

NINETEENTH ANNUAL REPORT

OF THE

St. Paul, Minneapolis & Manitoba

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1898.

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY CO.

DIRECTORS.

ELECTED OCT. 14, 1897.

JAMES J. HILL,	ST. PAUL.
LORD STRATHCONA AND MOUNT ROYAL,	GLENCOE, SCOTLAND.
W. P. CLOUGH,	ST. PAUL.
SAMUEL HILL,	MINNEAPOLIS.
E. T. NICHOLS,	NEW YORK.
EDWARD SAWYER,	ST. PAUL.
JOHN S. KENNEDY,	NEW YORK.

OFFICERS.

SAMUEL HILL,	PRESIDENT	
	AND LAND COMMISSIONER,	MINNEAPOLIS.
LORD STRATHCONA AND MOUNT ROYAL,	VICE PRESIDENT,	GLENCOE, SCOTLAND.
W. P. CLOUGH,	SECOND VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	SECRETARY AND ASST. TREAS.,	ST. PAUL.
E. T. NICHOLS,	TREASURER AND ASST. SEC.,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
N. D. MILLER,	CHIEF ENGINEER,	ST. PAUL.
NICHOLAS TERHUNE,	TRANSFER AGENT,	NEW YORK.
FREDERICK W. BOBBETT,	TRANSFER AGENT,	NEW YORK.

NINETEENTH ANNUAL REPORT

OF THE

ST. PAUL, MINNEAPOLIS & MANITOBA
RAILWAY COMPANY.

To the Stockholders:

The President and Directors submit the following report for the year ending June 30, 1898:

This Company has, during the year and under the provisions of the lease of the Great Northern Railway Company, completed an extension of the Langdon Branch to Hannah, N. D., 21.06 miles, and an extension of the Cavalier Branch to Walhalla, N. D., 16.13 miles.

Under the provisions of the Consolidated Mortgage there were exchanged during the fiscal year eleven Coupon Bonds for Registered Bonds for the same amount (\$11,000).

The total exchanges of this character up to the close of the last fiscal year have been \$2,975,000.

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During the year the Company has issued of its Consolidated Mortgage Bonds:

\$544,100 on account of the construction of the two branches above mentioned, and
\$950,900 on account of additions to the property in this and prior years.

By the operation of the Sinking Fund, \$60,400 First Mortgage Land Grant Bonds were redeemed by the Trustees during the year just ended, leaving only \$1,000 of the First Mortgage Bonds unredeemed at the close of the year: Bond No. 2245, embraced in the nineteenth call and upon which interest ceased March 13, 1896.

As the redemption or exchange of the entire issue of First Mortgage Land Grant Bonds has been effected or provided for, the net receipts of the Land Department are, under the terms of the Consolidated Mortgage, applied to the redemption of Consolidated Mortgage Bonds. During the fiscal year just ended the Central Trust Company, Trustee, has purchased, upon the best terms obtainable, and duly canceled, \$507,000 Consolidated Mortgage 4½ per cent Bonds at a cost of \$541,707.50.

In order that the Sinking Fund transactions may be clearly understood the following tables are submitted:

SINKING FUND, FIRST MORTGAGE LAND GRANT BONDS.

By balance to credit of Sinking Fund as per page 5 of Eighteenth Annual Report.....	\$55,152.08
By amount received from Land Department.....	9,317.92
Total.....	<u>\$64,470.00</u>
To redemption of \$60,400 Bonds during the year at 105, as provided in mortgage.....	<u>\$63,420.00</u>
To balance of Sinking Fund, being cash in hands of Trustees for the redemption of Bond No. 2245 when presented.....	<u>\$1,050.00</u>

SINKING FUND, CONSOLIDATED MORTGAGE BONDS.

By balance to credit of Sinking Fund as per page 5 of Eighteenth Annual Report.....	\$3,630.03
By amounts credited during fiscal year:	
From Land Department.....	\$598,279.62
Revenue from Todd county lands.....	2,136.56
Total.....	<u>\$600,416.18</u>
Total.....	<u>\$604,046.21</u>

To Bonds purchased by Trustee:

DATE	AMOUNT	PRICE	COST
November 22, 1897	\$140,000	106	\$148,400.00
December 15, 1897	118,000	107	126,260.00
December 31, 1897	24,000	107 $\frac{1}{4}$	25,740.00
January 10, 1898	43,000	106	45,580.00
January 25, 1898	14,000	107 $\frac{1}{4}$	15,015.00
February 1, 1898	19,000	107 $\frac{1}{2}$	20,425.00
February 14, 1898	14,000	107 $\frac{1}{2}$	15,050.00
February 28, 1898	13,000	107 $\frac{1}{4}$	14,007.50
June 13, 1898	74,000	107 $\frac{1}{2}$	79,550.00
June 17, 1898	14,000	107 $\frac{1}{2}$	15,050.00
June 20, 1898	18,000	107 $\frac{1}{2}$	19,350.00
June 27, 1898	1,000	108	1,080.00
June 30, 1898	15,000	108	16,200.00
	\$507,000	Costing.....	<u>\$541,707.50</u>

Leaving a balance applicable to further redemption of Bonds of.....	<u>\$62,338.71</u>
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Between 1892 and 1894 the Trustee redeemed \$73,000 Consolidated Mortgage 4½ per cent Bonds with funds derived from sale of the old General Office Building at St. Paul, and from Todd county lands. These bonds, while deducted from bonds of this class issued and outstanding, were not shown on the balance sheet in the Annual Reports as bonds redeemed through the operation of the Sinking Fund. In order that future balance sheets may show all bonds redeemed in this manner, this amount of \$73,000 has been added this year, making

Consols redeemed prior to July 1, 1897.....	\$73,000	Costing	\$72,981.39
Consols redeemed during year ended June 30, 1898.....	507,000	Costing	541,707.50
			<u>\$614,688.89</u>
Total Consolidated Mortgage Bonds redeemed to June 30, 1898, through the operation of the Sinking Fund.....	\$580,000		\$580,000.00
Premium paid on Bonds redeemed.....			<u>\$34,688.89</u>

During the year just closed a settlement was made with the receivers of the Northern Pacific Railroad of all controversies regarding land grant matters. This is more particularly referred to in the Land Commissioner's Report. As a result of this settlement the item "Proceeds of Sale of Disputed Lands Held by Orders of Court Pending Final Decision," appearing as a liability on the balance sheet, in last year's report, has been disposed of.

The customary annual statement and balance sheet and the report of the Land Commissioner are given on the following pages.

SAMUEL HILL,
PRESIDENT.

STATEMENT OF THE ST. PAUL, MINNE
FOR THE YEAR END

Dr.

Interest on Bonds.....	\$3,499,940.12	
Dividends on Stock.....	1,200,000.00	
Expense of Maintaining Organization.....	6,773.15	
		\$4,706,713.27
TRANSFERRED TO CREDIT OF SINKING FUNDS:		
First Mortgage Land Grant Bonds..	\$9,317.92	
Consolidated Mortgage Bonds.....	600,416.18	
		609,734.10
		<u>\$5,316,447.37</u>

Dr.

GENERAL BAL

<i>To</i> Cost of Railway, Equipment and Lands..		\$114,712,005.70
Premium Paid on Bonds Redeemed and Exchanged:		
First Mortgage Land Grant Bonds.....	\$393,200.00	
Consolidated Mortgage Bonds.....	34,688.89	
		427,888.89
ASSETS.		
Cash on Hand.....	\$7,942.60	
North Dakota Land Account.....	46,088.50	
Due from Other Companies and Individuals.....	19,378.52	
		73,409.62

\$115,213,304.21

APOLIS AND MANITOBA RAILWAY COMPANY.

ING JUNE 30, 1898.

Cr.

Rental under Lease to the Great Northern Railway Company.....		\$4,706,713.27
Net Receipts of Land Department.....	\$607,597.54	
Revenue from Todd County Lands	2,136.56	
		<u>609,734.10</u>
		<u>\$5,316,447.37</u>

ANCE SHEET.

Cr.

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

First Mortgage Land Grant Bonds.....	\$8,000,000.00	
Less Bonds Redeemed and Exchanged.....	7,999,000.00	
Balance—Called Bond..	\$1,000.00	
Second Mortgage Bonds.....	8,000,000.00	
Dakota Extension Bonds.....	5,676,000.00	
Consolidated Mortgage Bonds, 6 per cent.	13,344,000.00	
Consolidated Mortgage Bonds, 4½ per cent.	22,250,000.00	
Montana Extension Bonds...\$19,409,000.00		
Less Bonds in Hands of Trustee Pacific Extension Mortgage.....	11,502,000.00	
	7,907,000.00	
Pacific Extension Bonds (₡5,950,000)	28,848,484.85	
		<u>86,026,484.85</u>

SINKING FUND ACCOUNTS.

SINKING FUND FIRST MORTGAGE LAND

GRANT BONDS:		
Bonds Redeemed.....	\$5,927,400.00	
Premium Paid on Bonds Redeemed and Exchanged.....	393,200.00	
Balance for Redemption of Outstanding Called Bond.....	1,050.00	
		<u>6,321,650.00</u>

SINKING FUND CONSOLIDATED MORT-
GAGE BOND:

Bonds Redeemed.....	\$580,000.00	
Premium Paid on Bonds Redeemed....	31,688.89	
Balance, Applicable to Redemption of Bonds.....	62,338.71	
		<u>677,027.60</u>

LIABILITIES.

Audited Vouchers Unpaid.....	\$5,060.93	
Unpaid Pay Rolls.....	1,051.65	
Due to Other Companies and Individuals	3,908.33	
		<u>10,020.91</u>
Pacific Extension Bonds Retained (₡50,000)		242,424.24
Profit and Loss.....		1,935,696.61
		<u>\$115,213,304.21</u>

LAND COMMISSIONER'S REPORT.

Samuel Hill, Esq., President.

DEAR SIR: I respectfully submit the following report of operation of the Land Department for the year ending June 30, 1898.

	<i>Acres.</i>
Total acreage of Land Grant computed at ten sections for each mile of road, as formerly construed by the State of Minnesota.....	3,848,000.00
Total acreage of Land Grant as construed by United States General Land Office.....	3,479,611.36
Total acreage deeded to Company prior to June 30, 1898.....	3,212,521.52
Less deeded to Northern Pacific	
R. R. Co. by Supreme Court	
United States, March 2, 1891..	365,860.92
Decreed to Northern Pacific R.	
R. Co. in accordance with	
terms of settlement of Novem-	
ber 1, 1897.....	42,905.14
Redeeded to United States.....	160.00
	408,926.08
Net acreage deeded.....	2,803,595.46
Total acreage sold prior to June 30, 1898.....	2,456,196.71
Less sales canceled.....	285,068.57
	2,171,128.14
Remaining unsold June 30, 1898.....	1,308,483.22

A general adjustment of the Land Grant with the United States will reduce the above acreage.

During the year a complete adjustment and settlement of all suits and matters in controversy between this Company and the Northern Pacific Railroad Company, in connection with the Land Grant, has been effected, such settlement being confirmed either by decree of Court, in which action was pending, or by deed.

During the year ended June 30, 1898, 120,451.72 acres of land were sold for \$883,144.89, an average of \$7.33 per acre. There were also sold 344 town lots for \$16,507.95, an average price per lot of \$47.99.

The number of land sales during the year was 1,495, with an average of about 84.46 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDED
JUNE 30, 1898.

Cash sales and installments of principal on new land contracts	\$195,822.18
Amount of principal received on old contracts.....	318,496.40
Amount received for trespass, stumpage, grass sales, etc.....	9,978.07
Amount received for interest on old and new contracts.....	97,863.25
Amount received for principal and interest on town lot con- tracts.....	12,339.30
Amount received for interest on sinking fund, etc.....	769.73
Net receipts in adjustment of land suits with Northern Pacific R. R.....	43,827.87
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	\$679,096.80
Less expense of Land Department and Trustees.....	71,499.26
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Net receipts.....	\$607,597.54
	<hr/> <hr/>
Amount of deferred payments due this Company on land con- tracts bearing interest at 7 and 6 per cent.....	\$1,596,762.14
Amount of deferred payments due this Company on town lots bearing interest at 7 and 6 per cent.....	8,863.87
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	\$1,605,626.01
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Referring to that portion of report for the year ending June 30, 1893, relating to the lands lying within the limits of the grant on the Dakota side of the Red river, the Company has reconveyed to the United States a total of 62,306.61 acres, for which the Company is authorized to locate an equivalent amount elsewhere. The Company has selected to June 30, 1898, 41,198.98 acres in lieu of a part of the above amount.

The following are the sales during the year covered by the Dakota grant, viz. :—

2,728.66 acres for \$28,026.20, an average per acre of.....	\$10.27
409 lots for \$14,950.25, an average per lot of.....	36.55
Receipts during the year.....	\$19,012.92
Taxes paid, expenses of examination and selection of land and other disbursements made during the year in connection with grant.....	3,004.35

The remaining lands are in process of adjustment with the Government.

CHARLES H. BABCOCK,
Ass't Land Commissioner.