

6

EIGHTH ANNUAL REPORT

OF THE

St. Paul, Minneapolis & Manitoba

Railway Company.

FISCAL YEAR ENDING

JUNE 30th, 1887.

ST. PAUL, MINN.:
THE PIONEER PRESS COMPANY.
1887.

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY CO.

DIRECTORS.

JAMES J. HILL, ST. PAUL.
D. C. SHEPARD, ST. PAUL.
GREENLEAF CLARK, ST. PAUL.
JOHN S. KENNEDY, NEW YORK.
SAMUEL THORNE, NEW YORK.
D. WILLIS JAMES, NEW YORK.
F. P. OLCOTT, NEW YORK.

EXECUTIVE COMMITTEE.

JAMES J. HILL, D. C. SHEPARD,
GREENLEAF CLARK.

OFFICERS.

JAMES J. HILL, PRESIDENT, ST. PAUL.
JOHN S. KENNEDY, VICE PRESIDENT, NEW YORK.
W. P. CLOUGH, ASST. TO PRESIDENT, ST. PAUL.
EDWARD SAWYER, SECRETARY AND TREASURER, ST. PAUL.
ALLEN MANVEL, GENERAL MANAGER, ST. PAUL.
J. M. EGAN, GENERAL SUPERINTENDENT, ST. PAUL.
W. S. ALEXANDER, GENERAL TRAFFIC MANAGER, ST. PAUL.
N. D. MILLER, CHIEF ENGINEER, ST. PAUL.
A. H. BODE, COMPTROLLER, ST. PAUL.
S. S. BREED, AUDITOR, ST. PAUL.
J. BOOKWALTER LAND COMMISSIONER, ST. PAUL.
EDWARD T. NICHOLS, ASSISTANT SECRETARY AND
TRANSFER AGENT, NEW YORK.

EIGHTH ANNUAL REPORT

OF THE

ST. PAUL, MINNEAPOLIS & MANITOBA

RAILWAY COMPANY.

The President and Directors submit the following report for the year ending June 30, 1887 :

GROSS EARNINGS.

Per Cent.	1887.		1886.	Per Cent.
18.657	\$1,497,809.02	..... Passenger.....	\$1,473,412.30	20.124
76.624	6,151,746.69	..... Freight.....	5,587,284.43	76.311
1.041	83,548.89	..... Express.....	79,354.19	1.084
1.669	133,993.79	..... Mails.....	125,262.46	1.711
2.009	161,349.93	..... Miscellaneous.....	56,422.83	0.770
	\$8,028,448.32		\$7,321,736.21	

OPERATING EXPENSES.

Per Cent.	1887.		1886.	Per Cent.
18.383	\$753,618.49	Conducting Transportation	\$617,879.67	16.889
34.718	1,423,198.51	..... Motive Power.....	958,053.09	26.187
29.244	1,198,828.65	... { Maintenance Road and Structures } ...	1,476,709.21	40.365
9.793	401,457.58	..... Maintenance of Cars.....	343,982.81	9.403
7.862	322,307.06	.....General Expenses.....	261,778.77	7.156
	\$4,099,410.29		\$3,658,403.55	

SUMMARY OF EARNINGS AND EXPENSES.

1887.		1886.
\$8,028,448.32	.....Gross Earnings.....	\$7,321,736.21
4,099,410.29	..... Operating Expenses	3,658,403.55
3,929,038.03	.....Net Earnings.....	3,663,332.66
215,485.16	..... Taxes.....	180,248.40
3,713,552.87	..... Net Income	3,483,084.26
51.06	Operating Expenses per cent of Gross.....Earnings.....	49.82
53.74	Operating Expenses and Taxes per cent.....of Gross Earnings.....	52.43
\$4,616.70	.....Gross Earnings per mile of Road.....	\$4,978.43
2,357.34	...Operating Expenses per mile of Road...	2,487.54
2,259.36	.....Net Earnings per mile of Road.....	2,490.89
1,739	.....Average Mileage under Operation.....	1,470.69

COMPARATIVE STATISTICS OF FREIGHT TRAFFIC OPERATIONS FOR THE LAST TWO FISCAL YEARS.

	1885-1886.	1886-1887.	Per cent incr'se or decrease.
Freight Train Mileage.....	1,562,643	1,989,299	Inc. 27 3-10
No. of Tons Carried.....	1,379,004	1,734,210	" 18 5-10
Tons Carried One Mile.....	374,985,532	450,932,489	" 20 2 10
Earnings from Freight Traffic	\$5,587,284	\$6,151,746	" 10
Average Freight Earnings per Ton Mile.....	\$.0144	\$.0136	Dec. 9

MILES OF ROAD UNDER OPERATION ON JUNE 30, 1887.

	MILES.
St. Paul to Barnesville	217.41
State Fair Grounds Spur.....	.64
Hamline to Minnesota Transfer.....	2.60
Minneapolis Junction to East Minneapolis.....	.70
Osseo Junction to St. Cloud, including north "Y".....	63.07
Elk River to Milaca.....	31.80
St. Cloud to Hinckley.....	66.43
East St. Cloud to Sauk Rapids.....	2.14
St. Cloud to Willmar Junction.....	55.05
Sauk Centre to Eagle Bend	36.44
Fergus Falls to Pelican Rapids.....	21.65
Carlisle Junction to Elizabeth.....	3.52
*East Minneapolis to Breckenridge.....	204.12
Minnetonka North Shore.....	5.93
Hutchinson Junction to Hutchinson.....	53.13
Morris to Brown's Valley	46.68
Tintah Junction to Ellendale.....	104.32
Rutland Junction to Aberdeen.....	64.00
Barnesville to St. Vincent	170.95
St. Vincent, New Depot to Boundary Line.....	2.62
St. Vincent, Old Depot to End of Track	2.12
Shirley to St. Hilaire.....	21.55
Breckenridge Junction to Grand Forks Junction.....	126.63
Grand Forks to Boundary Line.....	80.94

*Shortened .23 of a mile from last year's length by partial relocation.

MILES OF ROAD UNDER OPERATION ON JUNE 30, 1887—CONTINUED.

	MILES.
Moorhead Junction to Halstead.....	34.09
Breckenridge to Larimore Junction, via Portland.....	132.00
Everest to Portland Junction, via Mayville.....	50.44
Ripon to Hope.....	29.50
Crookston Junction to Minot.....	231.20
Park River Junction to Park River.....	34.78
Rugby Junction to Bottineau.....	38.66
	<hr/>
Total Miles under operation June 30, 1887.....	1,935.11
Total Miles under operation June 30, 1886.....	1,509.45
	<hr/>
Increase.....	425.66
	<hr/>
Average Miles Main Track under operation during year ending June 30, 1887.....	1,739.00
Average Miles Main Track under operation during year ending June 30, 1886.....	1,470.69
	<hr/>
Increase.....	268.31

NEW LINE COMPLETED BUT NOT PUT INTO OPERATION
PRIOR TO JULY 1, 1887.

	MILES.
Minot to Montana Boundary.....	143.28
Montana Boundary to End of Track, on June 30, 1887.....	52.16
Evansville to Tintah Junction.....	32.03
Benson, toward Watertown.....	44.33
	<hr/>
Total Miles of Main Track completed on June 30, 1887 (in- cluding 28.44 miles Second Track).....	271.80
	<hr/>
Total Miles of Main Track completed on June 30, 1887 (in- cluding 28.44 miles Second Track).....	2,235.35
	<hr/>
Miles in Minnesota under operation June 30, 1887 (in- cluding 28.44 miles Second Track).....	1,155.72
Miles in Minnesota New Line completed but not un- der operation at that date.....	76.33
	<hr/>
Miles in Dakota under operation June 30, 1887.....	807.86
Miles in Dakota New Line completed but not under operation at that date.....	143.28
	<hr/>
Miles in Montana completed June 30, 1887. (All new line; none then under operation).....	951.14
	<hr/>
Miles in Montana completed June 30, 1887. (All new line; none then under operation).....	52.16

TRACK STATEMENT.

(Including all line completed prior to July 1, 1887, whether then in operation or not.)

	MILES.			
	Main Track.	Second Track.	Sidings.	Totals.
Fergus Falls Division.....	532.78	13.78	100.76	647.32
Breckenridge Division.....	523.21	14.66	78.04	615.91
Northern Division.....	441.87	.....	57.28	499.15
Dakota Division.....	512.71	.....	37.16	549.87
Montana Division.....	196.24	.....	5.35	201.59
Totals.....	2,206.81	28.44	278.59	2,513.84

	MILES.
Main and Second Track laid with Steel.....	1,853.16
Main Track laid with Iron.....	382.19
Main Track relaid with Steel Rail during year ending June 30, 1887.	67.50

CONSTRUCTION WORK.

The new mileage under construction within the period covered by the fiscal year ending June 30, and the residue of the calendar year, 1887, including both what has been or will be completed, and what has been or will be graded, but not supplied with superstructure, within that period, amounts to the relatively large quantity of 1,443.97 miles, or 95 5-10 per cent of the mileage under operation at the beginning of the same fiscal year. These additions to the mileage of the property, when fully completed, together with the outlays for the large increase of equipment mentioned below, will cause an increase in the Company's capital charges, from those for the fiscal year

ending June 30, 1886, of something less than \$960,000 per annum, or 30 per cent. The details of this new mileage are stated below. This great work has been carried on, and the materials, men, teams, and supplies requisite for the prosecution thereof have been moved over the lines under operation, without serious accident, or even serious interference with the regular traffic of the system.

The new lines completed during the fiscal year were as follows:

Put under operation during year:	MILES.	MILES.
Richmond to Willmar Junction.....	35.05	
Church's Ferry to Minot.....	98.93	
Hutchinson Junction to Hutchinson.....	53.13	
Elk River to Milaca.....	31.80	
Tintah Junction to Ellendale.....	104.32	
Rutland Junction to Aberdeen.....	64.00	
Rugby Junction to Bottineau.....	38.66	425.89
Not put under operation till after close of year:		
Minot to Montana Boundary.....	143.28	
Montana Boundary to End of Track on June 30, 1887.	52.16	
Evansville to Tintah Junction.....	32.03	
Benson, toward Watertown.....	44.33	271.80
Total completed during year.....		697.69

All the foregoing have been laid with new steel rails.

LINE UNDER CONSTRUCTION.

To be completed this season:	MILES.	MILES.
End of Track June 30, 1887, Montana Extension, to Great Falls.....	353.75	
End of Track June 30, 1887, Benson and Watertown line, to last named point.....	47.53	
Moorhead to Wahpeton.....	43.00	
Park River to Langdon.....	40.00	484.28
To be graded but not completed this season:		
Willmar to Sioux Falls	147.00	
Watertown to Huron.....	70.00	
Crookston, southeasterly.....	45.00	262.00
Total line under construction.....		746.28

EQUIPMENT.

	On Hand June 30, 1886.	Added During Year.	Total On Hand June 30, 1887.
Locomotives	201	15	216
PASSENGER EQUIPMENT—			
Sleeping Cars.....	19	.....	19
*Passenger Coaches.....	84	.....	74
Combination Cars (Pass. and Bag.)....	13	.....	18
*Baggage, Mail and Express.....	44	.....	42
Business and Pay Cars.....	3	.....	3
Total Passenger Equipment.....	163	.....	156
FREIGHT EQUIPMENT—			
Box Cars.....	3,403	406	3,809
Flat and Coal Cars.....	1,300	759	2,059
Stock Cars	50	16	66
Cabooses and Boarding Cars.....	110	10	120
Derrick and Tool Cars.....	9	9	18
Steam Shovels.....	2	.....	2
Dump Cars and Peteler Cars.....	34	75	109
Pile Drivers.....	1	.....	1
Total Freight and Work Equipment,	4,909	1,275	6,184

* During the fiscal year six Passenger Coaches were changed to Combination Passenger and Baggage Cars; three others were sold; and one other destroyed by the cyclone at Sauk Rapids; and one Combination Passenger and Baggage Car and one Baggage Car were destroyed by other casualties, and one Baggage Car was sold.

AVERAGE EQUIPMENT.

	Year Ending June 30, 1886.	Year Ending June 30, 1887.
Locomotives.....	201	201
Passenger Equipment.....	163	158
Freight Equipment.....	4,909	5,417

In addition to the equipment mentioned in the foregoing tables as having been procured during the fiscal year, the following have been contracted for, to be delivered during the present season:

Locomotives.....	25
Sleeping Cars.....	6
Passenger Coaches.....	15
Baggage Cars.....	4
Box Cars.....	594
Stock Cars.....	484
Flat Cars.....	41

The total expenditures by the Company for new equipment within the calendar year 1887 will approximate \$1,400,000.

Improvement of the grades and alignment of the older portions of the system has been continued during the year. A large sum has also been expended for ballasting.

The work on the Breckenridge Division referred to in the last annual report has been completed; from which an important reduction in operating expenses on that division has already resulted.

A large force is also being employed in bringing the St. Cloud and Fergus Falls Divisions to a uniform maximum grade of thirty-one feet to the mile. This work on that portion of the line between St. Cloud and Evansville will be completed in season for the fall business.

With the completion of the work of lowering the grades on the Fergus Falls Division, the maximum of grades for the entire system will be 31.6 feet per mile.

The uniform policy of this Company has been to meet, and even to anticipate, the wishes of its patrons for reduced rates, by lowering its tariffs as rapidly as compatible with the retention of means for improving the property up to, and its maintenance at, a high standard of condition.

Since 1881 this process has advanced with such rapidity that the average earnings per ton per mile from the Company's freight traffic, during the fiscal year lately closed, were less than one-half that for the year named, as will appear from the following table:

AVERAGE FREIGHT EARNINGS PER TON PER MILE FOR EACH
OF THE SEVEN YEARS ENDING JUNE 30, 1887.

1881.....	\$.0288
1882.....	.0251
1883.....	.0195
1884.....	.0179
1885.....	.0152
1886.....	.0149
1887.....	.0136
Decrease per cent during above period.....	.528

A new grain tariff was put into effect in the month of August, of this year, reducing rates on that commodity about 10 per cent. In January, 1887, our local passenger rates were reduced from 5 to 4 cents per mile in Dakota, making them uniform with those in Minnesota. This reduction, with our round trip rate of 3 cents per mile in both Minnesota and Dakota, has lowered our passenger rates to an average of 2 24-100 cents per mile for the last fiscal year, from 2 44-100 cents per mile for the fiscal year next previous.

In the month of April, 1887, the Company adopted as the basis for its freight tariffs the classification now in common use throughout the West, known as the "Joint Western Classification," which in itself has effected important reductions in the rates on all classified articles.

In the face of these heavy and continual reductions in rates, the capacity of your properties, for producing sufficient revenues, not only for payment of its capital

charges and operating expenses, but also for steady and constant betterment of its physical state, by the substitution of steel for iron rails, the addition of shop, yard and terminal facilities on an ample scale and approved plans, the elimination of curves from the lines, the lowering of grades, the procuring of new and improved equipment, and the like, has remained unimpaired.

The increase of trains and tonnage between St. Paul and Minneapolis, not only of this Company, but also of other companies using our line between these points, has made it necessary to construct two additional main tracks between the two cities. The grading is now well advanced and the rails and ties are on the ground to complete them.

These tracks will be laid with steel rails weighing 75 lbs. per lineal yard, and the double track now in use is being relaid with steel of the same weight.

The following companies, in addition to our own, use these tracks between the points referred to:

The Northern Pacific R. R. Co.

The Chicago, St. Paul, Minneapolis & Omaha Ry. Co.

The Minnesota, St. Croix & Wisconsin R. R. Co. (Wis. Central Line.)

The Chicago, Burlington & Northern R. R. Co.

The Minnesota & Northwestern R. R. Co. (for passenger business).

Considerable expenditure has been made for new shop machinery during the year, and new round-houses have been built at several points to meet the increasing demands of our business.

To provide for the maintenance and repair of our equipment, additional ground will be required in the near future, and negotiations are now pending for sufficient land to enable us to lay the tracks and construct the buildings requisite for doing the work of repair or reconstruction in the most advantageous manner, keeping in view the probable future increase of the Company's business.

Our interests at Lake Superior, referred to in previous reports, have had further and especial attention during the past year. The Lake Superior & Southwestern Railway Company, which has undertaken to furnish this Company with terminal facilities at that point, and which is the owner of the elevator and other facilities at West Superior, mentioned in our last report, has lately acquired sufficient additional grounds to adequately accommodate the large and growing requirements of this Company on the lake.

Although the elevator referred to is one of the largest and best planned in the country, and fitted with the latest and most approved appliances for handling grain, it has

not proven equal to our requirements, and its storage capacity will be increased by the early erection of an annex, giving an additional storage capacity of one and one-half million bushels.

This Company holds a controlling interest in the stock of the Southwestern.

The extension, by this Company, of a line into Montana, cannot fail to afford a large traffic, of a description heretofore practically inaccessible to it. The region through which that line runs, is, in the main, well adapted to stock raising; and large portions of it are also capable of successfully producing all varieties of small grain and vegetables without irrigation. It also abounds in beds of coal, iron and limestone, whence there are excellent grounds for confidently expecting the speedy development of important industries in those minerals.

At the Great Falls of the Missouri River, where the termini of the Manitoba and Montana Central lines join, nature has provided power ample for the most extensive manufacturing operations.

The early completion of the lines of the Montana Central Railway Company will give direct access to Helena, Butte, and the other centres of mineral production in the Territory. It is believed that sound policy will require the prompt extension of these lines in the future as new

mineral developments occur. Such industries are almost uniformly large and profitable employers of rail transportation.

Owing to the exceptionally low grades of your railway, it will be reasonable to expect a considerably increased tonnage in the products of the soil, and such leading commodities as lumber, coal and live stock, in which the settlers along our lines are most especially interested. The Montana extensions will, therefore, work important advantages to our patrons in Minnesota and Dakota, as well as to the people of Montana.

The operations of the Company have been carried on for the year without any serious accident.

The crop of 1887 is already well secured, in good condition, is apparently of excellent quality, and a good business for the coming season seems reasonably well assured.

The construction of a new general office building at St. Paul has been commenced and the same will be under roof this autumn. The large accumulation of valuable records and the increase of the Company's business have made such a building imperative. This structure will be large, convenient, and above all, fire proof.

Plans have been prepared for new and extensive freight houses at Minneapolis, to meet the growing requirements of that city; and their construction only awaits the adjustment of certain questions with the city and in the courts. Our improvements contemplate the erection of "out" and "in" freight houses, and the adjustment of our yard and tracks to fully accommodate all business at that city for years to come; the plans being specially designed to afford prompt and inexpensive access to and from our houses and yards for the business public.

The extension of our lines also calls for additional freight house facilities at St. Paul, which we expect to provide early next season.

LAND DEPARTMENT STATISTICS AND OPERATIONS.

Total acreage of Land Grant computed at 10 sections of land for each mile of completed road,		3,848,000.00
Total acreage certified to June 30, 1887.....	2,803,376.00	
Total acreage sold to June 30, 1887.....	1,733,426.97	
Less contracts cancelled.....	138,128.64	1,595,298 33
Remaining unsold June 30, 1887.....		2,252,701.67
Minneapolis & St. Cloud Railroad Grant.....	476,864.00	
Less acreage sold to June 30, 1887.....	39,130.58	437,733.42
Total grant remaining unsold June 30, 1887.....		2,690,435.09

During the year ending June 30, 1887, 62,632.07 acres of land were sold for \$407,114.68, an average price of \$6.50 per acre. There were also sold 181 town lots for \$10,853.50, an average price per lot of \$59.96.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDING
JUNE 30, 1887.

Cash sales and principal on new contracts.....	\$105,350.98
Amount of principal received on old contracts	352,785.71
Amount received for trespass, stumpage, etc.....	3,289.46
Amount received for interest on old and new contracts.....	91,559.62
Amount received for prin. and interest on town lot contracts...	12,895.11
Amount received for interest on sinking fund	3,489.81
	\$569,370.69
Less expenses of Land Department	153,588.53
Net receipts.....	\$415,782.16
Amount of deferred payments due the Company on land con- tracts bearing interest at 7 per cent.....	179,876.97
Amount of deferred payments due the Company on town lots bearing interest at 7 per cent.....	12,017.26
	\$191,894.23

The total number of sales during the year was 1,118, with an average of about 57 acres to a purchaser, as against 880 sales, averaging 78 acres to each purchaser for the previous fiscal year.

In addition to the sales of the Company's granted lands, stated above, there were sold through the Land Department, during the year, 11,082.67 acres of lands lying in Todd County, Minnesota, which had been acquired by the Company on account of the hardwood timber standing thereon, for a supply for its own consumption; the timber having been removed before the sale of the lands. A large proportion of these purchases were made for immediate occupation and improvement.

These sales amounted to the sum of \$49,802.67.

Especial attention is being given to completion of the adjustment and certification of the Company's granted lands, by the Government. All lands subject to selection by the Company, in the various limits, have been selected, and lists thereof been filed in the proper Government offices. There is good reason for confidence that the Company will secure an early certification of the remaining uncertified lands to which it is entitled; but the recent policy of the United States land officials, respecting railroad land grants, may, for the time, seriously check the Company's sales by shaking public confidence in titles to lands in general acquired through such grants. Should such an undesirable thing happen, the resulting injury would most likely be compensated in part, by increase in the value of the lands, while remaining in the Company's hands. Should no such adverse influence as that above indicated intervene, increased sales may reasonably be looked for in the coming year.

JAMES J. HILL, *President.*

FINANCIAL STATEMENT OF ST. PAUL, MINNEAPOLIS & MAN-

REVENUE

To Operating Expenses.....		\$ 4,099,410.29
“ State Tax.....		215,485.16
“ Interest Paid and Accrued.....		2,170,409.20
“ Dividend 1½ per cent, Aug. 1, 1886.....	\$300,000.00	
“ Dividend 1½ per cent, Nov. 1, 1886.....	300,000.00	
“ Dividend 1½ per cent, Feb. 1, 1887.....	300,000.00	
“ Dividend 1½ per cent, May 1, 1887.....	300,000.00	
		1,200,000.00
<i>Balance</i>		343,143.67
		<u>\$8,028,448.32</u>

INCOME

To Transferred to Sinking Fund from Land Department...	\$415,782.16
“ Transferred to Fund for Improvements and Renewals...	600,000.00
<i>Balance</i>	257,591.06
	<u>\$1,273,373.22</u>

GENERAL

To Railway, Equipment and Lands.....		\$65,903,047.45
Union Depot Stock.....	\$70,000.00	
Minnesota Transfer Stock.....	7,000.00	
Minnesota Transfer Bonds.....	63,000.00	
Minneapolis Union Railway Stock.....	750,000.00	
		\$90,000.00
Other properties and securities.....		2,592,157.76

GENERAL ASSETS.

St. Paul, Minneapolis & Manitoba Ry. Stock...	\$5,600.00
Due from Agents.....	69,451.67
Due from United States Postal Department....	33,716.76
Advance Charges on Freight.....	13,324.35
Camp Supplies.....	1,860.94
General Supplies.....	8,845.60
Material Machinery Department.....	241,831.22
Material Road Department.....	1,717,521.30
Stock of Fuel (Coal).....	57,758.91
Stock of Fuel (Wood).....	12,764.13
Due from other Companies and Individuals....	393,813.59
Cash in hands of Trustees, 1st Mortgage Bonds	58,531.98
Cash on hand.....	2,169,800.27
	4,784,820.72
	<u>\$74,170,025.93</u>
Less Land Grant Bonds Redeemed.....	3,009,000.00

\$71,161,025.93

ACCOUNT.

By Earnings..... \$8,028,448.32

\$8,028,448.32

ACCOUNT.

By Balance Revenue Account..... \$343,143.67

" Land Department..... 415,782.16

" Revenue from Investments and Rents..... 514,447.39

\$1,273,373.22

BALANCE.

By Capital Stock..... \$20,000,000.00

FUNDED DEBT.

First Mortgage Bonds..... \$8,000,000.00

Less Land Grant Bonds Re-
deemed 3,009,000.00

Balance \$4,991,000.00

Second Mortgage Bonds..... 8,000,000.00

St. Paul & Pacific Bonds..... 366,000.00

Dakota Extension Bonds..... 5,676,000.00

Consol. Mtg. Bonds, 6 per ct. 13,344,000.00

Consol. Mtg. Bonds, 4½ per ct. 8,100,000.00

Montana Extension Bonds..... 2,800,000.00

Sub. Montana Extens'n Bonds 12,976.80

43,289,976.80

\$63,289,976.80

Sinking Fund applicable to Redemption of
First Mortgage Land Grant Bonds..... 3,722,714.39

Less Land Grant Bonds Re-
deemed 3,009,000.00

Premium on Land Gr't B'nds 150,450.00

3,159,450.00

563,264.39

20,623.96

Sinking Fund Consol. Mortgage Bonds.....

State Tax not yet due..... 93,244.43

Accrued Interest on Bonds not yet due and
payable..... 186,093.33

279,337.76

Audited Bills and Vouchers Unpaid..... 2,061,687.62

Unpaid Pay Rolls..... 657,974.08

Unpaid Coupons due July 1, 1887, and prior... 797,768.50

Unpaid Dividends..... 2,895.00

Due other Companies and Individuals..... 88,663.21

3,608,988.41

1,023,945.63

Fund for Improvement and Renewals.....

Balance to Profit and Loss, June 30, 1886 ... 2,117,297.92

" to Profit and Loss, June 30, 1887 ... 257,591.06

2,374,888.98

\$71,161,025.93

STATEMENT OF BONDS

EXCHANGED AND REDEEMED DURING THE YEAR ENDING
JUNE 30, 1887.

Under the provisions of the Consolidated Mortgage there were exchanged 271 coupon bonds for registered bonds for the same amount (\$271,000, par value).

The total exchanges of this character, up to the close of the late fiscal year, have been \$667,000.

In pursuance of the provisions of this Company's First Mortgage Indenture, \$259,000 of Land Grant Bonds, secured thereby, were drawn for redemption on March 24, 1887, as specified in the notice thereof, which was as follows:

THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY CO.'S
FIRST MORTGAGE SINKING FUND 7 PER CENT LAND
GRANT GOLD BONDS.

In conformity with the provisions of the Mortgage Deed of Trust securing the above Bonds, we, the undersigned Trustees, hereby give notice that 70 Bonds of \$100 each, 30 Bonds of \$500 each, and 237 Bonds of \$1,000 each, of the numbers specified below, were this day, in our presence, fairly and without preference or discrimination, designated by lot for redemption at 105 per cent and accrued interest, payable out of the moneys pledged to us from proceeds of sales of land, and now available for that purpose. The Bonds so drawn will be paid on presentation at the office of JOHN S. KENNEDY, No. 63 William Street, New York; and the holders thereof are hereby notified that they should be presented on or before first day of July next, as from that date interest will cease to accrue thereon.

70 BONDS OF \$100 EACH.

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
42	489	717	906	1284	1678	1865
139	506	725	1041	1285	1688	1890
180	521	753	1043	1313	1701	1931
185	525	776	1060	1404	1734	1937

70 BONDS OF \$100 EACH—CONTINUED.

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
208	547	790	1102	1426	1736	1941
214	577	812	1151	1499	1770	1962
280	641	878	1174	1543	1773	1972
336	657	897	1191	1572	1794	2055
405	676	898	1231	1639	1822	2150
469	682	903	1277	1666	1842	2191

30 BONDS OF \$500 EACH.

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
6	60	141	216	299
19	73	157	221	319
33	98	159	238	335
36	121	161	240	337
40	129	194	250	351
41	134	197	287	354

237 BONDS OF \$1,000 EACH.

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
66	981	1826	2654	3550	4671	5641	6688
144	992	1827	2658	3552	4699	5699	6732
161	1045	1860	2678	3554	4720	5776	6763
182	1088	1878	2689	3669	4725	5810	6791
192	1107	1889	2694	3674	4817	5862	6794
201	1165	1922	2717	3710	4836	5878	6811
216	1214	1950	2745	3847	4866	5880	6869
242	1244	2002	2786	3908	4869	5931	6871
259	1249	2004	2814	3942	4963	5941	6889
261	1302	2056	2845	3943	5014	5944	6915
264	1354	2177	2847	3979	5065	6015	6954
340	1360	2204	2912	4059	5093	6031	7018
346	1372	2214	2972	4130	5101	6097	7150
356	1388	2220	3063	4143	5164	6119	7167
393	1416	2258	3120	4168	5226	6129	7196
425	1417	2279	3217	4220	5247	6135	7204
452	1428	2281	3316	4234	5258	6194	7260
489	1478	2283	3321	4286	5365	6229	7289
518	1578	2303	3333	4307	5394	6238	7290
532	1579	2332	3340	4322	5429	6260	7311
588	1585	2397	3346	4330	5512	6262	7326
599	1600	2398	3407	4331	5521	6279	7372
623	1618	2424	3442	4352	5534	6310	7381

237 BONDS OF \$1,000 EACH—CONTINUED.

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
633	1622	2461	3456	4378	5538	6340	7406
680	1639	2477	3459	4387	5545	6341	7485
706	1682	2501	3481	4463	5603	6400	7493
750	1686	2523	3494	4470	5612	6579	7532
807	1691	2559	3507	4593	5628	6594	7558
815	1692	2581	3534	4610	5635	6618	7568
963	1696	2637	3537	4628			

JOHN S. KENNEDY, }
 J. A. ROOSEVELT, } *Trustees.*

NEW YORK, March 24, 1887.