

ANNUAL REPORT

OF THE

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

UNIV OF
CALIFORNIA

FOR THE YEAR ENDING JUNE 30th, 1908

**MINNEAPOLIS
A. B. FARNHAM PRINTING & STATIONERY CO.
1908**

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ANNUAL REPORT

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CALIFORNIA

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

FOR THE YEAR ENDING JUNE 30, 1908.

Report for the year ending June 30, 1908, is submitted herewith as follows:

	1908.	1907.
Gross Earnings	\$11,509,857.32	\$12,892,079.03
Operating Expenses	7,115,964.91	7,433,548.79
Net Earnings	\$4,393,892.41	\$5,458,530.24
Income from Other Sources.....	669,111.99	52,076.86
Total Net Earnings.....	\$5,063,004.40	\$5,510,607.10
Fixed Charges, Taxes, etc.....	3,062,135.29	2,901,921.32
Surplus Income	\$2,000,869.11	\$2,608,685.78

The Gross Earnings show a decrease of \$1,382,211.71, the Net Earnings \$1,064,637.83, and the Surplus Income \$607,816.67. The decrease of \$1,382,211.71 in Gross Earnings is the combined result of a short grain crop, reduced rates and general business depression. The Operating Expenses decreased \$317,583.88. The Expenses are somewhat increased, compared with previous years, on account of depreciation charges made in accordance with the revised Classification of Operating Expenses issued by the Interstate Commerce Commission. This new Classification makes detailed comparisons of Operating Expenses with previous years impracticable.

Total Net Earnings decreased but \$447,602.70, some \$551,000.00 of profits from the sale of Real Estate having

been carried to our Income Account. The percentage of Expenses to Earnings is 61 8-10 per cent, compared with 57 6-10 per cent the previous year.

On account of the financial stringency during the early months of the year, and the consequent inability to provide funds from the Sale of Securities, the line from Brooten to Duluth will not be completed until the year 1909. Fifty miles of track were laid on this line during the autumn of 1907, and an additional fifty miles have already been laid this year. Funds for this extension and for the acquirement and improvement of suitable terminals at Duluth have been provided from the sale of bonds and of \$4,200,000.00 of the Company's increased Capital Stock, referred to in our last report.

The usual policy of improving the Company's property by the construction of additional Side Tracks, the enlargement of its Depots, Shops and other buildings, has been continued. Its motive power is in first class condition. In short, the condition of both roadbed, buildings and equipment has not only been maintained, but largely improved.

Owing to more favorable crop prospects, business conditions in the Northwest are much improved, and we may, therefore, reasonably hope for a much better showing for the current year.

Respectfully submitted,

THOS. LOWRY, *President.*

E. PENNINGTON, *Vice President.*

New York, September 11, 1908.

Thomas Lowry, Esq., President

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

Minneapolis, Minn.:

We have examined the Accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the Fiscal Year ended June 30, 1908, and have approved the Balance Sheet and Income Account submitted herewith. These contain a full and true statement of the financial condition of the Company. The Net Earnings were fairly earned after charging off all Expenses of Operation, the total maintenance and betterment expenditures that were charged against Earnings and Income Account being, in our opinion, sufficient to maintain the integrity of the property. The Total Income for the year includes \$530,575.95 profit from the sales of Real Estate and \$35,596.87 premium on Treasury Stock sold.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

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.....	5.56 "
Dresser Jct., Wis.....to St. Croix Falls, Wis.....	4.30 "
Summit Jct., Wis.....to Frederic, Wis.	22.43 "
Barron, Wis.to Ridgeland, Wis.	18.52 "
Cameron, Wis.to Reserve, Wis.	41.64 "
Tony Branch, Wis.....	2.21 "
Rex, Mich.to Meads Quarry, Mich....	12.24 "
Rapid River, Mich.....to Eben Jct., Mich.....	30.55 "
Gladstone Ore Docks, Mich.....	.76 "
Gladstone Coal Docks, Mich.....	1.53 "

Total Mileage East of Minneapolis.....	629.76
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Northtown Jct., Minn.....to Camden Place, Minn....	1.01 miles
Minneapolis, Minn.to Portal, N. D.....	548.68 "
Glenwood, Minn.to Emerson, Minn.	265.05 "
Thief River Falls, Minn.....to Kenmare, N. D.....	296.44 "
Egeland, N. D.....to Armourdale, N. D.....	21.88 "
Hankinson, N. D.....to Bismarck, N. D.....	214.18 "
Bismarck, N. D.....to Max, N. D.....	91.27 "
Drake, N. D.....to Plaza, N. D.....	83.62 "
Flaxton, N. D.....to Ambrose, N. D.....	51.14 "
Wishek, N. D.....to Pollock, S. D.....	70.35 "

Total Mileage West of Minneapolis.....	1,643.62
Add Spur Lines.....	15.91

Total Mileage June 30, 1908.....	2,289.29
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In addition to the above the Company has Trackage Facilities over 19.17 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

100 miles track laid on the Duluth Line not included in above.

Earnings and Expenses.

GROSS EARNINGS:

Freight Revenue	\$7,828,851.60	
Passenger Revenue	2,681,221.84	
Mail Revenue	317,504.13	
Excess Baggage Revenue.....	33,659.88	
Miscellaneous Revenue as per Interstate Commerce Commission Classification	11,105.58	
Revenue from Operation Other Than Transportation as per Interstate Commerce Commission Classification	141,871.90	
Total Operating Revenue as per In- terstate Commerce Commission Classification		\$11,014,214.93
Outside Operations as per Interstate Commerce Commission Classification:		
Express Revenue	\$179,505.03	
Sleeping Cars, Dining Cars and Hotel Revenue	158,006.99	
Car Service and Equipment Rentals....	158,130.37	
		495,642.39
Total Gross Earnings.....		\$11,509,857.32

OPERATING EXPENSES:

Maintenance of Way and Structures....	\$1,330,856.15	
Maintenance of Equipment.....	1,361,625.06	
Traffic Expenses	235,675.36	
Transportation Expenses	3,988,799.34	
General Expenses	199,009.00	
		7,115,964.91
Net Earnings from Operation.....		\$4,393,892.41

REVENUE FROM OTHER SOURCES:

Interest, Discount and Exchange.....	\$127,509.54	
Interest and Dividends on Bonds and Stocks Owned	11,026.50	
Profits from Sale of Real Estate.....	530,575.95	
		669,111.99
Total Income		\$5,063,004.40

OTHER PAYMENTS:

Interest on Bonds.....	\$2,144,640.00	
Interest on Equipment Notes.....	89,550.00	
Taxes	696,907.70	
Rental of Terminals.....	131,037.59	
		3,062,135.29
Net Surplus for the Year.....		\$2,000,869.11

General Ledger Balance Sheet, June 30, 1908.

DEBITS.

Cost of Road, Acquired Lines, Extensions and Equipment		\$80,057,853.73
Advances for Equipment, Terminals, etc.		2,699,841.84
Real Estate		668,061.71
Stocks and Bonds Owned—		
St. Paul Union Depot Stock.....	\$103,600.00	
Minnesota Transfer Railway Stock..	7,000.00	
Western Express Company Stock....	25,000.00	
Sault Ste. Marie Bridge Co. Stock...	500.00	
Sault Ste. Marie Union Depot Stock.	50,590.56	
Treasury Stock this Company.....	1,979,500.00	
Minnesota Transfer Railway Bonds..	47,000.00	
Village of Alexandria Bonds.....	10,000.00	
Minneapolis, St. Paul & Sault Ste. Marie Railway Consolidated Bonds	1,680,000.00	
Spokane & International Railway Bonds and Stock.....	180,000.00	
		<u>4,083,190.56</u>
Material and Supplies.....		1,258,686.68
Due from—		
Foreign Roads	273,570.09	
Agents and Conductors.....	366,489.97	
U. S. Postoffice Department.....	73,583.25	
Bills and Accounts Receivable.....	348,811.00	
Cash—Minneapolis, St. Paul, New York and London.....	1,640,754.67	
Total Cash and Current Assets.....		2,703,208.98
Other Accounts		7,501.72
*Advances Account—Betterment and Improvement Fund		204,525.26
		<u>\$91,682,870.48</u>

CREDITS.

Capital Stock—		
Common	\$16,800,000.00	
Preferred	8,400,000.00	
Funded Debt—		\$25,200,000.00
First Mortgage M. & P. Ry. Bonds, 4 per cent.....	306,000.00	
First Mortgage M. S. S. M. & Atlantic Ry. Bonds, 4 per cent....	8,204,000.00	
First Mortgage M. St. P. & S. S. M. Ry. Consolidated Bonds, 4 per cent	43,285,000.00	
Second Mortgage M. St. P. & S. S. M. Ry. Bonds, 4 per cent.....	3,500,000.00	
Bills Payable—		55,295,000.00
Equipment Trust Notes.....		1,743,000.00
Interest Accrued on Bonds due July 1..	1,001,785.00	
Interest Accrued on Equipment Notes due July 1.....	43,575.00	
Accrued Taxes not yet due.....	222,680.08	
Current Liabilities—		1,268,040.08
Vouchers	\$842,804.54	
Pay Rolls	452,600.10	
		<u>1,295,404.64</u>
Dividends due and unpaid.....		1,765.00
Insurance Fund		16,505.88
Equipment Replacement		210,947.91
Income Account		6,652,206.97
		<u>\$91,682,870.43</u>

*The Directors, at a meeting held August 24th, 1908, appropriated \$250,000.00 from the Income Account as of June 30th, 1908, to take care of these advances for Betterments.

Income Account, June 30, 1908.

To	Operating Expenses	\$7,115,964.91
	Interest on Bonds.....	2,144,640.00
	Interest on Equipment Notes.....	89,550.00
	Taxes	696,907.70
	Rental of Terminals.....	131,037.59
	Fund for Additions and Improvements.....	350,000.00
	7 per cent Dividend on Preferred Stock.....	488,743.50
	5 per cent Dividend on Common Stock.....	693,015.00
		<u><u>\$11,709,858.70</u></u>
By	Balance June 30, 1907.....	\$6,183,096.36
	Freight Revenue	7,828,851.60
	Passenger Revenue	2,681,221.84
	Mail Revenue	317,504.13
	Excess Baggage Revenue.....	33,659.88
	Miscellaneous Revenue	11,105.58
	Revenue from Operation Other Than Transportation	141,871.90
	Express Revenue	179,505.03
	Sleeping Cars, Dining Cars and Hotel Revenue....	158,006.99
	Car Service and Equipment Rentals.....	158,130.37
	Dividend on Stock Owned.....	4,144.00
	Interest on Bonds Owned.....	6,882.50
	Interest on Advances.....	127,509.54
	Profits from Sale of Real Estate.....	530,575.95
		<u><u>\$18,362,065.67</u></u>
By	Balance June 30, 1908.....	\$6,652,206.97

Detailed Statement of Earnings and Expenses.

Earnings:		
From Freight.....	\$ 7,828,851.60	
From Passengers.....	2,681,221.84	
From Mails.....	317,504.13	
From Express and Miscellaneous.....	682,279.75	
Total Gross Earnings.....	\$11,509,857.32	Ratio of Total Operating Expenses
Operating Expenses:		
Maintenance of Way and Structures,		
Superintendence.....	\$ 35,217.07	0.60
Ties.....	172,473.05	2.42
Rails.....	3,152.47	.11
Other Track Material.....	22,016.55	.31
Roadway and Track.....	614,365.45	8.63
Removal of Snow, Sand and Ice.....	29,937.85	.42
Bridges, Trestles and Culverts.....	174,495.00	2.45
Grade Crossings, Fences, Cattle Guards and Signs.....	18,121.90	.23
Snow and Sand Fences and Snowsheds.....	2,611.91	.04
Signals and Interlocking Plants.....	3,204.92	.05
Telegraph and Telephone Lines.....	21,439.18	.30
Buildings, Fixtures and Grounds.....	116,559.65	1.64
Docks and Wharves.....	20,292.25	.29
Roadway Tools and Supplies.....	18,490.55	.26
Work Equipment—Repairs.....	16,320.73	.23
Work Equipment—Depreciation.....	1,578.96	.02
Injuries to Persons.....	2,770.64	.04
Stationery and Printing.....	872.77	.01
Insurance.....	17,190.40	.24
Other Expenses.....	3,153.98	.04
Maintaining Joint Tracks, Yards and Other Facilities.....	{ Dr. 33,657.53 Cr. 66.62	.47
Total.....	\$ 1,330,856.15	18.70
Maintenance of Equipment:		
Superintendence.....	\$ 31,784.86	0.45
Steam Locomotives—Repairs.....	556,960.51	7.83
Steam Locomotives—Depreciation.....	35,577.78	.50
Passenger Train Cars—Repairs.....	174,576.80	2.45
Passenger Train Cars—Depreciation.....	18,074.46	.25
Freight Train Cars—Repairs.....	447,857.46	6.29
Freight Train Cars—Renewals.....	9,039.93	.13
Freight Train Cars—Depreciation.....	83,085.72	1.17
Shop Machinery and Tools.....	39,222.04	.55
Power Plant Equipment.....	10,126.94	.14
Injuries to Persons.....	3,462.34	.05
Stationery and Printing.....	3,070.30	.04
Insurance.....	11,086.40	.16
Other Expenses.....	.06
Maintaining Joint Equipment at Terminals.....	10,150.56	.14
Equipment Borrowed.....	88,248.82	1.24
Equipment Loaned.....	Cr. 160,699.92	2.26
Total.....	\$ 1,361,625.06	19.13
Traffic Expenses:		
Superintendence.....	\$ 59,192.32	0.83
Outside Agencies.....	107,327.09	1.51
Advertising.....	25,874.42	.36
Traffic Associations.....	2,352.41	.03
Fast Freight Lines.....	7,323.50	.10
Industrial and Immigration Bureaus.....	6,214.31	.09
Stationery and Printing.....	23,191.31	.33
Insurance.....	4,200.00	.06
Total.....	\$ 235,675.36	3.31

Detailed Statement of Expenses—Continued.

Transportation Expenses:		
Superintendence.....	\$75,603.23	1.06
Dispatching Trains.....	45,817.95	.64
Station Employees.....	401,534.22	5.64
Weighing and Car Service Associations.....	8,364.22	.12
Stock Yards and Grain Elevators.....	6,175.56	.09
Flour and Merchandise Docks.....	29,712.21	.42
Station Supplies and Expenses.....	37,432.27	.53
Yardmasters and their clerks.....	26,665.87	.37
Yard Conductors and Brakemen.....	73,189.98	1.03
Yard Switch and Signal Tenders.....	6,837.62	.10
Yard Supplies and Expenses.....	941.76	.01
Yard Enginemen.....	42,186.22	.59
Enginehouse Expenses—Yard.....	24,211.22	.34
Fuel for Yard Locomotives.....	65,567.91	.92
Water for Yard Locomotives.....	4,664.75	.07
Lubricants for Yard Locomotives.....	1,672.71	.02
Other Supplies for Yard Locomotives.....	2,523.20	.04
Operating Joint Yards and Terminals.....	{ Dr. 119,407.12	
	{ Cr. 3,208.89	1.63
Road Enginemen.....	468,200.83	6.58
Enginehouse Expenses—Road.....	182,458.91	2.56
Fuel for Road Locomotives.....	1,167,772.08	16.41
Water for Road Locomotives.....	48,793.51	.69
Lubricants for Road Locomotives.....	22,565.60	.32
Other Supplies for Road Locomotives.....	25,097.72	.35
Road Trainmen.....	500,735.31	7.04
Train Supplies and Expenses.....	172,472.19	2.42
Interlockers, Block and Other Signals—Operation.....	17,411.31	.24
Crossing Flagmen and Gatemmen.....	3,246.08	.04
Drawbridge Operation.....	1,265.85	.02
Clearing Wrecks.....	13,081.85	.18
Telegraph and Telephone—Operation.....	30,989.53	.44
Stationery and Printing.....	16,731.75	.24
Other Expenses.....	6,447.74	.09
Loss and Damage—Freight.....	110,024.93	1.55
Loss and Damage—Baggage.....	1,607.86	.02
Damage to Property.....	34,831.31	.49
Damage to Stock on Right of Way.....	16,760.42	.24
Injuries to Persons.....	126,561.76	1.78
Operating Joint Tracks.....	17,616.05	.25
Sleeping Car Expenses.....	34,847.62	.49
Total.....	\$3,988,799.34	56.06
General Expenses:		
Salaries and Expenses of General Officers.....	\$61,004.90	0.86
Salaries and Expenses of Clerks and Attendants.....	79,057.35	1.11
General Office Supplies and Expenses.....	12,345.27	.18
Law Expenses.....	31,427.44	.44
Stationery and Printing.....	8,491.88	.12
Other Expenses.....	5,900.19	.08
General Administration Joint Tracks, Yards and Terminals.....	781.97	.01
Total.....	\$ 199,009.00	2.80
Total Operating Expenses.....	\$7,115,964.91	100.00
Net Earnings.....	\$4,393,892.41	
Percentage of Expenses to Earnings.....		61.8 Per Cent.

Comparative Statement of Earnings and Expenses.

EARNINGS.

	1908	1907	1906	1905	1904	1903	1902	1901	1900
Freight.....	\$7,828,851.60	\$9,506,447.12	\$8,468,674.79	\$6,387,247.86	\$4,987,476.36	\$5,254,735.41	\$4,566,222.89	\$3,298,651.28	\$3,974,388.70
Passenger.....	2,681,221.84	2,655,549.19	2,427,538.94	1,799,034.13	1,522,262.18	1,524,378.01	1,257,037.61	875,948.37	822,908.78
Mail.....	317,504.13	268,231.07	242,243.60	230,918.78	226,519.87	206,928.27	196,573.34	190,130.30	195,144.87
Express.....	179,505.03	188,317.67	175,445.43	118,629.00	116,879.98	116,090.72	101,723.52	76,363.89	80,744.06
Miscellaneous.....	502,774.72	273,533.98	290,559.23	180,791.81	139,360.02	135,131.87	101,830.19	75,981.82	77,991.70
Total.....	\$11,509,857.32	\$12,802,079.03	\$11,574,461.99	\$8,716,621.58	\$6,993,498.41	\$7,237,264.28	\$6,222,387.55	\$4,517,075.66	\$5,151,187.91

EXPENSES.

Maintenance of way and structures.....	\$1,330,856.15	\$1,495,147.09	\$1,023,733.70	\$ 743,693.20	\$ 705,516.74	\$ 800,791.71	\$ 684,160.69	\$ 620,494.72	\$ 537,647.15
Maintenance of equipment.....	1,361,625.06	1,440,085.97	1,090,480.37	881,702.13	730,674.10	661,058.37	521,182.27	476,248.11	446,792.52
Traffic Expenses.....	235,675.36								
Conducting transportation.....	3,988,799.34	4,259,848.00	3,450,287.89	2,687,173.57	2,143,575.99	2,098,027.42	1,596,206.13	1,351,868.50	1,459,516.97
General expenses.....	199,009.00	238,467.73	220,057.82	190,038.43	167,013.66	160,045.13	140,078.31	115,725.83	111,626.35
Total.....	\$7,115,964.91	\$7,433,548.79	\$5,784,559.78	\$4,502,607.33	\$3,746,780.49	\$3,719,922.63	\$2,941,627.40	\$2,564,337.16	\$2,554,582.99
Percentage of expenses to earnings.....	61.8 per cent	57.6 per cent	50 per cent	51.7 per cent	53.6 per cent	51.4 per cent	47.3 per cent	56.1 per cent	49.6 per cent
Net earnings.....	\$4,393,892.41	\$5,468,530.24	\$5,789,902.21	\$4,214,014.25	\$3,246,717.92	\$3,517,341.65	\$3,280,760.15	\$1,952,738.50	\$2,596,604.92
Fixed charges and other items, taxes and terminal rentals.....	\$2,393,023.30	\$2,849,844.46	\$2,522,216.09	\$2,150,599.34	\$1,859,472.04	\$1,852,844.22	\$1,694,258.67	\$1,624,865.28	\$1,715,733.11
Surplus.....	\$2,000,869.11	\$2,608,685.78	\$3,267,686.12	\$2,063,414.91	\$1,387,245.88	\$1,664,497.43	\$1,586,501.48	\$327,873.22	\$880,871.81
Average miles operated.....	2,303.91	2,232.50	2,020.39	1,773.98	1,529.85	1,463.97	1,306.43	1,312.32	1,285.74
Gross earnings per mile of road.....	\$4,995.79	\$5,774.73	\$5,728.83	\$4,913.60	\$4,571.36	\$4,943.59	\$4,455.92	\$3,442.05	\$4,006.39

N. B. Income from other sources for 1908 of \$699,111.99 deducted from fixed charges.

Traffic and Mileage Statistics.

	1906	1907	1908
Trains Mileage.			
Freight trains..... (Miles)	2,812,896	3,163,625	2,773,120
Passenger trains..... "	1,874,523	2,141,827	2,472,902
Mixed trains..... "	484,273	304,604	352,059
Non-revenue trains..... "	152,060	162,906	76,182
Total train mileage..... "	5,323,752	5,772,962	5,674,263
Car Mileage.			
Freight—			
Loaded cars North or East.....	31,000,020	30,921,517	27,968,616
Loaded cars South or West.....	36,301,543	39,643,428	34,355,368
Empty cars North or East.....	12,277,415	13,414,052	12,889,277
Empty cars South or West.....	7,359,056	5,521,145	7,408,352
Total freight car mileage.....	86,938,034	89,500,142	82,621,613
Passenger Coaches, Mail and Express Cars—			
North or East.....	5,947,222	6,165,507	7,039,426
South or West.....	5,963,627	6,209,618	7,070,605
Total passenger car mileage.....	11,910,849	12,375,125	14,110,031
Freight Traffic.			
Tons of revenue freight carried.....	4,886,498	4,954,177	4,439,186
Tons of non-revenue freight carried.....	843,543	953,624	613,200
Total tons freight carried.....	5,730,041	5,907,801	5,052,386
Tons of revenue freight carried one mile.....	1,084,153,866	1,158,634,051	961,934,837
Tons of non-revenue freight carried one mile.....	190,796,599	168,836,776	117,516,583
Total tons freight carried one mile.....	1,274,950,465	1,327,470,827	1,079,451,420
Tons of revenue freight carried one mile per mile of road.....	536,606	518,985	417,523
Tons of non-revenue freight carried one mile per mile of road.....	94,436	75,627	51,007
Total tons (all classes) freight carried one mile per mile of road.....	631,042	594,612	468,530
Average distance haul of one ton revenue freight, miles.....	221.87	233.87	216.69
Average distance haul of one ton freight (all classes).....	222.50	224.70	213.65
Average amount received per ton for revenue freight.....	\$1.73	\$1.92	\$1.76
Average amount received per ton per mile revenue freight.....	7.81 mills	8.20 mills	8.14 mills
Freight earnings per mile of road.....	\$4,205.75	\$4,270.13	\$3,402.89
Freight earnings per train mile.....	\$2.58	\$2.74	\$2.51
Average number of freight cars in train.....	26.37	25.81	26.44
Average number of loaded cars in train.....	20.41	20.35	19.94
Average number of tons revenue freight per train (entire line).....	328.81	334.07	307.80
Average number of tons of non-revenue freight per train (entire line).....	57.87	48.68	37.60
Average number of tons all classes of freight per train (entire line).....	386.68	382.75	345.40
Average number of tons revenue freight per train (main line).....	382.06	384.53	343.92
Average number of tons revenue freight per train (branch lines).....	172.75	202.40	119.46
Average number of tons revenue freight in each loaded car.....	16.11	16.42	15.43
Average number of tons of non-revenue freight in each loaded car.....	2.83	2.39	1.89
Average number of tons (all classes) freight in each loaded car.....	18.94	18.81	17.32
Passenger Traffic.			
No. of passengers carried earning revenue....	1,173,869	1,336,078	1,606,991
No. of passengers carried one mile.....	111,058,518	116,461,222	128,293,907
No. of passengers carried one mile per mile of road.....	54,969	52,166	55,685
Average distance carried..... (miles)	94.61	87.17	79.83
Average amount received for each passenger.....	\$2.07	\$1.99	\$1.67
Average rate per passenger mile (cents).....	c 2.19	c 2.28	c 2.09
Passenger earnings per mile of road.....	\$1,487.83	\$1,467.86	\$1,466.67
Passenger earnings per train mile.....	\$1.27	\$1.34	\$1.20
Average No. of passenger cars per train.....	5.05	5.06	4.99
Average No. of passengers per train.....	47	48	45
Miscellaneous.			
Gross earnings per mile of road.....	\$5,728.83	\$5,774.73	\$4,995.79
Operating expenses per mile of road.....	\$2,863.09	\$3,329.70	\$3,088.64
Net earnings per mile of road.....	\$2,865.74	\$2,445.03	\$1,907.15
Average mileage operated during the year....	2,020.39	2,232.50	2,303.91

Traffic and Mileage Statistics, as per Interstate Commerce Commission Classification.

ITEM	Column for No. Passengers and Tonnage	Column for Revenue and Rates	
		Dollars	Cents Mills
Passenger Traffic:			
1. Number of Passengers Carried Earning Revenue.....	1,606,991		
2. Number of Passengers Carried One Mile.....	128,293,907		
3. Number of Passengers Carried One Mile per Mile of Road.....	55,685		
4. Average Distance Carried, Miles....	79.83		
5. Total Passenger Revenue.....		\$2,681,221	84
6. Average Amount Received from Each Passenger.....			\$1.66847
7. Average Receipts per Passenger per Mile.....			02090
8. Total Passenger Service Train Revenue.....		\$3,032,385	85
9. Passenger Service Train Revenue per Mile of Road.....		\$1,316	19
10. Passenger Service Train Revenue per Train Mile.....			\$1.07428
Freight Traffic:			
11. Number of Tons Carried of Freight Earning Revenue.....	4,439,186		
12. Number of Tons Carried One Mile.....	961,934,837		
13. Number of Tons Carried One Mile per Mile of Road.....	417,523		
14. Average Distance Haul of One Ton Miles.....	216.69		
15. Total Freight Revenue.....		\$7,828,851	60
16. Average Amount Received for Each Ton of Freight.....			\$1.76358
17. Average Receipts per Ton per Mile.....			00814
18. Freight Revenue per Mile of Road....		\$3,398	07
19. Freight Revenue per Train Mile.....			\$2.50639
Total Traffic:			
20. Operating Revenues.....		\$11,014,214	93
21. Operating Revenues per Mile of Road.....		\$ 4,780	66
22. Operating Revenues per Train Mile.....			\$1.96750
23. Operating Expenses.....		\$7,081,117	29
24. Operating Expenses per Mile of Road.....		\$3,073	52
25. Operating Expenses per Train Mile.....			\$1.26492
26. Net Operating Revenue.....		\$3,933,097	64
27. Net Operating Revenue per Mile of Road.....		\$1,707	14

Traffic and Mileage Statistics—Continued.

CLASSIFICATION	Item	Total
Locomotive Mileage, Revenue Service		
28. Freight Locomotive, Miles.....	2,845,257	
29. Passenger Locomotive, Miles.....	2,473,955	
30. Mixed Locomotive, Miles.....	387,296	
31. Special Locomotive, Miles.....	14,226	
32. Switching Locomotive, Miles.....	488,231	
33. Total in Revenue Service.....		6,208,965
34. Non-revenue Service Locomotive, Miles.....	234,427	
		234,427
Car Mileage, Revenue Service:		
Freight Car, Miles:		
35. Loaded.....	62,289,834	
36. Empty.....	17,537,607	
37. Caboose.....	2,758,404	
38. Total.....		82,585,845
Passenger Car, Miles:		
39. Passenger.....	5,192,357	
40. Sleeping, Parlor and Observation.....	4,494,146	
41. Other Passenger Train Cars.....	4,404,488	
42. Total.....		14,090,991
Special Car, Miles:		
43. Freight, Loaded.....	34,150	
44. Freight, Empty.....	0	
45. Caboose.....	1,618	
46. Passenger.....	0	
47. Sleeping, Parlor and Observation.....	14,560	
48. Other Passenger Train Cars.....	4,480	
Total.....		54,808
49. Total in Revenue Service.....		96,731,644
50. Non-revenue Service Car, Miles.....	1,305,003	1,305,003
Train Mileage, Revenue Service		
51. Freight Train, Miles.....	2,771,502	
52. Passenger Train, Miles.....	2,470,662	
53. Mixed Train, Miles.....	352,059	
54. Special Train, Miles.....	3,858	
55. Total Revenue Train Mileage.....		5,598,081
56. Non-revenue Service Train, Miles.....	76,182	76,182
57. Average Number of Passengers per Car Mile.....		9
58. Average Number of Passengers per Train Mile.....		45
59. Average Number of Passenger Cars per Train Mile.....		4.99
60. Average Number of Tons of Freight per Loaded Car Mile.....		15.44
61. Average Number of Tons of Freight per Train Mile.....		307.96
62. Average Number of Freight Cars per Train Mile.....		26.44
63. Average Number of Loaded Cars per Train Mile.....		19.94
64. Average Number of Empty Cars per Train Mile.....		5.61
65. Average Mileage Operated During Year.....		2,303.91

Freight Traffic Movement.

(Company's Material Excluded).

COMMODITY	1906		1907		1908	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain.....	1,131,396	23.15	1,157,872	23.37	881,790	19.86
Flour.....	296,830	6.07	274,731	5.54	275,009	6.20
Other mill products.....	65,381	1.34	59,273	1.20	43,377	.98
Hay.....	21,906	.45	27,831	.58	33,998	.78
Tobacco.....	189	-----	354	.01	266	.01
Fruit and vegetables.....	26,612	.54	35,033	.71	38,648	.87
Tea.....	2,833	.06	2,494	.05	3,579	.08
Other agricultural products....	2,196	.04	4,790	.10	3,846	.09
Live stock.....	82,865	1.70	49,182	.99	50,404	1.14
Dressed meats.....	16,864	.34	18,059	.37	18,544	.42
Other packing-house products....	8,893	.18	6,977	.14	4,599	.10
Poultry, fish and game.....	8,328	.17	8,099	.16	6,669	.15
Wool.....	283	.01	348	.01	547	.01
Hides and leather.....	12,798	.26	15,602	.32	13,808	.31
Butter and eggs.....	7,549	.15	8,535	.17	6,490	.15
Anthracite coal.....	18,909	.39	44,508	.90	30,931	.70
Bituminous coal.....	186,952	3.83	258,071	5.21	242,825	5.47
Lignite coal.....	97,335	1.99	87,239	1.76	131,996	2.97
Coke.....	4,689	.10	1,201	.02	4,609	.10
Ores.....	77,017	1.58	138,808	2.80	146,568	3.30
Stone, sand, etc.....	73,183	1.50	80,489	1.62	89,831	2.02
Salt.....	10,739	.22	11,178	.23	13,060	.30
Lumber.....	1,807,373	36.99	1,649,780	33.30	1,561,889	35.18
Charcoal.....	2,863	.06	4,011	.08	6,512	.15
Cooperage.....	21,473	.44	29,885	.60	21,879	.49
Petroleum and other oils.....	27,368	.56	26,668	.54	25,961	.59
Sugar.....	11,128	.23	5,826	.12	5,260	.12
Iron, pig and bloom.....	73,692	1.51	87,815	1.77	41,426	.93
Iron and steel rails.....	55,730	1.14	26,671	.54	23,709	.53
Other castings and machinery....	29,765	.61	39,442	.80	23,918	.54
Bar and sheet metal.....	28,193	.58	35,347	.71	14,709	.33
Cement, brick and lime.....	99,804	2.04	103,606	2.09	71,289	1.61
Agricultural implements.....	24,884	.51	36,280	.73	18,245	.41
Wagons, carriages, tools, etc....	3,905	.08	6,882	.14	3,257	.07
Wines, liquors and beers.....	13,949	.28	17,855	.36	16,385	.37
Household goods and furniture....	35,480	.72	57,678	1.16	38,615	.82
Merchandise.....	182,169	3.73	230,263	4.65	247,961	5.59
Miscellaneous.....	314,975	6.45	305,494	6.17	278,777	6.28
Total.....	4,886,498	100.00	4,954,177	100.00	4,439,186	100.00

Expenditure Account Construction and Equipment.

Thief River Falls Line.....	\$391.39
Egeland Line.....	12,994.31
Flaxton Extension.....	26,202.02
Garrison Extension.....	127,714.64
Superior Line.....	2,219,311.67
A. B. & N. W. Ry.....	1,087.49
Terminal Property, St. Paul, Minneapolis and Other Points	46,849.84
Betterment to Main Line (See Statement Page 20)....	115,357.86
New Equipment (See Statement Page 22).....	13,119.52
Equipment Transferred to Replacement Account from Previous Year.....	53,797.22
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	\$2,616,825.96

STATEMENT "A."

Betterment to Main Line, Charged to Capital Account.

Right of Way.....Cr.	\$3,101.95
General Expenses.....	10,750.00
Erskine Stock Yards.....	217.02
Thief River Falls Platform.....	258.51
Oslo Transfer House.....	719.58
Lankin Depot.....	2,346.14
Gladstone Cottage(Transferred to Real Estate Account)Cr.	1,606.35
M. P. 208½ Water Station.....	900.00
Hankinson Water Station (Abandoned).....Cr.	4,692.12
Newhall Water Station (Destroyed by Fire).....Cr.	1,277.73
Sault Ste Marie Joint Terminals.....	634.27
Shoreham Boiler Shop.....	15,220.12
Shoreham Power House.....	513.59
Shoreham Machine Shop.....	5,216.84
Shoreham Blacksmith Shop.....	653.07
Shoreham Tunnel	1,649.55
Adams Transfer Table.....	449.41
Shoreham Shop Machinery and Tools.....	77,243.40
Fencing	5,581.11
Washburn Ferry.....	725.00
Bridges and Culverts.....	256.48
Fastenings	203.01
Bismarck Penitentiary Spur.....	1,249.19
Detroit Connecting Track.....	592.94
Conway Wye.....	248.35
Norma Side Track.....	458.16
Erskine Passing Track.....	636.78
Frederic Mill Yard Track (Taken Up).....Cr.	2,043.86
Minor Improvements.....	1,357.35
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	\$115,357.86

Expenditures Charged to Fund Appropriated for Additions and Betterments.

Right of Way.....	\$469.55
Side Tracks.....	95,090.34
Buildings	34,614.22
Fuel and Water Stations.....	39,715.04
Shops, Engine Houses and Turn-tables.....	50,235.53
Crossing Signs and Cattle Guards.....	5,083.30
Grade Reduction, Minnesota Division.....	405,059.50
Filling Bridges.....	47,354.29
Widening and Ballasting.....	43,695.92
Bridges and Culverts.....	44,817.96
Telegraph Line.....	3,105.59
Fencing	27,850.91
Highway Grading.....	2,023.29
Rails and Fastenings—Difference between 60-lb., 72-lb. and 80-lb. Rails Relaid.....	7,609.45
	<u>\$806,724.89</u>
Balance at Credit of Fund, June 30, 1907.....	\$252,199.63
Appropriated from Income Account.....	350,000.00
Balance Advanced for which no Appropriation has yet been made from Surplus Income.....	204,525.26
	<u>\$806,724.89</u>

Additions to Equipment.

Box Cars, Air Brakes, Beams, Etc.....	\$7,897.45
Flat Cars, Air Brakes, Beams, Etc.....	3,990.80
One Concrete Mixer.....	912.62
Minor Items.....	318.65
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	\$13,119.52

Equipment Replacement.

Balance from Previous Year.....	\$53,797.22
Depreciation on Freight Cars.....	83,085.72
Depreciation on Locomotives	35,577.78
Depreciation on Passenger Cars.....	18,074.46
Depreciation on Work Cars.....	1,578.96
26 Box Cars Destroyed.....	16,062.27
4 Flat Cars Destroyed.....	1,584.00
2 Ore Cars Destroyed.....	904.00
1 Stock Car Destroyed.....	283.50
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	\$210,947.91

Equipment Owned, June 30, 1908.

Locomotives	252
First Class Passenger Coaches.....	45
Second Class Passenger Coaches.....	31
Combination Cars.....	12
Sleepers	27
Tourist Sleepers.....	17
Diners	10
Buffet	4
Observation Cars.....	4
Baggage, Mail and Express Cars.....	48
Official Cars.....	2
Total Passenger Cars.....	200
Freight Cars	11,043
Caboose	154
Flat	1,234
Gondolas	36
Ore	136
Stock	94
Refrigerator	174
Charcoal	17
Logging	20
Furniture	8
Total Freight Cars	12,916
Miscellaneous—	
Tool Cars	4
Steam Shovels	5
Pile Drivers	2
Ditchers	2
Snow Plows	5
Ballast Unloaders	5
Wrecking Crane	3
Concrete Mixer	1
Ballast Cars	150
Total Miscellaneous	177