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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1909

Minneapolis
FARNHAM PRINTING & STATIONERY CO
1909

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

DIRECTORS

E. PENNINGTON	-	-	-	-	-	-	-	Minneapolis, Minn.
W. D. WASHBURN	-	-	-	-	-	-	-	Minneapolis, Minn.
C. H. PETTIT	-	-	-	-	-	-	-	Minneapolis, Minn.
H. LOWRY	-	-	-	-	-	-	-	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

E. PENNINGTON, President.	C. F. CLEMENT, Sec'y and Treas.
G. R. HUNTINGTON, General Manager.	
C. W. GARDNER, Comptroller.	
W. L. MARTIN, 2d Vice-President and Traffic Manager.	

Transfer and Fiscal Agents, AGENTS BANK OF MONTREAL,
31 Pine 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, 1909.

Report for the year ending June 30, 1909, is submitted herewith as follows:

	1909.	1908.
Gross Earnings	\$12,609,299.17	\$11,449,067.13
Operating Expenses	7,097,716.59	7,213,305.09
Net Earnings	\$5,511,582.58	\$4,235,762.04
Income from Other Sources.....	356,298.92	829,321.76
Total Net Earnings	\$5,867,881.50	\$5,065,083.80
Fixed Charges, Taxes, etc.....	3,334,236.90	3,064,214.69
Surplus Income	\$2,533,644.60	\$2,000,869.11

Attention is called to the fact that the figures for the year 1908 differ in detail from those shown in the 1908 report. This is because they have been revised to agree with the classification and requirements of the Interstate Commerce Commission, so as to make more perfect a comparison with the current figures; this revision does not affect the final results.

The Gross Earnings while not equal to those of 1907 nevertheless show the substantial increase of \$1,160,232.04 over 1908. The Operating Expenses were 56 3-10 per cent of the Gross Earnings, compared with 63 per cent for the preceding year; an increase of \$1,275,820.54 is shown in the Net Earnings and \$532,775.49 in the Surplus Income for the year.

Tracklaying on the Brooten-Duluth Line was completed July 28th, and the first train load of grain moved into Duluth via the new route September 10th.

The Company has been fortunate in acquiring at very reasonable cost extensive and valuable terminal properties at Duluth and Superior, and improvement of the same is being actively prosecuted.

For several years past the work of acquiring terminal properties at St. Paul and Minneapolis has been quietly carried on, and the Company has now secured terminals and right of way to the same which gives independent entrance into both cities. To gain access to the St. Paul properties involved the construction of a six hundred-foot tunnel. This work was begun in the year 1908 and its completion, together with the construction of yard tracks and freight station is expected by January 1st, 1910.

On April 1st, by the expenditure of \$3,661,120.88, the Company acquired about fifty-one per cent of the outstanding common stock of the Wisconsin Central Railway Company. By agreement with the owners of a majority of the Preferred Shares of that Company, there was effected an exchange of Soo Line Leased Line Certificates for Wisconsin Central Preferred Shares, the latter being transferred to the Minneapolis, St. Paul & Sault Ste. Marie Railway Company to become its property during the full time of a ninety-nine-year lease, which was made a concurrent part of the transaction. The total issue of Wisconsin Central Preferred Shares was \$12,500,000 of which \$1,232,895.64 remained in the Company's Treasury, leaving \$11,267,104.36 available for exchange. Of this outstanding stock there has been deposited and exchanged about \$10,282,400.00.

By virtue of this lease the Soo Line secured entrance to the Cities of Chicago and Milwaukee, and in connection with the Canadian Pacific Railway makes possible through trains from Chicago to Vancouver, Spokane, Seattle and North Pacific Coast points.

The Wisconsin Central had under construction a line into Superior and Duluth, and had acquired terminals in both cities. This line will be completed this fall and will provide the Soo Line with the shortest route between Chicago and Duluth.

Construction of a line from Moose Lake, Minnesota, (a point on the Brooten-Duluth Line), to Plummer, Minnesota, a distance of about two hundred miles, is now under way; this line runs through some of the best timber and farming lands in the northern part of the State and when completed will provide the shortest route from Winnipeg to Chicago.

To provide funds for the purchase of the Wisconsin Central Stock, and for the purchase and improvement of terminals at Minneapolis, St. Paul, Duluth and Superior, together with additional equipment required, it was found necessary to dispose of \$6,048,000 of the Company's Capital Stock. By authority of your Board of Directors this Stock was offered at par to Shareholders of record April 12th, 1909, to be paid for in five equal installments. The entire issue was fully subscribed for; four of the installments have been paid, the fifth not falling due until October 15th.

A grain crop of good average quantity and quality having just been harvested seems to assure an excellent business for the current fiscal year.

Respectfully submitted,

E. PENNINGTON,

President.

NEW YORK, September 15, 1909.

*E. Pennington, Esq., President,
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.,
Minneapolis, Minnesota.*

We have examined the accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the Fiscal Year ended June 30, 1909, 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.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

General Ledger Balance Sheet, June 30, 1909.

DEBITS.

Cost of Road, Acquired Lines, Extensions and Equipment	\$86,585,358.89
Real Estate	701,728.54
Stocks and Bonds Owned—	
Wisconsin Central Ry. Stock.....	\$3,661,120.88
St. Paul Union Depot Stock.....	108,600.00
Minnesota Transfer Ry. Stock.....	7,000.00
Western Express Co. Stock.....	50,000.00
Sault Ste. Marie Bridge Co. Stock.....	8,001.72
Sault Ste. Marie Union Depot Stock.....	50,590.56
Mpis., S. S. Marie & Atl. Ry. Bonds.....	10,000.00
Minnesota Transfer Ry. Bonds.....	47,000.00
Spokane & Intern. Ry. Bonds and Stocks.....	180,000.00
Village of Alexandria Bonds.....	10,000.00
	<u>4,127,318.16</u>
Material and Supplies.....	1,561,892.91
Due from—	
Foreign Roads	\$100,940.78
Agents and Conductors	935,763.12
U. S. Postoffice Department.....	41,260.85
Bills and Accounts Receivable.....	607,007.69
Cash, Minneapolis, St. Paul, Chicago, Duluth, Milwaukee, New York, Montreal and London	4,047,559.69
	<u>5,732,582.18</u>
Total Cash and Current Assets.....	<u>\$98,708,825.63</u>

CREDITS.

Capital Stock—	
Common	\$16,800,000.00
Preferred	8,400,000.00
	<u>\$25,200,000.00</u>
Capital Stock Subscription.....	2,489,572.80
Funded Debt—	
First Mortgage M. & P. Ry. Bonds, 4 per cent	300,000.00
First Mortgage M. S. S. M. & Atl. Ry. Bonds, 4 per cent	8,204,000.00
First Mortgage M. St. P. & S. S. M. Ry. Consolid. Bonds, 4 per cent	44,891,000.00
Second Mortgage M. St. P. & S. S. M. Ry. Bonds, 4 per cent.....	3,500,000.00
	<u>56,895,000.00</u>
Bills Payable—	
Equipment Trust Notes.....	1,551,000.00
Interest Accrued on Bonds due July 1.....	1,052,945.00
Interest Accrued on Equip. Notes due July 1.....	38,775.00
Interest Accrued on Leased Line Stock Certificates	109,402.00
Taxes Accrued not yet due.....	343,490.09
	<u>1,544,812.09</u>
Current Liabilities—	
Audited Vouchers	2,082,468.45
Pay Rolls	879,964.28
Dividends Due and Unpaid.....	755.00
Wisconsin Central Ry.....	359,356.56
	<u>3,822,544.24</u>
Equipment Replacement	436,195.80
Insurance Fund	9,658.25
Betterment and Improvement Fund.....	20,390.88
Profit and Loss Account.....	7,289,851.57
	<u>\$98,708,825.63</u>

N.B.—4 per cent. leased line stock certificates issued for and subject to cancellation on or before 2008 by return of Wisconsin Central Preferred Stock..... \$10,282,400.00
 Less Wisconsin Central Preferred Stock held as above ... \$10,282,400.00

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.	7.36	"
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 Coal Docks, Mich.	1.53	"
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Total Mileage East of Minneapolis.	630.80	
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	"
Brooten, Minn. to Onamia, Minn.	86.84	"
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Total Mileage West of Minneapolis.	1,730.46	
Add Spur Lines.	14.53	
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Total Mileage June 30, 1909.	2,375.79	

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.

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

Comparative Statement of Earnings and Expenses.

EARNINGS.

	1909	1908	1907	1906	1905	1904	1903	1902	1901
Freight.....	\$8,622,167.84	\$7,828,851.60	\$9,506,447.12	\$8,468,674.79	\$6,387,247.86	\$5,254,735.41	\$4,566,222.89	\$3,298,651.28	
Passenger.....	2,947,876.36	2,681,221.84	2,655,549.10	2,427,338.94	1,799,034.13	1,523,262.18	1,524,318.01	1,287,037.61	875,048.37
Mail.....	317,882.77	317,504.13	242,243.07	230,918.78	226,519.87	206,928.27	195,573.34	190,130.30	100,130.30
Express.....	192,183.43	185,505.03	188,317.67	175,445.43	118,629.00	116,879.98	116,095.72	101,723.52	76,303.89
Miscellaneous.....	221,845.50	188,637.36	273,533.98	290,559.23	180,79.81	139,360.02	135,131.87	101,830.19	75,381.82
Outside Operations.....	269,544.27	255,347.17							
Total.....	\$12,609,299.17	\$11,449,067.13	\$12,892,079.03	\$11,574,461.99	\$8,716,621.58	\$6,993,498.41	\$7,237,264.28	\$6,222,387.55	\$4,517,075.66

EXPENSES.

Maintenance of way and structures.....	\$1,262,244.17	\$1,295,766.06	\$1,495,147.09	\$1,023,733.70	\$743,693.20	\$705,516.74	\$800,791.71	\$684,160.69	\$620,494.72
Maintenance of equipment.....	1,365,438.35	1,440,085.97	1,440,085.97	1,080,480.37	881,702.13	730,674.10	661,038.37	621,182.27	473,248.11
Traffic Expenses.....	221,204.81	231,475.36	231,475.36						
Conducting transportation.....	3,794,085.51	3,653,951.72	4,259,848.00	3,450,287.89	2,687,173.57	2,143,575.99	2,098,027.42	1,506,206.13	1,351,868.50
General expenses.....	172,754.31	231,485.80	238,467.73	220,057.82	190,038.43	167,013.66	160,045.13	140,078.31	115,725.83
Outside operating expenses.....	183,109.22	132,187.80							
Total.....	\$7,087,716.59	\$7,213,305.09	\$7,433,548.79	\$5,784,559.78	\$4,602,607.33	\$3,746,780.49	\$3,719,922.63	\$2,941,027.40	\$2,564,337.16
Percentage of expenses to earnings.....	56.3 per cent	57.6 per cent	50 per cent	51.7 per cent	53.6 per cent	51.4 per cent	53.1 per cent	47.3 per cent	53.1 per cent
Net earnings.....	\$5,11,582.58	\$4,233,762.04	\$5,458,530.24	\$5,789,902.21	\$4,214,014.25	\$3,246,717.92	\$3,517,311.65	\$3,280,760.15	\$1,952,738.50
Income from other sources.....	356,298.92	829,321.76							
Total.....	\$5,867,881.50	\$5,065,083.80	\$5,458,530.24	\$5,789,902.21	\$4,214,014.25	\$3,246,717.92	\$3,517,311.65	\$3,280,760.15	\$1,952,738.50
Fixed charges, taxes, and terminal rentals.....	\$3,334,236.90	\$3,064,214.66	\$2,849,844.46	\$2,522,216.09	\$2,150,509.34	\$1,859,472.04	\$1,852,844.22	\$1,694,258.67	\$1,624,865.28
Surplus income.....	\$2,533,644.60	\$2,000,869.11	\$2,608,085.78	\$3,267,686.12	\$2,063,414.91	\$1,387,245.88	\$1,604,497.43	\$1,588,501.48	\$1,327,373.22
Average miles operated.....	2,359.75	2,303.91	2,232.50	2,020.39	1,773.98	1,529.85	1,463.97	1,306.43	1,312.32
Gross earnings per mile of road.....	\$5,343.49	\$4,969.41	\$5,774.73	\$5,728.83	\$4,913.60	\$4,571.36	\$4,943.59	\$4,455.92	\$3,442.05

Operating Revenues and Expenses.

Revenue from Transportation:

Freight Revenue	\$8,622,167.84
Passenger Revenue	2,947,875.36
Excess Baggage Revenue.....	40,072.85
Mail Revenue	355,882.77
Express Revenue	192,183.43
Switching Revenue	12,347.61
Special Service Train Revenue.....	19,859.87
Miscellaneous Transportation Revenue..	<u>3,658.35</u>
 Total Revenue from Transportation.	 <u>\$12,194,048.08</u>

Revenue from Operations Other Than Transportation:

Station and Train Privileges.....	\$12,652.44
Parcel Room Receipts.....	153.05
Storage Freight	323.49
Storage Baggage	912.50
Car Service	11,733.29
Telegraph Service	67,088.48
Rents of Buildings and Other Property..	37,490.17
Miscellaneous	<u>8,757.38</u>
 Total Revenue from Operations Other Than Transportation.....	 <u>139,110.80</u>
Joint Facilities Revenue.....	<u>6,596.02</u>
 Total Operating Revenue.....	 <u>\$12,339,754.90</u>

Operating Expenses:

Maintenance of Way and Structures.....	\$1,262,244.17
Maintenance of Equipment.....	1,364,318.57
Traffic Expenses	221,204.81
Transportation Expenses	3,794,085.51
General Expenses	<u>272,754.31</u>
 Total Operating Expenses.....	 <u>6,914,607.37</u>
Net Operating Revenue.....	<u>\$5,425,147.53</u>

Income Account, Fiscal Year Ending June 30th, 1909.

Net Operating Revenue	\$5,425,147.53
Outside Operations—	
Revenues	\$269,544.27
Expenses	<u>183,109.22</u>
Net Revenue	86,435.05
Total Net Revenue	\$5,511,582.58
Taxes Accrued	<u>873,093.54</u>
Operating Income	\$4,638,489.04
Other Income—	
Rents Received	\$1,078.40
Hire of Equipment	126,267.56
Interest on Bonds Owned	12,380.00
Dividends on Stocks Owned.....	113,582.72
Interest, Discount and Exchange.....	<u>67,397.20</u>
Total Other Income.....	320,705.88
Gross Corporate Income.....	\$4,959,194.92
Deductions from Gross Corporate Income—	
Rental of Terminals.....	\$127,351.36
Interest on Bonds	2,144,440.00
Interest on Equipment Notes.....	79,950.00
Interest on Leased Line Certificates, W. C.	<u>109,402.00</u>
Total Deductions from Gross Corporate Income	2,461,143.36
Net Corporate Income	<u>\$2,498,051.56</u>

Profit and Loss Account to June 30th, 1909.

By Balance, June 30th, 1908.....	\$6,652,206.97
Net Corporate Income for year ending	
June 30, 1909	2,498,051.56
Profit from Sale of Real Estate.....	<u>35,593.04</u>
	\$9,185,851.57
Deductions for Year:	
Fund for Betterment and Improvement..	\$350,000.00
7 per cent Dividend on Preferred Stock..	588,000.00
6 per cent Dividend on Common Stock...	<u>1,008,000.00</u>
Balance Credit, June 30th, 1909.....	\$7,239,851.57

Detailed Statement of Earnings and Expenses.

	1909	1908
From Freight.	\$ 8,622,167.84	\$ 7,828,851.60
From Passengers.	2,947,875.36	2,681,221.84
From Mails.	355,882.77	317,504.13
From Express.	192,183.43	179,505.03
From Miscellaneous.	221,645.50	186,637.36
From Outside Operations.	269,544.27	255,347.17
Total Gross Earnings.	\$12,609,209.17	\$11,449,037.13
Operating Expenses:		
Maintenance of Way and Structures.		
Superintendence.	\$ 37,503.61	\$ 35,217.07
Ballast.	4,320.21	
Ties.	200,778.81	172,473.05
Rails.	7,394.55	Dr. 8,152.47
Other Track Material.	25,525.91	22,016.55
Roadway and Track.	559,162.12	614,365.45
Removal of Snow, Sand and Ice.	77,837.00	29,937.85
Bridges, Trestles and Culverts.	151,191.31	174,495.00
Grade Crossings, Fences, Cattle Guards and Signs.	15,418.03	16,121.90
Snow and Sand Fences and Snowsheds.	3,205.56	2,611.91
Signals and Interlocking Plants.	2,534.67	3,204.92
Telegraph and Telephone Lines.	21,359.60	21,439.16
Buildings, Fixtures and Grounds.	108,354.68	116,559.65
Docks and Wharves.	16,480.25	20,292.25
Roadway Tools and Supplies.	14,906.64	18,490.55
Injuries to Persons.	5,098.43	2,770.64
Stationery and Printing.	1,084.13	872.77
Other Expenses.	1,917.46	3,153.96
Maintaining Joint Tracks, Yards and Other Facilities.	{ Dr. 22,980.30	Cr. 33,657.53
	66.62
Total.	\$ 1,262,244.17	\$ 1,295,766.06
Maintenance of Equipment:		
Superintendence.	\$ 31,613.70	\$ 31,784.86
Steam Locomotives—Repairs.	551,457.87	556,960.51
Steam Locomotives—Depreciation.	35,142.48	35,577.78
Passenger Train Cars—Repairs.	135,653.14	174,576.80
Passenger Train Cars—Renewals.	4,420.00	
Passenger Train Cars—Depreciation.	9,139.20	18,074.46
Freight Train Cars—Repairs.	386,986.19	447,857.46
Freight Train Cars—Renewals.	52,526.83	9,039.93
Freight Train Cars—Depreciation.	81,678.54	83,085.72
Work Equipment—Repairs.	17,962.83	16,320.73
Work Equipment—Renewals.	2,321.28	
Work Equipment—Depreciation.	1,644.30	1,578.96
Shop Machinery and Tools.	30,391.16	39,222.04
Power Plant Equipment.	4,130.66	10,126.94
Injuries to Persons.	6,943.32	3,462.34
Stationery and Printing.	3,456.71	3,070.30
Other Expenses.06
Maintaining Joint Equipment at Terminals.	8,850.36	10,150.56
Equipment Borrowed.	Dr. 88,248.82	
Equipment Loaned.	Cr. 160,699.92	
Total.	\$ 1,364,318.57	\$ 1,368,438.35
Traffic Expenses:		
Superintendence.	\$ 56,258.56	\$ 59,192.32
Outside Agencies.	102,461.48	107,327.09
Advertising.	33,063.57	25,874.42
Traffic Associations.	1,387.05	2,352.41
Fast Freight Lines.	5,945.19	7,323.60
Industrial and Immigration Bureaus.	6,258.61	6,214.31
Stationery and Printing.	15,830.35	23,191.31

Detailed Statement of Earnings and Expenses—Continued.

Transportation Expenses:		1909	1908
Superintendence.	•	78,528.65	75,603.23
Dispatching Trains.		48,992.59	45,817.95
Station Employees.		434,242.78	407,709.78
Weighing and Car Service Associations.		8,680.63	8,364.22
Flour and Merchandise Docks.		48,370.48	29,712.21
Station Supplies and Expenses.		36,210.94	37,432.27
Yardmasters and their clerks.		26,686.62	26,665.87
Yard Conductors and Brakemen.		77,227.00	73,169.98
Yard Switch and Signal Tenders.		4,573.63	6,837.62
Yard Supplies and Expenses.		1,006.18	941.76
Yard Enginemen.		45,745.32	42,186.22
Enginehouse Expenses—Yard.		23,682.42	24,211.22
Fuel for Yard Locomotives.		65,056.72	65,567.91
Water for Yard Locomotives.		4,695.65	4,664.75
Lubricants for Yard Locomotives.		1,370.24	1,672.71
Other Supplies for Yard Locomotives.		942.87	2,523.20
Operating Joint Yards and Terminals.	{ Dr.	102,786.76	116,198.23
	{ Cr.	1,174.06	
Road Enginemen.		449,385.13	468,200.83
Enginehouse Expenses—Road.		166,338.34	182,458.91
Fuel for Road Locomotives.		1,114,951.51	1,167,772.08
Water for Road Locomotives.		58,449.31	48,793.51
Lubricants for Road Locomotives.		21,687.39	22,565.60
Other Supplies for Road Locomotives.		15,380.79	25,097.72
Road Trainmen.		486,157.27	500,735.31
Train Supplies and Expenses.		156,888.36	172,472.19
Interlockers, Block and Other Signals—Operation.		8,501.98	17,411.31
Crossing Flagmen and Gatemen.		4,290.64	3,246.08
Drawbridge Operation.		1,360.82	1,265.85
Clearing Wrecks.		6,632.98	13,081.85
Telegraph and Telephone—Operation.		10,778.46	30,989.53
Stationery and Printing.		26,700.70	16,731.75
Other Expenses.		6,761.33	6,447.74
Loss and Damage—Freight.		85,358.71	110,024.93
Loss and Damage—Baggage.		1,403.70	1,607.86
Damage to Property.		22,078.63	34,831.31
Damage to Stock on Right of Way.		16,447.05	16,760.42
Injuries to Persons.	{ Dr.	101,878.73	126,561.76
Operating Joint Tracks and Facilities	{ Cr.	27,811.27	17,816.05
		2,783.01	
Total.		\$ 3,794,085.51	\$ 3,953,951.72
General Expenses:			
Salaries and Expenses of General Officers.	•	65,396.32	61,004.90
Salaries and Expenses of Clerks and Attendants.		81,074.14	79,057.35
General Office Supplies and Expenses.		11,719.40	12,345.27
Law Expenses.		64,726.73	31,427.44
Insurance.		33,570.32	32,476.80
Stationery and Printing.		10,752.82	8,491.88
Other Expenses.		4,164.81	5,900.19
General Administration Joint Tracks, Yards and Term's Dr.		1,349.77	781.97
Total.		\$ 272,754.31	\$ 231,485.80
Total Operating Expenses.		\$ 6,914,607.37	\$ 7,081,117.29
Outside Operating Expenses.		\$ 183,109.22	\$ 132,187.80
Total Expenses.		\$ 7,097,716.59	\$ 7,213,305.09
Net Earnings.		\$ 5,511,582.58	\$ 4,235,762.04
Percentage of Expenses to Earnings.		56.3	63

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

	1909	1908
	Passengers, Tonnage Rates and Revenue	Passengers, Tonnage Rates and Revenue
Passenger Traffic		
Number of Passengers Carried Earning Revenue.....	1,778,545	1,606,991
Number of Passengers Carried One Mile.....	140,637,420	128,293,907
Number of Passengers Carried One Mile per Mile of Road.....	59,598	55,685
Average Distance Carried, Miles ..	79 07	79 83
Total Passenger Revenue.....	\$2,947,875 36	\$2,681,221 84
Average Amount Received from Each Passenger.....	\$1 65745	\$1 66847
Average Receipts per Passenger per Mile.....	\$02096	\$02090
Total Passenger Service Train Revenue.....	\$3,536,014 41	\$3,211,890 88
Passenger Service Train Revenue per Mile of Road.....	\$1,498 47	\$1,394 10
Passenger Service Train Revenue per Train Mile.....	\$1 30491	\$1 13787
Freight Traffic:		
Number of Tons Carried of Freight Earning Revenue.....	4,642,635	4,439,186
Number of Tons Carried One Mile	1,087,193,221	961,934,837
Number of Tons Carried One Mile per Mile of Road.....	460,724	417,523
Average Distance Haul of One Ton, Miles.....	234 18	216 69
Total Freight Revenue.....	\$8,622,167 84	\$7,828,851 60
Average Amount Received for Each Ton of Freight.....	\$1 85717	\$1 76358
Average Receipts per Ton per Mile	\$00793	\$00814
Freight Revenue per Mile of Road	\$3,653 85	\$3,398 07
Freight Revenue per Train Mile	\$2 80961	\$2 50639
Total Traffic:		
Operating Revenues.....	\$12,339,754 90	\$11,193,719 96
Operating Revenues per Mile of Road.....	\$5,229 26	\$4,858 57
Operating Revenues per Train Mile	\$2 26989	\$1 99956
Operating Expenses.....	\$6,914,607 37	\$7,081,117 29
Operating Expenses per Mile of Road.....	\$2,930 23	\$3,073 52
Operating Expenses per Train Mile	\$1 27194	\$1 26492
Net Operating Revenue.....	\$5,425,147 53	\$4,112,602 67
Net Operating Revenue per Mile of Road.....	\$2299 03	\$1785 05

Traffic and Mileage Statistics—Continued.

CLASSIFICATION	1909	1908
Locomotive Mileage, Revenue Service		
Freight Locomotive-Miles	2,785,676	2,845,257
Passenger Locomotive-Miles	2,361,116	2,473,955
Mixed Locomotive-Miles	401,723	387,296
Special Locomotive-Miles	34,974	14,226
Switching Locomotive-Miles	490,175	488,231
Total Revenue Locomotive Mileage	6,073,664	6,208,965
Non-revenue Service Locomotive, Miles.	255,167	234,427
Car Mileage, Revenue Service:		
Freight Car-Miles:		
Loaded.....	67,113,684	62,289,834
Empty.....	19,120,149	17,537,607
Caboose.....	2,757,287	2,758,404
Total Freight Car-Miles	88,991,120	82,585,845
Passenger Car-Miles:		
Passenger.....	5,803,348	5,192,357
Sleeping, Parlor and Observation.....	3,930,102	4,494,146
Other Passenger Train Cars.....	4,423,578	4,404,488
Total Passenger Car-Miles	14,157,028	14,090,991
Special Car-Miles:		
Freight, Loaded.....	34,070	34,150
Freight, Empty.....	0	0
Caboose.....	2,240	1,618
Passenger.....	19,317	0
Sleeping, Parlor and Observation.....	65,258	14,560
Other Passenger Train Cars.....	40,390	4,480
Total Special Car-Miles	161,275	54,808
Total Revenue Car Mileage	103,309,423	96,731,644
Non-revenue Service Car-Miles	2,142,807	1,305,003
Train Mileage, Revenue Service		
Freight Train-Miles	2,706,999	2,771,502
Passenger Train-Miles	2,347,967	2,470,662
Mixed Train-Miles	361,817	352,059
Special Train-Miles	19,495	3,858
Total Revenue Train Mileage	5,436,278	5,598,081
Non-revenue Service Train-Miles	93,103	76,182
Average Number of Passengers per Car-Mile.....	14	9
Average Number of Passengers per Train-Mile	52	45
Average Number of Passenger Cars per Train-Mile.	5.22	4.99
Average Number of Tons of Freight per Loaded Car-Mile	16.20	15.44
Average Number of Tons of Freight per Train-Mile	354.27	307.96
Average Number of Freight Cars per Train-Mile...	29.	26.44
Average Number of Loaded Cars per Train-Mile...	21.87	19.94
Average Number of Empty Cars per Train-Mile ...	6.23	5.61
Average Mileage Operated During Year.....	2,359.75	2,303.91

Freight Traffic Movement.

(Company's Material Excluded).

COMMODITY	1907		1908		1909	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain.....	1,157,872	23.37	881,790	19.86	1,107,390	23.85
Flour.....	274,731	5.54	275,009	6.20	301,206	6.49
Other mill products.....	59,273	1.20	43,377	.98	50,423	1.09
Hay.....	27,831	.58	33,998	.76	27,249	.59
Tobacco.....	354	.01	266	.01	903	.02
Fruit and vegetables.....	35,033	.71	38,648	.87	42,324	.91
Tea.....	2,494	.05	3,579	.08	4,490	.09
Other agricultural products.....	4,790	.10	3,846	.09	5,789	.12
Live stock.....	49,182	.99	50,404	1.14	53,804	1.16
Dressed meats.....	18,050	.37	18,544	.42	16,125	.35
Other packing-house products.....	6,977	.14	4,599	.10	2,189	.05
Poultry, fish and game.....	8,099	.16	6,669	.15	6,593	.14
Wool.....	348	.01	547	.01	429	.01
Hides and leather.....	15,602	.32	13,808	.31	14,574	.31
Butter and eggs.....	8,535	.17	6,490	.15	6,579	.14
Anthracite coal.....	44,508	.90	30,931	.70	38,619	.83
Bituminous coal.....	258,071	5.21	242,825	5.47	248,239	5.35
Lignite coal.....	87,239	1.76	131,996	2.97	135,323	2.92
Coke.....	1,201	.02	4,609	.10	3,460	.07
Ores.....	138,808	2.80	146,568	3.30	122,010	2.63
Stone, sand, etc.....	80,489	1.62	89,831	2.02	92,201	1.99
Salt.....	11,178	.23	13,060	.30	18,228	.39
Lumber.....	1,649,780	33.30	1,561,889	35.18	1,418,148	30.55
Charcoal.....	4,011	.08	6,512	.15	4,686	.10
Cooperage.....	29,885	.60	21,879	.49	22,712	.49
Petroleum and other oils.....	26,668	.54	25,961	.59	25,934	.56
Sugar.....	5,826	.12	5,260	.12	4,728	.10
Iron, pig and bloom.....	87,815	1.77	41,426	.93	15,985	.35
Iron and steel rails.....	26,671	.54	23,709	.53	20,550	.44
Other castings and machinery.....	39,442	.80	23,918	.54	26,592	.57
Bar and sheet metal.....	35,347	.71	14,709	.33	25,729	.55
Cement, brick and lime.....	103,606	2.09	71,289	1.61	61,364	1.97
Agricultural implements.....	36,280	.73	18,245	.41	16,412	.35
Wagons, carriages, tools, etc.....	6,882	.14	3,257	.07	3,392	.07
Wines, liquors and beers.....	17,855	.36	16,385	.37	17,241	.37
Household goods and furniture.....	57,678	1.16	36,615	.82	46,253	1.00
Merchandise.....	230,263	4.65	247,961	5.50	339,132	7.30
Miscellaneous.....	305,494	6.17	278,777	6.28	265,830	5.73
Total.....	4,954,177	100.00	4,439,186	100.00	4,642,635	100.00

Expenditures Account of Construction and Equipment.

Preliminary Surveys	\$969.37
Minneapolis Terminals	34,760.76
St. Paul Terminals	249,751.96
Superior and Duluth Terminals.....	988,764.41
Superior Line	1,588,820.07
Carpio Line	194.63
Wisconsin & Northern Minn. Ry.....	181,292.74
Duluth & Thunder Bay Ry.....	133,023.13
Bemidji, Cass Lake Line.....	11,218.37
Shoreham & Northtown Line	12,817.40
Advances Account New Lines	153,298.54
A. B. & N. W. Ry.....	1,227.85
Betterment to Main Line (See Statement Page (20).....	234,111.49
New Equipment (See Statement Page (22).....	237,412.60
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	\$3,827,663.32

STATEMENT "A."

Betterment to Main Line Charged to Capital Account.

Right of Way.....	\$63,586.19
General Expenses	32,249.07
General Office Building.....	52,901.96
Minot Freight House.....	32,691.04
Washburn Ferry	1,000.00
Washburn Depot	2,421.61
Underwood Depot	2,279.81
Noyes Depot and Custom House.....	2,830.92
Mahnomen Sewer	402.69
Erskine Interlocking Plant.....	2,803.53
Oslo Transfer House.....	620.91
Stock Yards at Crosby & Columbus.....	582.14
Loading Platforms at Ambrose, Rival, Kermit, Crosby, Columbus, Egeland, Annandale and Arndt.....	3,606.01
Thief River Falls Turn Table.....	5,397.22
Water Supply at Rolette, M. P. 208½, and M. P. 19.....	3,760.71
Gould City Side Track.....	2,267.46
Shoreham Ice House.....	5,239.52
Columbus & Kermit Siding.....	799.02
Crosby Siding	955.92
Columbus Mill Track.....	633.79
Armourdale & Brumbaugh Siding.....	1,410.31
Kief Side Track.....	1,918.54
Benedict Side Track.....	4,896.35
M. P. 7, Spur.....	655.91
Clifford Underground Crossing.....	2,026.37
Fencing	8,418.74
Sault Ste. Marie Joint Terminals.....	3,023.03
Real Estate, Gravel Pits.....	6,550.17
Minor Improvements	564.77

\$246,493.71

Less Side Tracks and Material Taken up as follows:

Gladstone Ore Tracks.....	\$302.86
Perrons Spur Track.....	500.16
Manistique Round House Tracks.....	191.92
Bald Eagle South Wye Track.....	757.76
Farrell Spur Tracks.....	299.67
Crystal Spur Track.....	874.76
Oakes Gravel Pit Spur Track.....	718.92
Underwood Wye Track.....	1,199.42
M. P. 524, Spur Track.....	678.97
Bridges and Culverts	695.98
Rails and Fastenings.....	6,161.80

12,382.39\$234,111.49

2001

Expenditures Charged to Fund Appropriated for Additions and Betterments.

Right of Way.....	\$357.60
Side Tracks	48,275.04
Buildings	37,017.97
Fuel and Water Stations.....	16,021.62
Shops, Engine Houses and Turn Tables.....	11,004.19
Crossings, Signs and Cattle Guards.....	1,483.76
Filling Bridges	21,172.75
Widening and Ballasting.....	16,741.02
Bridges and Culverts.....	27,582.93
Telegraph Line	8,560.81
Fencing	4,073.94
Equipment—	
Hopper Bottom Ash Pans.....	10,786.51
Electric Lights for Sleeping Cars.....	11,962.20
	<hr/>
	\$215,040.34
Less—	
Rails and Fastenings, Taken Up.....	\$89,956.48
	<hr/>
	89,956.48
	<hr/>
	\$125,083.86
Appropriated from Profit and Loss Account.	
	350,000.00
Deduct—	
Expenditures as above.....	\$125,083.86
Balance at Debit June 30, 1908.....	204,525.26
	<hr/>
	329,609.12
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Balance Forward June 30, 1909.....	\$20,390.88

Additions to Equipment.

8 Locomotives	\$114,411.52
1 Dining Car, No. 1110.....	17,056.45
6 Combination Baggage and Mail Cars.....	37,295.11
2 Observation Cars	36,967.42
1 Ditcher	6,669.27
Box Cars (404 Sets Air Brakes).....	24,179.08
Charcoal and Flat Cars (13 Sets of Air Brakes).....	833.75
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	\$237,412.60

Equipment Replacement.

Balance from Previous Year.....	\$210,947.91
Depreciation on Freight Cars	81,678.54
Depreciation on Locomotives	35,142.48
Depreciation on Passenger Cars	9,866.20
Depreciation on Work Cars	1,644.30
Depreciation on Sleeping Cars	6,415.03
Depreciation on Dining Cars and Buffet Cars.....	1,558.51
109 Box Cars Destroyed.....	60,690.49
2 Ballast Cars Destroyed.....	1,455.00
19 Flat Cars Destroyed.....	7,980.46
6 Caboose Cars Destroyed.....	5,876.06
1 Baggage Car Destroyed.....	4,250.00
5 Refrigerator Cars Destroyed.....	5,816.80
1 Stock Car Destroyed.....	420.00
4 Gondola Cars Destroyed.....	2,176.92
1 Ballast Plow Destroyed.....	777.60
	<hr/>
	\$436,195.80

Equipment Owned June 30, 1909.

Locomotives	260
First Class Passenger Coaches.....	45
Second Class Passenger Coaches.....	81
Combination Cars	13
Sleepers	27
Tourist Sleepers	16
Diners	11
Buffet	4
Observation Cars	6
Baggage, Mail and Express Cars.....	53
Official Cars	3
 Total Passenger Cars.....	 208
 Freight Cars	 10,934
Caboose	148
Flat	1,324
Gondolas	32
Ore	186
Stock	93
Refrigerator	169
Charcoal	8
Logging	20
Furniture	8
 Total Freight Cars.....	 12,773
 Miscellaneous—	
Tool Cars	4
Steam Shovels	5
Pile Drivers	2
Ditchers	3
Snow Plows	5
Ballast Unloaders	4
Wrecking Cranes	8
Concrete Mixer	1
Ballast Cars	148
 Total Miscellaneous	 175

N. B.—1 Tourist Car converted to Official Car.
9 Charcoal Cars converted to Flat Cars.