine houses and turn tables	444.26
Buildings	19,244.09
Fuel and water stations.	15,884.58
Ballasting, etc.	66,223.77
Grade reductions.	15,668.65
Bridges and culverts	22,092.50
Fencing	9,625.28
Crossings, cattle guards and signs	219.00
Telegraph lines	20,149.75
	<u>\$214,603.42</u>
Balance at credit of fund, June 30th, 1904	\$ 12,032.09
Appropriated from earnings prior to January 1, 1900	386,549.07
	<u>\$398,581.16</u>
Deduct expenditures as above	214,603.42
Balance forward June 30th, 1905	<u>\$183,977.74</u>

Additions to Equipment.

2000 Box Cars	\$1,183,272.91
15 Cabooses	11,694.70
6 Passenger Coaches	40,934.45
4 Baggage and Mail Cars	24,262.31
2 Buffet Cars	22,638.44
150 Ballast Cars	117,690.86
2 Distributing Ballast Cars	1,555.20
2 Condon Snow-plows	350.56
8 Pacific-type Passenger Locomotives	138,373.27
1 Compound Consolidated Locomotive	16,402.84
Advances account of equipment under construction, etc.	10,245.33
	<u>\$1,567,420.87</u>
LESS DESTROYED AND SOLD	
67 Box Cars, destroyed	\$ 35,157.87
17 Flat Cars, destroyed	6,391.33
2 Cabooses, destroyed	1,701.17
1 Baggage Car, destroyed	3,000.00
1 Locomotive, destroyed	8,830.00
2 Refrigerator Cars, destroyed	1,846.94
2 Steamboats, sold	5,000.00
2 Barges, sold	1,000.00
	<u>\$ 62,927.31</u>
Net Additions for Year	\$1,504,493.56

Equipment Owned June 30th, 1905.

Locomotives.....	141
First Class Passenger Coaches.....	33
Second Class Passenger Coaches.....	13
Combination Cars.....	8
Sleepers.....	15
Tourist Sleepers.....	9
Diners.....	6
Buffet.....	3
Baggage, Mail and Express.....	33
Official.....	2
Total Passenger Cars.....	122
Freight Cars:	
Caboose.....	87
Box.....	8,695
Flat.....	1,064
Gondolas.....	36
Ore.....	143
Stock.....	96
Refrigerator.....	119
Charcoal.....	20
Logging.....	20
Furniture.....	8
Total Freight Cars.....	10,288
Miscellaneous:	
Tool Cars.....	3
Steam Shovels.....	4
Pile Drivers.....	2
Ditchers.....	2
Snow-plows.....	4
Ballast Unloader.....	3
Wrecking Crane.....	1
Ballast Cars.....	150
Total Miscellaneous.....	169