

# **GREAT NORTHERN RAILWAY**

**Great Northern Railway  
Annual Reports 1890 thru 1904**

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# Annual report

Great Northern  
Railway Company  
1890 -1904

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FIRST ANNUAL REPORT

OF THE

GREAT NORTHERN

*Railway Company.*

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FISCAL YEAR ENDING

JUNE 30th, 1890.



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FIRST ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

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FISCAL YEAR ENDING

JUNE 30th, 1890.

ST. PAUL, MINN.:  
THE PIONEER PRESS COMPANY  
1890.



# GREAT NORTHERN RAILWAY COMPANY.

## DIRECTORS.

ELECTED OCT. 14, 1890.

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JAMES J. HILL	(for three years),	-	-	-	-	-	ST. PAUL.
W. P. CLOUGH	(for three years),	-	-	-	-	-	ST. PAUL.
SAMUEL HILL	(for three years),	-	-	-	-	-	MINNEAPOLIS.
SIR GEORGE STEPHEN	(for two years),	-	-	-	-	-	MONTREAL.
SIR DONALD A. SMITH	(for two years),	-	-	-	-	-	MONTREAL.
GEORGE BLISS	(for two years),	-	-	-	-	-	NEW YORK.
J. KENNEDY TOD	(for one year),	-	-	-	-	-	NEW YORK.
EDWARD SAWYER	(for one year),	-	-	-	-	-	ST. PAUL.
M. D. GROVER	(for one year),	-	-	-	-	-	St. PAUL.

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## OFFICERS.

J. J. HILL,	-	PRESIDENT,	-	-	-	-	ST. PAUL.
W. P. CLOUGH,	-	VICE PRESIDENT,	-	-	-	-	ST. PAUL.
E. SAWYER,	-	TREASURER AND ASST. SECRETARY,	-	-	-	-	ST. PAUL.
E. T. NICHOLS,	-	SECRETARY AND ASST. TREASURER,	-	-	-	-	NEW YORK.
C. H. WARREN,	-	COMPROLLER,	-	-	-	-	ST. PAUL.
M. D. GROVER,	-	GENERAL SOLICITOR,	-	-	-	-	ST. PAUL.
A. L. MOHLER,	-	GENERAL MANAGER,	-	-	-	-	ST. PAUL.
C. W. CASE,	-	GENERAL SUPERINTENDENT,	-	-	-	-	ST. PAUL.
P. P. SHELBY,	-	GENERAL TRAFFIC MANAGER,	-	-	-	-	ST. PAUL.
N. D. MILLER,	-	CHIEF ENGINEER,	-	-	-	-	ST. PAUL.
W. W. BRADEN,	-	LAND COMMISSIONER,	-	-	-	-	ST. PAUL.
N. TERHUNE,	-	TRANSFER AGENT,	-	-	-	-	NEW YORK.
F. W. BABBETT,	-	TRANSFER AGENT,	-	-	-	-	NEW YORK.

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FIRST ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

The President and Directors submit the following report for the five months ending June 30, 1890:

STATEMENT OF EARNINGS AND EXPENSES  
FOR FIVE MONTHS ENDING JUNE 30, 1890.  
GROSS EARNINGS.

FIVE MONTHS.		Per Cent.
Passenger.....	\$645,602.89	19.2068
Freight.....	2,465,814.86	73.3583
Express.....	31,842.01	.9473
Mails.....	91,738.12	2.7292
Miscellaneous.....	126,334.65	3.7584
	<b>\$3,361,332.53</b>	

OPERATING EXPENSES.

FIVE MONTHS.		Per Cent.
Conducting Transportation.....	\$460,445.26	26.1121
Motive Power.....	574,630.08	32.5875
Maintenance of Road and Structures.....	375,399.41	21.2891
Maintenance of Cars.....	178,111.83	10.1008
General Expenses.....	174,756.79	9.9105
	<b>\$1,763,343.37</b>	

## SUMMARY OF EARNINGS AND EXPENSES.

FIVE MONTHS.

Gross Earnings.....	\$3,361,332.53
Operating Expenses.....	1,763,343.37
Net Earnings.....	\$1,597,989.16
Taxes.....	101,089.26
Net Income.....	\$1,496,899.90
Operating Expenses, per cent of Gross Earnings.....	52.46
Operating Expenses and Taxes, per cent of Gross Earnings.....	55.47
Gross Traffic Earnings per Mile of Road .....	\$1,208.24
Operating Expenses per Mile of Road.....	633.84
Net Traffic Earnings per Mile of Road .....	574.40
Average miles of Road under Operation.....	2,782.01

The above statement does not include the W. & S. F. Ry. or D., W. & P. Ry.

For the purpose of comparison the following statements are submitted, showing the results for the year ending June 30, 1890, from the operation of the lines heretofore included in the annual reports of the St. Paul, Minneapolis & Manitoba Railway:

## GROSS EARNINGS.

Per Cent.	1890.	TWELVE MONTHS.	1889.	Per Cent.
18.8710	\$1,808,392.97	..... Passenger.....	\$1,869,864.89	21.7767
73.7957	7,071,787.71	..... Freight.....	6,075,636.52	70.7575
1.2377	118,610.30	..... Express.....	95,935.04	1.1172
2.3801	228,084.91	..... Mail.....	263,885.16	3.0732
3.7155	356,055.66	..... Miscellaneous.....	281,243.95	3.2754
	\$9,582,931.55		\$8,586,565.56	

## OPERATING EXPENSES.

Per Cent.	1890.	TWELVE MONTHS.	1889.	Per Cent.
27.389	\$1,286,929.00	Conducting Transportation	\$1,197,413.39	25.201
32.791	1,540,840.75	..... Motive Power .....	1,530,231.17	32.205
17.425	818,776.68	{ Maintenance of Road and Structures. }	1,133,372.00	23.853
10.712	503,331.29	.....Maintenance of Cars.....	424,426.42	8.933
11.683	548,960.67	..... General Expenses.....	466,032.71	9.808
	\$4,698,838.39		\$4,751,475.69	

## SUMMARY OF EARNINGS AND EXPENSES.

1890.	TWELVE MONTHS.	1889.
\$9,582,931.55	.....Gross Earnings.....	\$8,586,565.56
4,698,838.39	.....Operating Expenses.....	4,751,475.69
\$4,884,093.16	.....Net Earnings.....	\$3,835,089.87
277,308.65	.....Taxes.....	248,591.33
\$4,606,784.51	.....Net Income.....	\$3,586,498.54
49.03	Operating Expenses per cent of Gross ..... Earnings.....	55.34
51.93	Operating Expenses and Taxes per cent .....of Gross Earnings.....	58.23
\$3,193.82	Gross Traffic Earnings per Mile of Road.	\$2,928.98
1,566.04	...Operating Expenses per Mile of Road...	1,620.78
\$1,627.78	...Net Traffic Earnings per Mile of Road...	\$1,308.20
*3,000.46	.....Average Miles under Operation.....	2,931.59

\*Includes W. & S. F. Ry., 146.91 miles, and D., W. & P. Ry., 69.84 miles.

COMPARATIVE STATISTICS OF FREIGHT TRAFFIC OPERATIONS DURING LAST TWO FISCAL YEARS.

	1889.	1890.
Freight Train Mileage.....	2,664,262	3,087,332
Number of Tons Carried.....	1,907,101	2,335,692
Tons Carried One Mile .....	407,068,580	554,752,349
Earnings from Freight Traffic.....	\$6,075,636.52	\$7,071,787.71
Average Earnings per Ton per Mile.....	.0149	.0127

COMPARATIVE STATISTICS OF PASSENGER TRAFFIC OPERATIONS DURING LAST TWO FISCAL YEARS.

	1889.	1890.
Passenger Train Mileage .....	1,809,172	1,832,555
Miles of Cars in Passenger Trains.....	11,073,021	11,588,385
Number of Passengers Carried.....	2,229,421	2,226,049
Number of Passengers Carried One Mile.....	72,711,983	74,614,680
Earnings from Passenger Trains .....	\$2,353,203.34	\$2,319,614.34
Earnings per Train Mile.....	1.30	1.27
Earnings per Car Mile.....	.213	.20
Earnings per Passenger.....	.84	.81
Earnings per Passenger per Mile.....	.0257	.0242

During the year there was an increase in earnings from an increase in Freight Traffic handled, amounting to..... \$1,881,491.22  
with a decrease in earnings from a decrease in the average rate per ton per mile of..... 885,340.03  
There was a decrease in passenger revenue from a decrease in the average rate per mile, amounting to..... \$107,593.30  
with an increase of revenue from an increase in business of.. 46,121.38  
There was a falling off in first class single-trip passenger business, as compared with the preceding year of..... \$176,358.54  
with an increase in second class single-trip business of..... 91,274.51

This change in the class of passenger traffic carried, in connection with an increase of \$39,360.83 in excursion business, which is done at a low average rate per mile, is the principal cause for the decrease in the average rate per passenger per mile for the year.

MILES OF ROAD LEASED FROM ST. P., M. & M. RAILWAY,  
JUNE 30, 1890.

	Miles.
St. Paul, Minn., to Barnesville, Minn.....	217.32
State Fair Grounds Spur, Minn.....	0.64
Osseo Junction, Minn., to St. Cloud, Minn., including North "Y"...	63.07
Elk River, Minn., to Milaca, Minn.....	31.80
St. Cloud, Minn., to Hinckley, Minn.....	66.43
East St. Cloud, Minn., to Sauk Rapids, Minn.....	2.14
St. Cloud, Minn., to Willmar Junction, Minn.....	55.85
Sauk Centre, Minn., to Eagle Bend, Minn.....	36.44
Fergus Falls, Minn., to Pelican Rapids, Minn.....	21.65
Carlisle Junction, Minn., to Elizabeth, Minn.....	3.52
Minneapolis Junction, Minn., to East Minneapolis, Minn.....	0.70
East Minneapolis, Minn., to Breckenridge, Minn.....	204.12
Minnetonka North Shore Line, Minn.....	5.93
Hutchinson Junction, Minn., to Hutchinson, Minn.....	53.13
Morris, Minn., to Browns Valley, Minn.....	46.68
Tintah Junction, Minn., to Ellendale, No. Dak.....	104.32
Rutland Junction, No. Dak., to Aberdeen, So. Dak.....	64.00
Barnesville, Minn., to St. Vincent, Minn.....	170.95
St. Vincent Junction Switch to Boundary Line.....	2.62
St. Vincent Junction Switch to End of Track, via Old Depot.....	2.12
Shirley Minn., to St. Hilaire, Minn.....	21.55
Barnesville Junction, Minn., to Grand Forks Junction, No. Dak.....	98.14
Grand Forks, No. Dak., to Boundary Line.....	80.94
Moorhead Junction, Minn., to Halstad, Minn.....	34.09
Breckenridge, Minn., to Larimore Junction, No. Dak., via Portland	132.00
Everest, No. Dak., to Portland Junction, No. Dak., via Mayville....	50.44
Ripon, No. Dak., to Hope, No. Dak.....	29.50
Crookston Junction, Minn., to Minot, No. Dak.....	230.33
Park River Junction, No. Dak., to Langdon, No. Dak.....	73.88
Rugby Junction, No. Dak., to Bottineau, No. Dak.....	38.66
Evansville, Minn., to Tintah Junction, Minn.....	32.03
Minot, No. Dak., to South Side Sun River, Mont.....	549.25
Johnstown Junction to Junction with Sand Coulee Branch, Great Falls, Mont.....	3.10
West Side Branch from Great Falls, Mont.....	5.04
Great Falls, Mont., to Smelter.....	5.33
Moorhead, Minn., to Wahpeton, No. Dak.....	42.91
Church's Ferry, No. Dak., to St. Johns, No. Dak.....	55.21
Carman, Minn., to Fosston, Minn.....	44.69
North St. Cloud Branch, Minn.....	2.53
Benson, Minn., to Watertown, So. Dak.....	91.62

2,774.67

**PROPRIETARY LINES OPERATED UNDER CONTRACT.**

D., W. & P. Railway—Watertown, So. Dak., to Huron, So. Dak.	69.84
W. & S. F. Railway—Willmar, Minn., to Sioux Falls, So. Dak.....	146.91
M. C. Railway—Sand Coulee Junction to Sand Coulee.....	<u>14.52</u>
	231.27

During the year track was removed from line Breckenridge Junction to Barnesville Junction, 28.49 miles, this line having been replaced by the construction of the road from Moorhead to Wahpeton.

There was constructed during the year an extension of the West Side Branch, Great Falls, to the works of the Boston & Montana Smelter, 4.27 miles. This line was put in operation by Great Northern Railway, July 1, 1890.

**TRACK STATEMENT.**

DIVISIONS.	MILES.					Total.
	Main Track.	Second Track.	Third Track.	Fourth Track.	Side Tracks.	
<i>Owned.</i>						
Fergus Falls.....	532.70	12.26	8.10	8.10	127.59	688.75
Breckenridge.....	571.07	14.66			75.62	661.35
Northern.....	502.39				60.07	562.46
Dakota.....	605.59				45.99	651.58
Montana.....	562.92				52.35	615.27
<i>Under Contract.</i>						
W. & S. F. Ry.....	146.91				10.58	157.49
D., W. & P. Ry.....	69.84				4.09	73.93
Montana Central Ry. S. C. Branch*.....	14.52				2.56	17.08
<b>Totals.....</b>	<b>3,005.94</b>	<b>26.92</b>	<b>8.10</b>	<b>8.10</b>	<b>378.85</b>	<b>3,427.91</b>

\* The lease of this branch expired May 31, 1890, and it was operated by the Montana Central Railway after that date.

	Miles.
Main track, Second, Third and Fourth tracks laid with steel.....	2,737.02
Main track laid with iron.....	312.04

**MILES OF MAIN TRACK.**

Minnesota.....	1,424.65
North Dakota.....	997.92
South Dakota.....	193.40
Montana.....	433.09

## EQUIPMENT.

CLASS.	On Hand June 30, 1889.	Added During Year.	Deducted During Year.	Total on Hand June 30, 1890.
Locomotives .....	256	3	.....	259
<b>PASSENGER EQUIPMENT —</b>				
Sleeping Cars.....	30	.....	.....	30
Colonist Sleepers.....	8	.....	.....	8
Dining Cars.....	6	.....	.....	6
Coaches.....	100	.....	.....	100
Passenger and Baggage.....	22	1	.....	23
Baggage, Mail and Express.....	55	.....	1	54
Business and Pay Cars.....	3	.....	.....	3
<b>Total Passenger Equipment.....</b>	<b>224</b>	<b>1</b>	<b>1</b>	<b>224</b>
<b>FREIGHT EQUIPMENT —</b>				
Box Cars.....	5,839	.....	.....	5,839
Flat and Coal Cars.....	1,553	.....	.....	1,553
Stock Cars.....	478	.....	.....	478
Hay Cars.....	6	.....	.....	6
Furniture Cars.....	10	.....	.....	10
Refrigerator Cars.....	57	46	.....	103
Caboose and Boarding Cars.....	171	.....	.....	171
Derrick and Tool Cars.....	21	.....	.....	21
Steam Shovels.....	2	.....	.....	2
Snow Plows.....	2	.....	.....	2
Pile Drivers.....	3	.....	.....	3
Ditching Car.....	1	.....	.....	1
Dumping and Peteler Cars.....	109	.....	.....	109
Flanger.....	1	.....	.....	1
<b>Total Fr't and Work Equip't...</b>	<b>8,253</b>	<b>46</b>	.....	<b>8,299</b>

The net receipts of the St. Paul, Minneapolis & Manitoba Railway Land Department, for the past fiscal year, were \$203,287.75; out of these, land grant bonds of that company to the aggregate amount of \$200,000.00, principal, were redeemed.

Pursuant to the conditions of the lease and agreement with the St. Paul, Minneapolis & Manitoba Railway Company, the collateral trust bonds of that company, amounting to \$8,000,000.00, principal, were paid and cancelled during the fiscal year.

As provided in the lease to this Company, the St. Paul, Minneapolis & Manitoba Railway Company will build its line to the Pacific Coast, on Puget Sound, a distance of about 800 miles. To furnish the funds for this extension, the St. Paul, Minneapolis & Manitoba Railway Company has executed its mortgage to the Central Trust Company of New York, to secure the payment of the principal and interest of its sterling bonds to the amount of £6,000,000, bearing interest at four per cent per annum; the payment of the principal and interest of the same being guaranteed by your Company. Subscriptions have been made for the first £2,000,000 of this issue, the entire proceeds of such subscription being now in hand and available for the prosecution of the work.

It is expected that this extension will be completed to Puget Sound, at or near Seattle, Washington, prior to January 1, 1893.

A large portion of the Pacific Extension has already been located, leaving the existing Montana Extension line near Fort Assiniboine, Montana, and running thence westward on as direct a course as possible.

An extremely favorable pass over the main range of the Rocky Mountains has been found for this line, permitting a maximum grade, on the eastern approach, of 52.8 feet per mile, no tunnel being necessary. The descent on the western slope will also be favorable, both as regards grade and curvature.

When this extension has been completed, your Company will have a continuous rail line, from Lake Superior, St. Paul and Minneapolis, to the Pacific Coast, shorter than any existing transcontinental railway, and with lower grades and less curvature. Its cost and capitalization will also be much less than those of any other line to the coast. It is expected that, with the foregoing favorable conditions, the heavier products of the Pacific Coast region, which up to this time could seek markets only by ocean routes, can be moved eastward to the older sections of the country.

The volume of traffic upon the Montana Extension, from Minot to Great Falls, continues to show a gratifying increase. The net returns from this line, for the past fiscal year, upon capital invested, were quite as good as those from any of the older divisions.

The business of the Northern Steamship Company's vessels is prosperous. This steamship line is not only profitable as an investment, but, by directly connecting your system of railways with the trunk lines at eastern lake ports, the business of the former is relieved from embarrassments heretofore resulting from the frequent disturbances in rates on the rail lines centering in Chicago.

During the past year there has been completed by the Montana Central Railway Company, an extension from its existing Sand Coulee Branch as far as Monarch, on its way to the Neihart and Barker mining districts. These districts contain large deposits of lead and silver ores, which will find their outlet over this line and form a valuable feeder to the main line.

An extension is also being completed during the present fall, by the St. Paul, Minneapolis & Manitoba Railway Company, from Grafton, in the lower Red River Valley, northwesterly, to Cavalier, a distance of about  $33\frac{1}{2}$  miles. This branch runs into a fertile farming section, heretofore unsupplied with convenient railway service.

The same company has extended a branch from its main line, at Great Falls, Mont., to the smelting works of the Boston & Montana Consolidated Copper and Silver Mining Company.

The policy of improving the property, which has given such good results in the past, is still being followed. The steel rails of 56 pound section, originally laid on the line between St. Cloud and Hinckley, although as yet comparatively little worn, are being replaced by rails of 75 pound section, of pattern uniform with the rails of like weight already down upon other portions of your railways. With the completion of these replacements, the 75 pound rail will be continuous from Barnesville to West Superior, as well as to St. Paul, permitting the use of locomotive engines of maximum weight and power, without excessive track wear.

The erection of shops and plant for repair of freight cars, upon a scale commensurate with the volume of the Company's freight equipment, is well under way at St. Cloud, on the grounds acquired for that purpose, as mentioned in a former report.

The erection of a large brick round house at Minneapolis Junction is also in hand.

The traffic and net earnings of the Montana Central and Eastern Minnesota railways, respectively, have largely increased during the year; as a reference to the statements covering the same, appended hereto, will show, and each has furnished a heavy and paying traffic to the parent Company.

By the lease to your Company of the railways of the Saint Paul, Minneapolis and Manitoba system, the

interests and operations of your Company have been so greatly enlarged that six directors seemed to the Board and to the President too small a number to answer the future purposes of your Company. A circular was therefore distributed among the stockholders, asking a response to the question whether the Board should not hereafter be composed of nine directors, to be divided into classes, as provided by your Company's charter. Answers were given by a very large majority of the stockholders, all in the affirmative; and, in compliance therewith, due steps have been taken to make the suggested increase; so that hereafter the Board will be composed of nine directors, three in each class; and the official terms of three directors will expire annually. Their successors will be elected for three years.

JAMES J. HILL,  
*President.*



**STATEMENT OF THE GREAT  
COVERING OPERATION OF ROAD FOR**

<i>To</i> Conducting Transportation, Motive Power, Maintenance and General Expenses.....	\$1,763,343.37
“ State Tax.....	101,089.26
Rent of Leased Lines, paid and matured.....	\$1,302,972.26
Rent of Leased Lines, accrued, not yet due.....	401,653.33
	1,704,625.59
Profit and Loss.....	413,528.84
	\$3,982,587.06

**GENERAL BAL-**

<i>To</i> Cost of Properties and Securities, acquired from St. P., M. & M. Ry.....	\$19,250,000.00
New Equipment.....	39,562.71
Additions and Improvements.....	46,565.17
	\$19,336,127.88
Other Properties and Securities Owned.....	449,154.59

**ADVANCES FOR CONSTRUCTION PURPOSES.**

Montana Central Railway.....	\$756,140.83
St. Paul, Minneapolis & Manitoba Railway.....	52,990.80
Pacific Extension St. P., M. & M. Ry.....	72,638.55
Seattle & Montana Railway.....	8,928.75
Fairhaven & Southern Railway.....	300,033.50
	\$1,190,732.43

**CURRENT ASSETS.**

Cash in hands of E. Sawyer, Treasurer.....	\$174,341.97
Cash in hands of E. T. Nichols, Asst. Treasurer..	777,128.89
Due from Agents.....	160,642.83
Advanced Charges.....	9,005.00
Due from United States Postal Department....	58,863.03
Due from United States Transportation..	17,506.35
Due from Other Companies and Individuals ...	928,386.39
	\$2,125,874.55
Material Supply.....	253,181.22
	\$23,355,070.67

**NORTHERN RAILWAY COMPANY.**  
**FIVE MONTHS ENDING JUNE 30, 1890.**

<i>By Earnings</i> .....		\$3,361,332.53
“ Interest on Bonds Owned.....	\$122,308.20	
“ Dividends on Stocks owned.....	313,834.00	
“ Revenue from Other Sources.....	185,112.33	
		<u>621,254.53</u>
		<u>\$3,982,587.06</u>

**ANCE SHEET.**

<i>By Capital Stock</i> .....		\$20,000,000.00
Proceeds from Properties Sold.....		67,133.67
Proceeds from Securities Sold.....		777,280.83

**CURRENT LIABILITIES.**

Audited Vouchers Unpaid.....	\$394,991.47	
Unpaid Pay Rolls.....	301,521.09	
Rental under Lease from St. P., M. & M. Ry. Co., due July 1, 1890. ....	911,110.00	
Due Other Companies and Individuals.....	44,157.01	
		<u>1,651,779.57</u>
Rental under Lease from St. P., M. & M. Ry. Co., accrued, not yet due.....	\$401,653.33	
State Taxes not yet due.....	43,694.43	
		<u>445,347.76</u>

Profit and Loss.....		413,528.84
		<u>\$23,355,070.67</u>

STATEMENT OF THE GREAT NORTHERN RAILWAY AND ITS  
 PROPRIETARY LINES, SHOWING MILEAGE, BONDED DEBT,  
 FIXED CHARGES, ETC., JUNE 30, 1890.

STATEMENT A.—LINE LEASED FROM ST. PAUL, MINNEAPOLIS & MANITOBA  
 RAILWAY.

Mileage, 2,774.67.

<i>Bonded Debt.</i>	<i>Bonds.</i>	<i>Interest.</i>
St. Paul & Pacific Railway, 7 per cent.....	\$366,000.00	\$25,620.00
First Mortgage, 7 per cent.....	4,280,000.00	299,600.00
Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
Dakota Extension First Mortgage, 6 per cent.....	5,676,000.00	340,560.00
Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,640.00
Consolidated Mortgage, 4½ per cent.....	13,651,000.00	614,295.00
Montana Extension First Mortgage, 4 per cent.....	7,468,000.00	298,720.00
Total.....	\$52,785,000.00	\$2,859,435.00
<i>Stock.</i>		
Guaranteed Dividends of 6 per cent on Capital Stock.....	20,000,000.00	1,200,000.00
Grand Total.....	\$72,785,000.00	\$4,059,435.00
Bonded Debt per Mile.....		\$19,024.60
Interest Charges per Mile.....	\$1,030.55	
Dividend Charges.....	432.48	
Total Fixed Charges per Mile.....		\$1,463.03

NOTE.—Of the above bonds \$6,000 Montana Extension and \$100 First Mortgage are owned by the Great Northern Railway Company.

STATEMENT B.—WILLMAR & SIOUX FALLS RAILWAY.

Mileage.....	146.91
Capital Stock.....	\$1,500,000.00
Bonded Debt.....	2,625,000.00
Interest Charges.....	157,500.00
Bonded Debt per Mile.....	17,868.08
Interest Charges per Mile.....	1,072.08

All the above stock and bonds are owned by the Great Northern Railway Company.

STATEMENT C.—DULUTH, WATERTOWN & PACIFIC RAILWAY.

Mileage.....	69.34
Capital Stock.....	\$730,000.00
Bonded Debt.....	1,375,000.00
Interest Charges.....	82,500.00
Bonded Debt per Mile.....	19,688.00
Interest Charges per Mile.....	1,181.28

All the above stock and bonds are owned by the Great Northern Railway Company.

STATEMENT D.—MONTANA CENTRAL RAILWAY.

Mileage.....	235.14
Capital Stock.....	\$5,000,000.00
*Bonded Debt.....	6,500,000.00
Interest Charges.....	390,000.00
Bonded Debt per Mile.....	27,643.16
Interest Charges per Mile.....	1,658.58

\*All the above stock and \$500,000 of the above bonds are owned by the Great Northern Railway Company.

## STATEMENT E.—EASTERN RAILWAY COMPANY OF MINNESOTA.

This company owns very extensive docks, warehouses, elevators, etc., in West Superior and Duluth, and furnishes lake terminals for the entire Great Northern system. Its mileage being short its debt shows a relatively high figure per mile, which is occasioned by the cost of the terminal properties.

Mileage .....	71.29
Capital Stock .....	\$5,000,000.00
*Bonded Debt .....	4,500,000.00
Interest Charges.....	225,000.00
Bonded Debt per Mile.....	63,122.46
Interest Charges per Mile.....	3,156.12

\*Of these bonds \$50,000 are owned by the Eastern Railway of Minnesota and \$200,000 by the Great Northern Railway Company.

All of the above stock is owned by the Great Northern Railway Company.

## STATEMENT F.—MINNEAPOLIS UNION RAILWAY.

This company owns the passenger terminals at Minneapolis, Minn., including Union Depot and double-track stone arch bridge across the Mississippi river.

Mileage .....	2.50
Capital Stock .....	\$500,000.00
Bonded Debt .....	2,700,000.00
Interest Charges.....	156,500.00
Bonded Debt per Mile.....	1,080,000.00
Interest Charges per Mile.....	62,600.00

All the above stock is owned by the Great Northern Railway Company.

**STATEMENTS OF PROPRIETARY COMPANIES.**  
**MONTANA CENTRAL RAILWAY COMPANY.**

**EARNINGS AND EXPENSES FOR THE YEAR ENDING JUNE 30, 1890, IN COMPARISON WITH  
 YEAR ENDING JUNE 30, 1889.**

	1890	1889.	INCREASE.	DECREASE.
<b>EARNINGS.</b>				
Passengers.....	\$288, 170.86	\$223, 751.00	\$64, 419.86	
Freight.....	636, 839.55	386, 214.97	250, 624.58	
Mail.....	17, 236.22	10, 741.45	6, 494.77	
Express.....	16, 080.55	6, 546.92	9, 533.63	
Miscellaneous.....	5, 679.03	4, 961.30	717.73	
Total.....	\$964, 006.21	\$632, 215.64	\$331, 790.57	
<b>OPERATING EXPENSES.</b>				
Conducting Transportation.....	\$136, 984.77	\$119, 313.66	\$17, 671.11	
Motive Power.....	175, 312.49	156, 517.11	18, 795.38	
Maintenance of Road and Structures.....	88, 782.14	89, 260.84		478.70
Maintenance of Cars.....	35, 350.59	19, 336.10	16, 014.49	
General Expenses.....	57, 013.16	42, 011.90	15, 001.26	
Total.....	\$493, 443.15	\$426, 439.61	\$67, 003.54	
Surplus Earnings.....	\$470, 563.06	\$205, 776.03	\$264, 787.03	
Taxes.....	14, 178.47	15, 086.32		907.85
Net Earnings.....	\$456, 384.59	\$190, 689.71	\$265, 694.88	
<b>INCOME FROM OTHER SOURCES.</b>				
Rent of Leased Lines.....	19, 967.75	12, 706.75	7, 261.00	
Rent of Buildings, Tracks, etc.....	606.25	760.25		154.00
Locomotive and Car Service.....	2, 071.61		2, 071.61	
Miscellaneous.....	978.37	919.20	59.17	
Total Income.....	\$480, 008.57	\$205, 075.91	\$274, 932.66	
Rent of Lines Leased.....	3, 600.00	11, 530.48		7, 930.48
Net Income.....	\$476, 408.57	\$193, 545.43	\$282, 863.14	
Interest on Bonds (paid and accrued).....	390, 000.00	367, 800.00	22, 200.00	
Balance of Income, { Surplus.....	\$86, 408.57		\$260, 663.14	
{ Deficit.....		\$174, 254.57		
<b>Percentage of Expenses to Earnings —</b>				
Excluding Taxes.....	50.12	67.45		17.33
Including Taxes.....	52.66	69.84		17.18
Average Miles Operated.....	179.09	178.00		
Gross Earnings, per Mile of Road.....	\$5, 382.80	\$3, 551.77	\$1, 831.03	
Operating Expenses, per Mile of Road.....	2, 811.12	2, 395.73	415.39	
Surplus Earnings, per Mile of Road.....	\$2, 571.68	\$1, 156.04	\$1, 415.64	
Taxes, per Mile of Road.....	79.17	84.75		5.58
Net Earnings, per Mile of Road.....	\$2, 492.51	\$1, 071.29	\$1, 421.22	

STATEMENTS OF PROPRIETARY COMPANIES.

STATEMENT OF THE MONTANA CENTRAL RAILWAY COMPANY FOR THE YEAR ENDING JUNE 30, 1890.

To Operating Expenses.....	\$493,443.15	By Earnings.....	\$964,006.21
" Taxes.....	14,178.47	" Revenue from Other Sources.....	23,623.98
" Rent of Lines Leased.....	3,600.00		
" Interest Paid and Accrued.....	390,000.00		
" Profit and Loss.....	86,408.57		
	<u>\$987,630.19</u>		<u>\$987,630.19</u>

GENERAL BALANCE SHEET.

To Cost of Railway and Equipment.....	\$11,552,901.64	By Capital Stock.....	\$5,000,000.00
Construction of Neihart Branch.....	756,140.83	" First Mortgage Bonds.....	6,500,000.00
Additions and Improvements.....	34,454.75		
	<u>\$12,343,497.22</u>	LIABILITIES.	
Cash in hands of E. Sawyer, Treasurer.....	71,740.16	Audited Vouchers Unpaid.....	\$91,859.66
Due from Other Companies and Individuals.....	16,515.24	Unpaid Pay Rolls.....	38,205.67
Material Supply.....	50,086.69	Unpaid Coupons due July 1, 1890, and prior.....	195,150.00
Profit and Loss.....	249,336.58	Due Other Companies and Individuals.....	814,475.62
Less for year ending June 30, 1890.....	<u>86,408.57</u>	Taxes not yet due.....	1,139,690.95
			<u>7,076.37</u>
			<u>\$12,646,767.32</u>

## STATEMENTS OF PROPRIETARY COMPANIES.

## EASTERN RAILWAY COMPANY OF MINNESOTA.

EARNINGS AND EXPENSES FOR THE YEAR ENDING JUNE 30, 1890, IN COMPARISON WITH YEAR  
ENDING JUNE 30, 1889.

	1890.	1889.	INCREASE.	DECREASE.
EARNINGS.				
Passengers.....	\$91,781.01	\$5,057.95	\$86,723.06	
Freight.....	624,614.60	194,403.61	430,210.99	
Express.....	5,280.00		5,280.00	
Miscellaneous.....	16,129.76	250.57	15,879.19	
Total.....	\$737,805.37	\$199,712.13	\$538,093.24	
OPERATING EXPENSES.				
Conducting Transportation.....	\$200,591.57	\$72,159.76	\$128,431.81	
Motive Power.....	135,057.34	43,677.72	91,379.62	
Maintenance of Road and Structures.....	43,417.36	29,888.35	13,529.01	
Maintenance of Cars.....	33,758.81	9,196.39	24,562.45	
General Expenses.....	93,991.40	33,934.54	60,056.86	
Total.....	\$506,816.48	\$188,856.73	\$317,959.75	
Surplus Earnings.....	\$230,988.89	\$10,855.40	\$220,133.49	
Taxes.....	27,250.51	5,685.56	21,564.95	
Net Earnings.....	\$203,738.38	\$5,169.84	\$198,568.54	
Rent of Buildings, Tracks, etc.....	12,496.31	1,518.85	10,977.46	
Locomotive and Car Service.....	144.30		144.30	
Miscellaneous.....	2,596.60		2,596.60	
Elevator Operating Account.....	79,447.07	9,995.50	69,451.57	
Interest and Exchange.....		16,098.48		\$16,098.48
Revenue from Securities.....	8,254.85	8,271.11		16.26
Total.....	\$306,677.51	\$41,053.78	\$265,623.73	
Less Interest and Exchange.....	4,842.64		4,842.64	
Balance.....	\$301,834.87	\$41,053.78	\$260,781.09	
Rent of Lines Leased.....	89,758.50	20,135.37	69,623.13	
Net Income.....	\$212,076.37	\$20,918.41	\$191,157.96	
Interest on Bonds (paid and accrued).....	217,062.52	149,187.48	67,875.04	
Deficit.....	\$4,986.15	\$128,269.07	\$123,282.92	
Percentage of Expenses to Earnings —				
Excluding Taxes.....	68.69	94.56		25.87
Including Taxes.....	72.39	97.92		25.53
Miles Operated.....	71.29			
Gross Earnings per Mile of Road.....	\$10,349.35			
Operating Expenses per Mile of Road.....	7,109.22			
Surplus Earnings per Mile of Road.....	\$3,240.13			
Taxes per Mile of Road.....	382.25			
Net Earnings per Mile of Road.....	\$2,857.88			

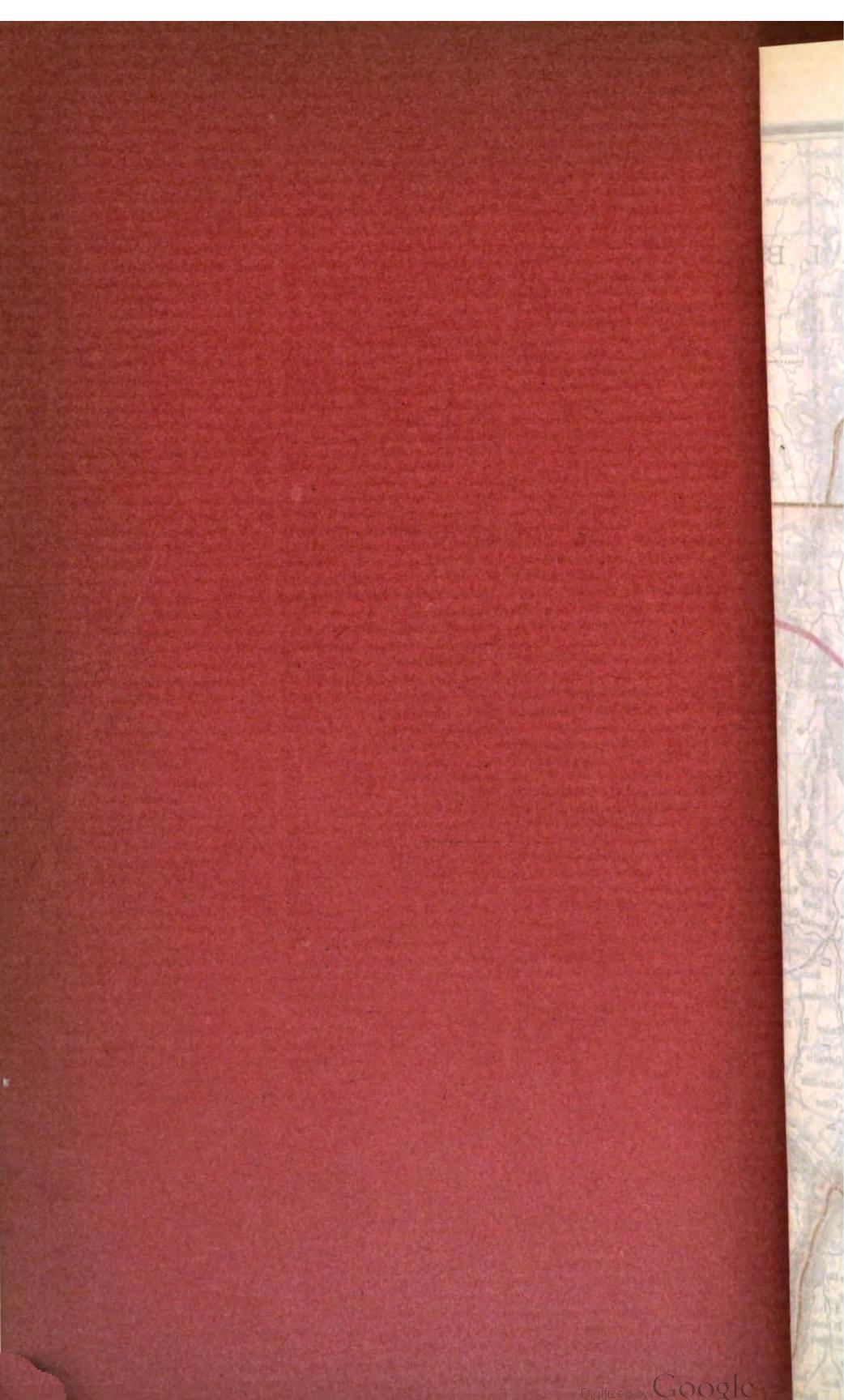


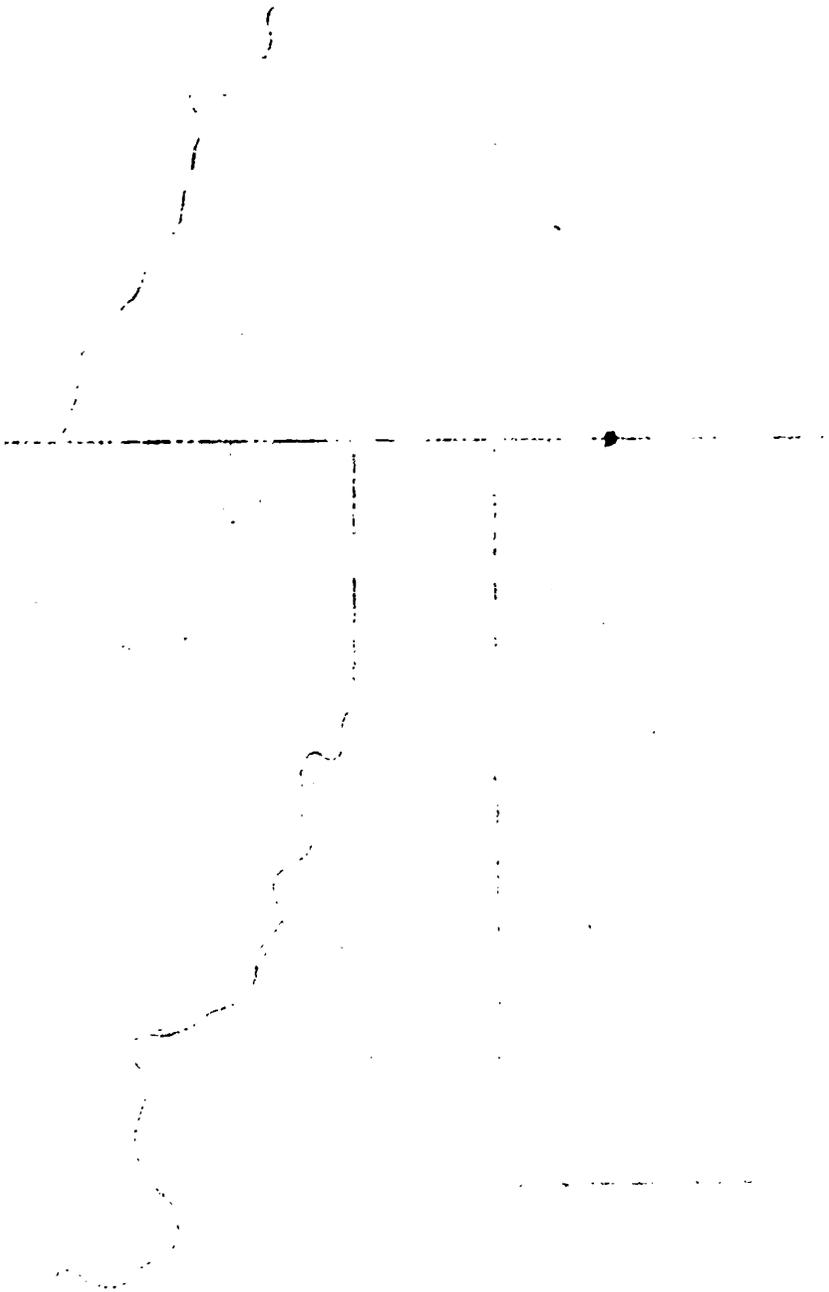


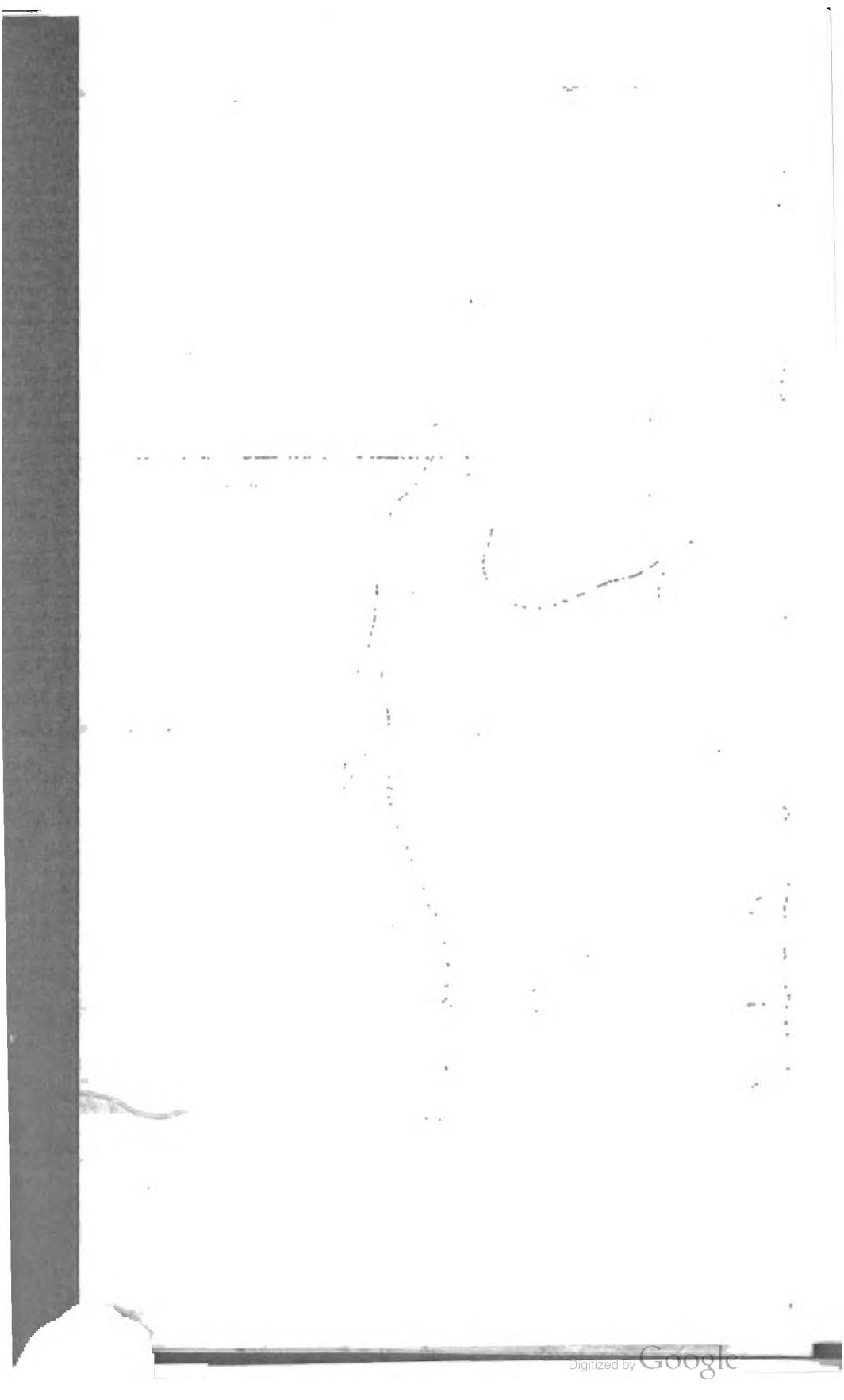












**SECOND ANNUAL REPORT**

OF THE

**GREAT NORTHERN**

**Railway Company.**

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**FISCAL YEAR ENDING**

**JUNE 30th, 1891.**

# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

ELECTED OCT. 14, 1890.

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JAMES J. HILL (for three years),	. . . . .	ST. PAUL.
W. P. CLOUGH (for three years),	. . . . .	ST. PAUL.
SAMUEL HILL (for three years),	. . . . .	MINNEAPOLIS.
LORD MOUNT STEPHEN (for two years),	. . . . .	LONDON, ENGLAND.
SIR DONALD A. SMITH (for two years),	. . . . .	MONTREAL.
GEORGE BLISS (for two years),	. . . . .	NEW YORK.
J. KENNEDY TOD (for one year),	. . . . .	NEW YORK.
EDWARD SAWYER (for one year),	. . . . .	ST. PAUL.
M. D. GROVER (for one year),	. . . . .	ST. PAUL.

## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
C. H. WARREN,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
A. L. MOHLER,	GENERAL MANAGER,	ST. PAUL.
C. W. CASE,	GENERAL SUPERINTENDENT,	ST. PAUL.
P. P. SHELBY,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
N. D. MILLER,	CHIEF ENGINEER,	ST. PAUL.
W. W. BRADEN,	LAND COMMISSIONER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.
F. W. BOBBETT,	TRANSFER AGENT,	NEW YORK.

SECOND ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

The President and Directors submit the following  
report for the Year ending June 30, 1891.

REVENUE ACCOUNT.

To Conducting Transportation, Motive Power, Maintenance and General Expenses.....	\$5,063,954.19		
Fund for Permanent Improvements and Renewals.....	100,000.00		
Rental Paid Eastern Railway of Minnesota..		\$5,163,954.19	
Taxes.....		18,750.00	
Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued.....	\$2,873,598.34		
Guaranteed Dividends on St. P., M. & M. Ry. Stock, Paid and Accrued.....	1,200,000.00		
Maintenance of St. P., M. & M. Ry. Organization.....	11,073.99		
Dividends, 1 per cent, Nov. 1, 1890.....		4,084,672.33	
Dividends, 1 per cent, Feb. 1, 1891.....		650,000.00	
Dividends, 1½ per cent, May 1, 1891.....		64,687.10	
Balance.....			\$10,281,714.21
			\$10,281,714.21

By Earnings:

Freight.....	\$7,628,010.71
Passenger.....	1,876,960.18
Mail.....	292,228.08
Express.....	126,050.39
Miscellaneous.....	356,464.85
	\$10,281,714.21

INCOME ACCOUNT.

To Balance.....	\$988,621.34		
By Balance from Earnings.....		\$64,687.10	
Interest on Bonds Owned.....		285,704.05	
Dividends on Stocks Owned.....		21,036.00	
Rental of Leased Lines.....		185,704.98	
Interest and Exchange.....		118,585.63	
Bills Receivable.....		198,479.78	
Income from Other Sources.....		114,443.80	
	\$988,621.34		\$988,621.34

GENERAL BALANCE SHEET.

T <sub>2</sub> Cost of Properties and Securities Acquired from St. Paul, Minneapolis & Manitoba Railway.....	\$19,250,000.00
New Equipment.....	65,359.82
Additions and Improvements.....	698,892.75
Other Properties and Securities Owned.....	\$20,014,452.57
Expended for Construction of Pacific Line.....	1,670,378.78
Interest on Bonds.....	
Expended for Construction of Other Lines.....	\$8,819,144.15
	439,728.68
	9,249,872.83

CURRENT ASSETS.

Cash in St. Paul Office.....	\$645,641.14
Cash in New York Office.....	1,379,824.65
Cash in London Office.....	176,199.74
Due from Agents.....	153,969.84
Due from United States Postal Department.....	75,436.63
Due from United States Transportation.....	15,662.88
Advanced Charges.....	5,361.96
Due from Other Companies and Individuals.....	1,534,762.00
Material Supply.....	3,983,550.78
	457,925.77
	\$35,375,978.73

Ry Capital Stock.....	\$20,000,000.00
Proceeds from Lands and Real Estate Sold.....	\$98,750.61
Proceeds from Securities Sold.....	731,250.00
	830,000.61

CURRENT LIABILITIES.

Audited Vouchers Unpaid.....	\$795,257.94
Unpaid Pay Rolls.....	375,302.66
Interest Due Under Lease From St. P., M. & M. Ry.....	912,198.00
Dividends Due Under Lease From St. P., M. & M. Ry.....	382.50
Interest Accrued, not due.....	202,146.67
Dividends Accrued, not due.....	200,000.00
Taxes, not due.....	58,011.26
Unpaid Dividends G. N. Ry. Capital Stock.....	1,018.75
Due to Other Companies and Individuals.....	88,193.88
	\$2,542,501.66

CONSTRUCTION LIABILITIES.

Audited Vouchers Unpaid.....	\$833,769.55
Unpaid Pay Rolls.....	85,030.90
Due to Other Companies and Individuals.....	348,447.61
	3,809,749.72

OTHER LIABILITIES.

Montana Central Ry. Current Account.....	\$444,262.34
Eastern Ry. of Minnesota Current Account.....	1,191.99
Northern Steamship Co.....	64,545.24
Climax Coal Co.....	373.78
Sand Coulee Coal Co.....	51,070.60
	561,443.93

Proceeds Pacific Extension Bonds.

Interest Received From Pacific Extension Funds.....	\$8,005,599.40
	346,747.88
	8,352,347.28

St. P., M. & M. Ry. Accounts in Liquidation.

Fund for Permanent Improvements and Renewals.....	267,060.00
Balance.....	1,462,190.18
	\$35,375,978.73

FOR THE PURPOSE OF COMPARISON, THE FOLLOWING STATEMENTS ARE SUBMITTED, SHOWING THE RESULTS FOR THE YEAR ENDING JUNE 30, 1891, FROM THE OPERATION OF THE LINE LEASED FROM THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY.\*

## GROSS EARNINGS.

PER CENT.	1891.		1890.	PER CENT.
74.1901	\$7,628,010.71	.....Freight.....	\$6,915,166.59	73.7696
18.2553	1,876,960.18	.....Passenger.....	1,774,567.96	18.9308
2.8422	292,228.08	.....Mail.....	218,303.21	2.3288
1.2260	126,050.39	.....Express.....	112,029.34	1.1951
3.4864	358,464.85	.....Miscellaneous.....	353,932.14	3.7757
	\$10,281,714.21		9,373,999.24	

## OPERATING EXPENSES.

PER CENT.	1891.		1890.	PER CENT.
25.2143	\$1,302,051.65	Conducting Transportation	\$1,242,489.69	27.5084
31.5387	1,628,644.65	.....Motive Power.....	1,478,639.85	32.7366
24.0707	1,243,001.50	{ Maintenance of Road and Structures. }	776,507.65	17.1916
9.9472	513,669.77	.....Maintenance of Cars.....	487,517.07	10.7935
9.2291	476,586.62	.....General Expenses.....	531,619.54	11.7699
	\$5,163,954.19		\$4,516,773.80	

## SUMMARY OF EARNINGS AND EXPENSES.

1891.		1890.
\$10,281,714.21	.....Gross Earnings.....	\$9,373,999.24
5,163,954.19	.....Operating Expenses.....	4,516,773.80
\$5,117,760.02	.....Net Earnings.....	\$4,857,225.44
299,650.59	.....Taxes.....	274,350.69
\$4,818,109.43	.....Net Income.....	\$4,582,874.75
	Operating Expenses, per cent of Gross	
50.22	.....Earnings.....	48.18
	Operating Expenses and Taxes, per cent	
53.14	.....of Gross Earnings.....	51.11
\$3,676.58	Gross Traffic Earnings per Mile of Road	\$3,367.45
1,846.55	...Operating Expenses per Mile of Road....	1,622.57
\$1,830.03	.....Net Earnings per Mile of Road.....	\$1,744.88
2,796.54	Average Miles of Road under Operation..	2,783.71

\*Statement does not include the W. & S. F. Ry., or D. W. & P. Ry.

STATEMENT OF EXPENDITURES FOR ADDITIONS AND  
IMPROVEMENTS DURING THE FISCAL YEAR ENDING  
JUNE 30, 1891, UPON PROPERTY LEASED FROM THE ST. P.,  
M. & M. RY. CO.

New Buildings for Transportation Department.....	\$22,962 29
New Buildings for Road Department.....	73 33
New Round Houses and Shops.....	122,386 69
New Fuel and Water Stations .....	35,582 70
New Miscellaneous Buildings.....	8,071 57
New Shop Tools and Machinery.....	31,590 30
New Side Tracks .....	87,845 90
New Fences.....	6,152 54
New Snow Fences and Snow Sheds.....	910 85
New Bridges and Culverts.....	18,166 74
Rails, Fastenings, etc .....	71,809 21
Right of Way.....	22,899 60
Real Estate.....	53,708 87
Minneapolis Improvement, representing the expenditure on the work in progress between First Street and Holden Street; rearrangement of Freight Yards, including the lowering of grade and the building of two large Brick Freight Warehouses, and the construction of Overhead Bridges for Street Crossings, etc.....	170,166 99
	<u>\$652,327 58</u>
 <i>New Equipment—</i>	
Changing 150 Flat Cars into Box Cars.....	\$16,500 00
Changing 29 Flat Cars into Water Cars.....	8,263 83
Expenditures on Account of 46 Refrigerator Cars Purchased in Previous Fiscal Year .....	182 88
Fitting Engine No. 331 with Driver and Air Brake Fixtures...	850 40
	<u>\$25,797 11</u>
Total Additions and Improvements and New Equipment...	<u>\$678,124 69</u>

NOTE.—In addition to the above there has been expended during the year, for equipment purchased on account of the St. P., M. & M. Ry. Pacific extension:

375 Box Cars.....	\$168,375 00
400 Furniture Cars.....	203,977 50
	<u>\$372,352 50</u>

COMPARATIVE STATISTICS OF FREIGHT TRAFFIC  
OPERATIONS DURING LAST TWO FISCAL YEARS.\*

	1891.	1890.
Freight Train Mileage.....	3,132,540	2,914,592
Number of Tons Carried.....	2,280,382	2,324,900
Tons Carried One Mile.....	616,286,817	540,059,827
Earnings from Freight Traffic.....	\$7,628,010.71	\$6,915,166.59
Average Earnings per Ton per Mile.....	.01238	.01280

COMPARATIVE STATISTICS OF PASSENGER TRAFFIC  
OPERATIONS DURING LAST TWO FISCAL YEARS.\*

	1891.	1890.
Passenger Train Mileage.....	1,773,993	1,799,097
Number of Passengers Carried.....	1,995,515	2,198,428
Number of Passengers Carried One Mile.....	82,327,486	73,458,977
Earnings from Passenger Trains.....	\$2,458,314.12	\$2,267,669.36
Earnings per Passenger per Mile.....	.02279	.02415

\* Exclusive of W. & S. F. Ry. and D., W. & P. Ry.

COMPARATIVE TABLE SHOWING REDUCTION IN EARNINGS, BY REASON OF THE REDUCTION OF RATES, ON THE GREAT NORTHERN RAILWAY, FOR A PERIOD OF TEN YEARS, FROM 1882 TO 1891, INCLUSIVE.\*

Year Ending June 30th.	FREIGHT.				PASSENGER.				
	Tons One Mile.	Earnings per Ton per Mile, Cents.	Freight Earnings Collected by the Company.	Freight Earnings Figured on Basis of the Rate per Ton per Mile of 1882.	Passengers One Mile.	Earnings per Passenger per Mile, Cents.	Passenger Earnings Collected by the Company.	Passenger Earnings Figured on Basis of the Rate per Passenger per Mile of 1882.	Year Ending June 30th.
1882.....	189,862,911	2.51	\$4,773,005.72	\$4,773,005.72	54,352,245	2.92	\$1,587,180.27	\$1,587,180.27	1882
1883.....	341,530,997	1.95	6,687,924.96	8,572,632.92	68,070,475	2.99	2,031,440.92	1,997,657.99	1883
1884.....	340,327,879	1.79	6,114,459.51	8,542,731.76	53,494,373	3.11	1,665,430.59	1,563,935.66	1884
1885.....	395,932,105	1.52	6,013,950.12	9,023,291.84	41,484,295	2.94	1,395,797.32	1,366,418.77	1885
1886.....	374,985,532	1.49	5,587,284.43	9,412,756.85	48,454,515	2.45	1,441,497.36	1,706,871.72	1886
1887.....	450,932,486	1.36	6,151,746.65	11,318,095.47	66,807,212	2.24	1,497,820.02	1,990,785.19	1887
1888.....	559,932,053	1.30	7,277,333.45	14,059,855.83	73,849,169	2.46	1,823,261.80	2,156,395.72	1888
1889.....	497,668,580	1.49	6,075,636.52	10,217,421.36	72,711,983	2.57	1,869,864.89	2,173,180.99	1889
1890.....	554,752,349	1.27	7,071,787.71	13,924,283.96	74,614,680	2.42	1,808,392.97	2,178,748.66	1890
1891.....	634,163,295	1.24	7,914,712.94	15,917,498.70	84,015,997	2.30	1,935,297.01	2,453,264.48	1891
Totals.....	4,249,040,199	1.50	\$63,666,952.05	\$106,658,355.41	653,851,153	2.61	\$17,044,382.59	\$19,092,548.37	.....
Decrease.....	.....	.....	.....	\$42,991,403.36	.....	.....	.....	\$2,047,665.78	.....

DECREASE:  
 Freight..... \$42,991,403.36  
 Passenger..... 2,047,665.78  
 Total..... \$45,039,069.14  
 Average per Year..... \$4,503,906.91

\* Including W. & S. F. Ry. and D. W. & P. Ry.

STATEMENT OF THE GREAT NORTHERN RAILWAY AND ITS  
 PROPRIETARY LINES, SHOWING MILEAGE, BONDED DEBT,  
 FIXED CHARGES, ETC., JUNE 30, 1891.

STATEMENT A.—LINE LEASED FROM ST. PAUL, MINNEAPOLIS & MANITOBA  
 RAILWAY.

<i>Bonded Debt.</i>	<i>Bonds.</i>	<i>Interest.</i>
St. Paul & Pacific Railway, 7 per cent.....	\$366,000.00	\$25,620.00
First Mortgage, 7 per cent.....	4,000,000.00	280,000.00
Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
Dakota Extension First Mortgage, 6 per cent.....	5,676,000.00	340,560.00
Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,640.00
Consolidated Mortgage, 4½ per cent.....	14,127,000.00	635,715.00
Montana Extension First Mortgage, 4 per cent.....	7,616,000.00	304,640.00
Total.....	<u>\$53,129,000.00</u>	<u>\$2,867,175.00</u>
<i>Stock.</i>		
Guaranteed Dividends of 6 per cent on Capital Stock.....	20,000,000.00	1,200,000.00
Grand Total.....	<u>\$73,129,000.00</u>	<u>\$4,067,175.00</u>
Mileage of Main Track.....		2,850.76
Bonded Debt per Mile.....		\$18,636.79
Capital Stock per Mile.....		7,015.67
Interest Charges per Mile.....		1,005.76
Dividend Charges per Mile.....		420.94

The above statement does not include the mileage of the Pacific Extension now under construction, or the \$2,000,000 Pacific Extension 4 per cent Bonds issued thereon.

STATEMENT B.—WILLMAR & SIOUX FALLS RAILWAY.

Mileage of Main Track.....		146.91
Capital Stock.....	\$1,500,000.00	
Bonded Debt.....	2,625,000.00	
Interest Charges.....		157,500.00
Capital Stock per Mile.....		10,210.33
Bonded Debt per Mile.....		17,868.08
Interest Charges per Mile.....		1,072.08
Gross Earnings per Mile.....		2,305.73
Operating Expenses and Taxes per Mile.....		1,383.16
Net Earnings per Mile.....		922.57

All the above stock and bonds are owned by the Great Northern Railway Company.

STATEMENT C.—DULUTH, WATERTOWN & PACIFIC RAILWAY.

Mileage of Main Track.....		69.84
Capital Stock.....	\$730,000.00	
Bonded Debt.....	1,375,000.00	
Interest Charges.....		82,500.00
Capital Stock per Mile.....		10,452.46
Bonded Debt per Mile.....		19,687.86
Interest Charges per Mile.....		1,181.27
Gross Earnings per Mile.....		435.86
Operating Expenses and Taxes per Mile.....		623.71
Net Deficit per Mile.....		187.85

All the above stock and bonds are owned by the Great Northern Railway Company.

## STATEMENT D.—MONTANA CENTRAL RAILWAY.

Mileage of Main Track.....	235.14
Capital Stock.....	\$5,000,000.00
Bonded Debt.....	7,500,000.00
Interest Charges.....	435,000.00
Capital Stock per Mile.....	21,263.92
Bonded Debt per Mile.....	31,895.89
Interest Charges per Mile.....	1,849.96
*Gross Earnings per Mile.....	6,411.60
*Operating Expenses and Taxes per Mile.....	3,301.50
*Net Earnings per Mile.....	3,110.10

\* Divided on basis of 192.54 miles the mileage operated during the twelve months.  
All the above stock is owned by the Great Northern Railway Company.

## STATEMENT E.—EASTERN RAILWAY COMPANY OF MINNESOTA.

This Company owns very extensive docks, warehouses, elevators, etc., in West Superior and Duluth, and furnishes lake terminals for the entire Great Northern system. Its mileage being short, its debt shows a relatively high figure per mile, which is occasioned by the cost of the terminal properties.

Mileage of Main Track.....	72.39
Capital Stock.....	\$5,000,000.00
Bonded Debt.....	4,637,000.00
Interest Charges.....	231,850.00
Capital Stock per Mile.....	69,070.31
Bonded Debt per Mile.....	64,055.81
Interest Charges per Mile.....	3,202.79
Gross Earnings per Mile.....	11,554.69
Operating Expenses and Taxes per Mile.....	7,958.26
Net Earnings per Mile.....	3,596.43

All the above stock is owned by the Great Northern Railway Company.

## STATEMENT F.—MINNEAPOLIS UNION RAILWAY COMPANY.

This Company owns the passenger terminals at Minneapolis, Minn., including Union Depot and double track stone arch bridge across the Mississippi river.

Mileage of Main Track.....	4.96
Capital Stock.....	\$500,000.00
Bonded Debt.....	2,700,000.00
Interest Charges.....	156,500.00
Capital Stock per Mile.....	100,806.45
Bonded Debt per Mile.....	544,354.84
Interest Charges per Mile.....	31,552.42
Gross Earnings per Mile.....	57,832.17
Operating Expenses and Taxes per Mile.....	11,908.86
Net Earnings per Mile.....	45,923.31

All the above stock is owned by the Great Northern Railway Company.

INCOME STATEMENT OF PROPRIETARY COMPANIES, FOR  
THE YEAR ENDING JUNE 30, 1891.

WILLMAR & SIOUX FALLS RAILWAY.

Earnings from Operation.....	\$338,735.39
Operating Expenses and Taxes.....	\$203,199.46
Interest Paid and Accrued.....	157,500.00
	360,699.46
Balance .....	\$21,964.07

DULUTH, WATERTOWN & PACIFIC RAILWAY.

Earnings from Operation.....	\$30,440.60
Operating Expenses and Taxes.....	\$43,560.43
Interest Paid and Accrued.....	82,500.00
	126,060.43
Balance.....	\$95,619.83

MONTANA CENTRAL RAILWAY.

Earnings from Operation .....	\$1,234,489.59
Income from Other Sources.....	12,150.57
	\$1,246,640.16
Operating Expenses and Taxes.....	\$635,671.01
Rental of Lines Leased.....	3,600.00
Interest Paid and Accrued.....	387,500.00
	1,026,771.01
Balance .....	\$219,869.15

EASTERN RAILWAY OF MINNESOTA.

Earnings from Operation.....	\$836,444.44
Income from Other Sources.....	113,796.02
	\$950,240.46
Operating Expenses and Taxes.....	\$576,098.81
Rental of Lines Leased.....	79,651.20
Interest Paid and Accrued.....	226,712.50
	882,462.51
Balance .....	\$67,777.95

## MINNEAPOLIS UNION RAILWAY.

Earnings from Operation .....		\$286,847.56
Operating Expenses.....	\$59,067.93	
Interest Paid and Accrued .....	<u>156,500.00</u>	
		215,567.93
Balance.....		<u>\$71,279.63</u>

## NORTHERN STEAMSHIP COMPANY.

Earnings from Operation.....		\$456,852.07
Operating Expenses.....		<u>346,396.66</u>
Balance.....		<u>\$110,455.41</u>

## SAND COULEE COAL COMPANY.

Coal Sales.....	\$366,696.55	
Income from Other Sources.....	20,032.20	
		\$386,728.75
Operating Expenses .....		<u>267,379.71</u>
Balance.....		<u>\$119,349.04</u>

## TRACK STATEMENT.

## GREAT NORTHERN RY. AND PROPRIETARY COMPANIES.

GREAT NORTHERN RAILWAY.	MILES.					Total.
	Main Track.	Second Track.	Third Track.	Fourth Track.	Side Track.	
LEASED FROM ST. P. M. & M. RY.						
Fergus Falls Div.....	532.70	12.26	8.10	8.10	138.50	
Breckenridge Div....	571.07	14.66	.....	.....	76.73	
Northern Div.....	534.10	.....	.....	.....	61.25	
Dakota Div.....	605.59	.....	.....	.....	46.41	
Montana Div.....	564.18	.....	.....	.....	56.55	
†Total Main Track G. N. Ry.....	2,807.64	26.92	8.10	8.10	379.44	
					2,850.76	3,230.20
PROPRIETARY COM- PANIES.						
Eastern Ry. of Minn.	72.39	.....	.....	.....	31.98	104.37
*Montana Cent'l Ry.	192.54	.....	.....	.....	21.82	214.36
Willmar & S. F. Ry.	146.91	.....	.....	.....	11.22	158.13
Duluth, W. & P. Ry.	69.84	.....	.....	.....	4.09	73.93
Minneapolis U. Ry....	2.48	2.48	.....	.....	1.84	6.80
Total, all lines.....	3,291.80	29.40	8.10	8.10	450.39	3,787.79

There was constructed during the year a branch line from Grafton, N. D., to Cavalier, N. D., 31.71 miles, and also a connection with the Great Falls & Canada Railway, near Great Falls, Mont., 1.26 miles.

†This statement does not include the Pacific Extension under construction.

\*Not including Neihart and Barker Branches under construction, of which 42.60 miles main track and 2.23 miles side tracks are practically completed. The whole will be completed this season.

## EQUIPMENT STATEMENT.

JUNE 30, 1891.

CLASS.	G. N. Rv.	M. C. Rv.	E. Rv.	TOTAL.
Locomotives.....	259	18	18	295
PASSENGER EQUIPMENT—				
Sleeping Cars.....	30			30
Parlor Cars.....			3	3
Dining Cars.....	6			6
Coaches.....	100	6	6	112
Colonist Sleepers.....	8			8
Passenger and Baggage.....	23	2	4	29
Baggage, Mail and Express.....	53	2		55
Business Cars.....	3			3
Total Passenger Equipment..	223	10	13	246
FREIGHT EQUIPMENT—				
Box Cars.....	6,359	100	750	7,209
Flat and Coal Cars.....	1,353	600	493	2,446
Stock Cars.....	478	50		528
Furniture Cars.....	410			410
Refrigerator Cars.....	103		4	107
Express Freight Cars.....			6	6
Hay Cars.....	6			6
Caboose Cars.....	148	10	12	170
Boarding Cars.....	31		7	38
Derrick and Tool Cars.....	23	1	1	25
Steam Shovels.....	2		1	3
Rotary Snow Plows.....	2			2
Pile Drivers.....	3			3
Ditching Car.....	1			1
Flanger.....	1			1
Other Work Equipment.....	71			71
Total Freight and Work Equip- ment.....	8,991	761	1,274	11,026

## SUMMARY OF FREIGHT AND PASSENGER TRAFFIC

OF THE

GREAT NORTHERN RAILWAY, WILLMAR & SIOUX FALLS  
RAILWAY AND DULUTH, WATERTOWN &  
PACIFIC RAILWAY.

## FREIGHT TRAFFIC.

Including the entire freight traffic for the year, the increase of tonnage and decrease in the average rate would produce the following apparent result:

Increase of Revenue from increase of business.....	\$987,160 84
Decrease of Revenue from a decrease in average rate.....	144,235 61
Net Increase.....	\$842,925 23

## PASSENGER TRAFFIC.

Including entire Passenger Traffic there was an increase of

Revenue from increase of business.....	\$214,113 21
Decrease of Revenue from decrease in average rate.....	87,299 17
Net Increase.....	\$126,814 04

Early in December, 1890, the St. Paul and Minneapolis Street Railway Companies put in operation their electric street railway line between St. Paul and Minneapolis, with the result of diverting from Great Northern short line trains a large portion of the passenger traffic previously carried. During the seven months ending June 30, 1891, there was a decrease in short line business as compared with the corresponding period of the previous year as shown below:

Passengers.....	270,224
Revenue.....	\$55,295 64

Exclusive of the short line business between St. Paul and Minneapolis, during the past fiscal year, there was an increase in passenger traffic as shown below:

Passengers.....	69,336
Passengers one mile.....	11,525,416
Revenue.....	\$179,202 89

During the year, the fifty-six pound steel between St. Cloud and Hinckley has been replaced with seventy-five pound steel. Wooden trestle and pile bridging on this line has been mainly replaced by stone culverts and earth embankments.

On the Breckenridge Division, seventy-five pound steel has been laid from a point between Donnelly and Morris, to Herman, and will, during the summer, be completed to Breckenridge.

During the year, as will be seen by reference to the tabulated statements herein, there have been large expenditures for additional stations, shops, water supply, highway bridges, extension of terminal yards, side-tracks, and other permanent improvements, amounting to \$652,327.58. The principal expense for stations and highway bridges has been incurred in Minneapolis. When this improvement is completed, the Company will be able to run its trains through Minneapolis without a street crossing at grade, and it is expected that the terminal station facilities in that city will be adequate for the business for many years to come.

The policy of relaying the main lines with heavy rails has been continued. The Board of Directors, bearing in mind the constant downward tendency of rates, have kept in view the importance of cheap operation, and to insure the ability to meet these conditions in the future, have made liberal expenditures to secure permanent improvements in the cost of transacting the Company's business.

The shops at St. Cloud, mentioned in the last report, have been completed, and the freight equipment for all the lines is being thoroughly repaired there.

#### EXTENSIONS.

The extension from Grafton to Cavalier (31.71 miles), mentioned in the last report, has been completed and put in operation, and is furnishing the Company with a satisfactory business.

The Sauk Centre Northern Branch is being extended from Eagle Bend to Park Rapids, a distance of 54.52 miles; and it is intended

another year to complete this line to Leech Lake, where it will have access to the largest district of pine timber standing in the Northwest. Inasmuch as the larger portion of the Company's lines are located in prairie regions, the value of this extension will be apparent.

The Moorhead Northern Branch is being extended from Hendrum, on the east side of the Red river, to Alton, on the line between Fargo and Grand Forks, a distance of 10.54 miles.

On the Montana Central, the line is being extended from Monarch to Barker, 10.79 miles, and from Monarch to Neihart, 13.44 miles. This work will be completed the coming fall.

Track laying on the Pacific Extension has been nearly completed to the summit of the Rocky Mountains. During the winter a large force was employed on the heavy work between the summit of the main range and Spokane Falls, and this force is being largely increased for the summer's work, with the intention of completing, as far as possible, before next winter, the grading to the last named place. Careful and thorough examination has been made of the entire country along the line of the Pacific Extension, through to Puget Sound, resulting in a line shorter, and with lower grades, than those of any transcontinental line heretofore built between the Great Lakes and the Pacific ocean. The work on this line, including the road-bed and bridges, is being done in the most substantial and thorough manner, to provide for using the heaviest types of locomotives and cars with the greatest safety. It is expected that the line will be completed to the Pacific coast in time for the summer business of 1893.

As will be seen by reference to the details of this report, the business of the Company and its proprietary lines shows a constant improvement, and at the same time a steady reduction in rates of transportation. Attention is called to the statement herein, showing the reductions for the past ten years.

The increase of business on the lines west of Minot, including the Montana Central, amply justifies the wisdom of building into that country, and your Directors are more fully impressed with the importance of the extension to the Pacific coast.

The business of the Northern Steamship Company shows an increase in tonnage and earnings over last year, and the benefits of the operation of this line in connection with your railway are fully confirmed.

The Company's coal mines at Sand Coulee, Mont., have secured to the Company a full supply of good fuel at a low cost, and a large traffic for its returned cars from Montana eastward.

During the year there were retired, of the St. Paul, Minneapolis & Manitoba Railway Company's First Mortgage Land Grant Bonds, \$280,000, by the operation of the Land Grant Sinking Fund, reducing the amount of interest to be paid by this Company under the lease, \$19,600 per annum. It is expected that the reductions from this source will be increased with the increasing sales of the Company's lands.

The following is a statement of the Minneapolis & St. Cloud Land Grant for the fiscal year ending June 30th:

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### LAND COMMISSIONER'S REPORT.

*Jas. J. Hill, Esq., President,*

DEAR SIR: I herewith respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1891:

	<i>Acres.</i>	<i>Acres.</i>
Amount of Grant, Hinckley Branch.....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	
		476,864.00
Total Acreage Selected to Date.....	187,954.46	
Total Acreage Deeded to Company to Date.....	124,712.64	
	<u>                    </u>	
Total Acreage Sold Prior to June 30, 1891.....		54,690.33
		<u>                    </u>
Remaining Unsold June 30, 1891.....		422,173.67

LAND COMMISSIONER'S REPORT—*Continued.*

During the year ending June 30, 1891, 2,022.86 acres of land were sold for \$12,553.78, an average price of \$6.21 per acre. The expenses of the Land Department for the year were \$3,427.20.

Amount of Deferred Payments due Company, \$10,719.93, bearing seven per cent interest.

W. W. BRADEN,  
*Land Commissioner.*

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These lands are being selected by the Company as fast as the examinations can be made.

JAS. J. HILL,  
*President.*







PROPERTY OF  
HARVEY FISK & SONS.  
STATISTICAL DEPARTMENT.  
NOT TO BE LOANED OR TAKEN FROM OFFICE

THIRD ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

---

FISCAL YEAR ENDING

JUNE 30, 1892.



*Fixed Charges*  
*\$ 5,144,216.*

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**THIRD ANNUAL REPORT**

OF THE

**GREAT NORTHERN**

**Railway Company.**

**FISCAL YEAR ENDING**

**JUNE 30, 1892.**

→ products limit  
MS. 11112

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# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES J. HILL	(term expires 1893), . . . . .	ST. PAUL.
W. P. CLOUGH	(term expires 1893), . . . . .	ST. PAUL.
SAMUEL HILL	(term expires 1893), . . . . .	MINNEAPOLIS.
LORD MOUNT STEPHEN	(term expires 1892), . . . . .	LONDON, ENGLAND.
SIR DONALD A. SMITH	(term expires 1892), . . . . .	MONTREAL.
GEORGE BLISS	(term expires 1892), . . . . .	NEW YORK.
J. KENNEDY TOD	(term expires 1894), . . . . .	NEW YORK.
EDWARD SAWYER	(term expires 1894), . . . . .	ST. PAUL.
M. D. GROVER	(term expires 1894), . . . . .	ST. PAUL.

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## OFFICERS.

J. J. HILL, . . . . .	PRESIDENT, . . . . .	ST. PAUL.
W. P. CLOUGH, . . . . .	VICE PRESIDENT, . . . . .	ST. PAUL.
E. SAWYER, . . . . .	TREASURER AND ASST. SECRETARY, . . . . .	ST. PAUL.
E. T. NICHOLS, . . . . .	SECRETARY AND ASST. TREASURER, . . . . .	NEW YORK.
C. H. WARREN, . . . . .	COMPTROLLER, . . . . .	ST. PAUL.
M. D. GROVER, . . . . .	GENERAL SOLICITOR, . . . . .	ST. PAUL.
A. L. MOHLER, . . . . .	GENERAL MANAGER, . . . . .	ST. PAUL.
W. W. FINLEY, . . . . .	GENERAL TRAFFIC MANAGER, . . . . .	ST. PAUL.
N. D. MILLER, . . . . .	CHIEF ENGINEER, . . . . .	ST. PAUL.
W. W. BRADEN, . . . . .	LAND COMMISSIONER, . . . . .	ST. PAUL.
N. TERHUNE, . . . . .	TRANSFER AGENT, . . . . .	NEW YORK.
F. W. BOBBETT, . . . . .	TRANSFER AGENT, . . . . .	NEW YORK.



THIRD ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

The President and Directors submit the following report for the Year ending June 30, 1892.

REVENUE ACCOUNT.

(ST. P., M. & M. RY. CO.'S LEASED LINES.)

To Conducting Transportation, Motive Power, Maintenance and General Expenses.....	\$6,383,298.09	
Fund for Permanent Improvements and Renewals.....	750,000.00	
Taxes.....		\$7,133,298.09
Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued.....	\$2,890,946.22	367,550.65
Guaranteed Dividends on St. P., M. & M. Ry. Stock, Paid and Accrued.....	1,200,000.00	
Maintenance of St. P., M. & M. Ry. Organization.....	8,277.92	
Dividends, 1 1/2 per cent, Aug. 1, 1891.....	\$250,000.00	4,099,224.14
Dividends, 1 1/2 per cent, Nov. 1, 1891.....	250,000.00	
Dividends, 1 1/2 per cent, Feb. 1, 1892.....	250,000.00	
Dividends, 1 1/2 per cent, May 1, 1892.....	250,000.00	1,000,000.00
Balance.....		4,055.54
		<u>\$12,604,128.42</u>
By Earnings:		
Freight.....	\$9,720,485.95	
Passenger.....	2,028,948.85	
Mail.....	304,171.84	
Express.....	153,460.89	
Miscellaneous.....	397,060.89	
		<u>\$12,604,128.42</u>

INCOME ACCOUNT.

To Balance.....	\$943,475.69	
By Balance from Earnings.....		\$4,055.54
Interest on Bonds Owned.....		340,187.11
Dividends declared on Stocks Owned.....		18,036.00
Rental of Leased Lines.....		178,256.38
Interest and Exchange.....		249,763.18
Bills Receivable.....		135,630.02
Income from Other Sources.....		17,547.46
		<u>\$943,475.69</u>

GENERAL BALANCE SHEET.

To Cost of Properties and Securities Acquired from St. Paul, Minneapolis & Manitoba Railway.....	\$19,250,000.00
New Equipment.....	226,400.65
Additions and Improvements.....	1,237,512.78
Other Properties and Securities Owned.....	\$20,714,213.43
Interest on Bonds.....	1,854,057.01
Expended for Construction of Pacific Line	\$20,154,792.93
Interest on Bonds.....	969,886.00
Expended for Construction of Other Lines.....	\$21,124,472.93
Interest on Bonds.....	398,762.20
	21,523,235.13

CURRENT ASSETS.

Cash in St. Paul Office.....	\$356,653.20
Cash in New York Office.....	862,239.69
Cash in London Office.....	272,313.75
Due from Agents.....	394,288.06
Due from United States Postal Department.....	81,549.19
Due from United States Transportation.....	25,911.84
Advanced Charges.....	11,975.14
Due from Other Companies and Individuals.....	2,739,500.13
Material Supply.....	4,744,431.00
	494,388.02

By Capital Stock.....	\$20,000,000.00
Proceeds from Lands and Real Estate Sold.....	\$154,208.61
Proceeds from Securities Sold.....	1,188,855.00
	1,343,153.61

CURRENT LIABILITIES.

Audited Vouchers Unpaid.....	\$765,407.60
Unpaid Pay Rolls.....	454,904.55
Interest Due Under Lease from St. P., M. & M. Ry.....	908,102.59
Dividends Due Under Lease from St. P., M. & M. Ry.....	532.50
Interest Accrued, not due.....	202,146.67
Dividends Accrued, not due.....	200,000.00
Taxes, not due.....	68,558.01
Due to Other Companies and Individuals.....	1,006,850.00
	\$3,606,501.92

CONSTRUCTION LIABILITIES.

Audited Vouchers Unpaid.....	\$1,891,855.74
Unpaid Pay Rolls.....	220,821.70
Due to Other Companies and Individuals.....	490,373.72
	6,209,553.08

OTHER LIABILITIES.

Montana Central Ry. Current Account.....	\$618,759.18
Eastern Ry. of Minnesota Current Account.....	\$13,285.94
Northern Steamship Co.....	163,457.30
Climax Coal Co.....	63.84
Minneapolis Union Ry.....	101,130.89
Sand Coulee Coal Co.....	386,000.00
Proceeds Pacific Extension Bonds.....	\$11,731,371.66
Interest Received from Pacific Extension Funds.....	453,209.26
Subscription Collateral Trust Bonds.....	12,184,880.92
St. P., M. & M. Ry. Accounts in Liquidation.....	4,297,638.46
Fund for Permanent Improvements and Renewals.....	135,178.76
Balance.....	1,017,276.64
	2,345,605.87
	\$49,330,324.59

FOR THE PURPOSE OF COMPARISON, THE FOLLOWING STATEMENTS ARE SUBMITTED SHOWING THE RESULTS FOR THE YEAR ENDING JUNE 30, 1892, FROM THE OPERATION OF THE LINE LEASED FROM THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY.\*

## GROSS EARNINGS.

PER CENT.	1892.		1891.	PER CENT.
77.1214	\$9,720,485.95	.....Freight .....	\$7,628,010.71	74.1901
16.0975	2,028,948.85	.....Passenger. ....	1,876,960.18	18.2553
2.4133	304,171.84	..... Mail .....	292,228.08	2.8422
1.2176	153,460.89	.....Express.....	126,050.39	1.2260
3.1502	397,066.89	.....Miscellaneous ...	358,464.85	3.4864
	\$12,604,128.42		\$10,281,714.21	

## OPERATING EXPENSES.

PER CENT.	1892.		1891.	PER CENT.
21.6093	\$1,541,453.65	Conducting Transportation	\$1,302,051.65	25.2143
31.2693	2,230,529.79	..... Motive Power .....	1,628,644.65	31.5387
31.4517	2,243,543.57	{ Maintenance of Road and Structures. }	1,243,001.50	24.0707
8.5780	611,894.89	.....Maintenance of Cars.....	513,669.77	9.9472
7.0917	505,876.19	.....General Expenses.....	476,586.62	9.2291
	\$7,133,298.09		\$5,163,954.19	

## SUMMARY OF EARNINGS AND EXPENSES.

1892.		1891.
\$12,604,128.42	.....Gross Earnings.....	\$10,281,714.21
7,133,298.09	.....Operating Expenses .....	5,163,954.19
\$5,470,830.33	.....Net Earnings.....	\$5,117,760.02
367,550.65	.....Taxes .....	299,650.59
\$5,103,279.68	.....Net Income .....	\$4,818,109.43
56.59	Operating Expenses, per cent of Gross .....Earnings.....	50.22
59.51	Operating Expenses and Taxes, per cent .....of Gross Earnings.....	53.14
\$4,398.73	Gross Traffic Earnings per Mile of Road	\$3,676.58
2,489.46	...Operating Expenses per Mile of Road...	1,846.55
\$1,909.27	.....Net Earnings per Mile of Road.....	\$1,830.03
2,865.40	Average Miles of Road under Operation	2,796.54

\*Statements do not include the W. & S. F. Ry. or D. W. & P. Ry.

STATEMENT OF EXPENDITURES FOR ADDITIONS AND  
IMPROVEMENTS DURING THE FISCAL YEAR ENDING  
JUNE 30, 1892, UPON PROPERTY LEASED FROM THE ST. P.,  
M. & M. RY. CO.

New Buildings for Transportation Department.....	\$100,597.32
New Buildings for Road Department.....	1,146.26
New Round Houses and Shops.....	69,849.05
New Fuel and Water Stations.....	2,573.99
New Miscellaneous Buildings.....	8,644.30
New Shop Tools and Machinery.....	10,824.75
New Side Tracks.....	79,253.34
New Fences.....	5,950.86
New Snow Fences and Snow Sheds.....	2,507.15
New Bridges and Culverts.....	100,256.25
Masonry.....	148,984.72
Rails, Fastenings, etc.....	90,568.84
Roadway and Track.....	68,172.65
Right of Way.....	28,660.34
Real Estate.....	1,170.30
General Office Building.....	1,426.90
	<u>\$720,587.02</u>

*Deduct—*

Value of buildings for the Road Department destroyed and not replaced	\$1,500.00
For property heretofore shown in Real Estate Account now transferred to Right of Way and included above.....	10,000.00
Amount shown in previous report as expended on account of improvements in progress at Minneapolis, not completed; the work having been completed the cost has been distributed to proper accounts and is included above	<u>170,166.99</u>

181,666.99

\$538,920.03

*New Equipment—*

100 Ballast Cars and 4 Ballast Plow Cars.....	\$59,200.00
5 Boarding Cars.....	3,119.69
1 Derrick Car.....	2,070.00
5 Steam Shovels.....	28,549.38
3 Steam Pile Drivers.....	8,813.39
1 Caboose Car.....	575.00
450 Sets of Air Brake Equipment for Freight Cars.....	17,571.20
33 Box Cars.....	16,005.00
Excess cost of 93 Box Cars, 60,000 lbs. capacity, purchased to replace cars of 40,000 lbs. capacity.....	4,650.00
1 Business Car.....	13,974.21
Driver and Air Brake Fixtures for 5 Locomotives.....	3,962.96
Expenditure on account of 5 Locomotives under construction.....	2,550.00
	<u>\$161,040.83</u>
Total Additions and Improvements and New Equipment.....	<u>\$699,960.86</u>

NOTE.—In addition to the above there has been expended during the year, for equipment purchased on account of the St. P., M. & M. Ry. Pacific extension:

30 Locomotives.....	\$308,833.74
4 Sleeping Cars.....	54,933.44
13 Coaches.....	69,109.47
4 Baggage Cars.....	11,842.67
475 Box Cars.....	228,979.80
200 Flat Cars.....	92,617.50
	<u>\$766,316.62</u>

**COMPARATIVE STATISTICS OF FREIGHT TRAFFIC  
OPERATIONS DURING LAST TWO FISCAL YEARS.**

	1892.	1891.
Freight Train Mileage.....	3,894,852	3,132,540
Number of Tons Carried.....	2,926,706	2,280,382
Tons Carried One Mile .....	787,880,742	616,286,817
Earnings from Freight Traffic .....	\$9 720,485.95	\$7,628,010.71
Average Earnings per Ton per Mile .....	.01234	.01238

**COMPARATIVE STATISTICS OF PASSENGER TRAFFIC  
OPERATIONS DURING LAST TWO FISCAL YEARS.**

	1892.	1891.
Passenger Train Mileage.....	1,681,850	1,773,993
Number of Passengers Carried.....	1,600,553	1,995,515
Number of Passengers Carried One Mile.....	82,333,417	82,327,486
Earnings from Passenger Trains.....	\$2,661,282.99	\$2,458,314.12
Earnings per Passenger per Mile .....	.02464	.02279

STATEMENT OF THE GREAT NORTHERN RAILWAY AND ITS  
 PROPRIETARY LINES, SHOWING MILEAGE, BONDED DEBT,  
 FIXED CHARGES, ETC., JUNE 30, 1892.

STATEMENT A.—LINE LEASED FROM ST. PAUL, MINNEAPOLIS & MANITOBA  
 RAILWAY.

<i>Bonded Debt.</i>	<i>Bonds.</i>	<i>Interest.</i>
St. Paul & Pacific Railway, 6 per cent.....	\$366,000.00	\$21,960.00
First Mortgage, 7 per cent.....	3,485,200.00	218,638.00
Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
Dakota Extension First Mortgage, 6 per cent.....	5,676,000.00	340,560.00
Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,640.00
Consolidated Mortgage, 4½ per cent.....	15,162,000.00	681,277.50
Montana Extension First Mortgage, 4 per cent.....	7,616,000.00	304,640.00
<b>Total.....</b>	<b>\$53,649,200.00</b>	<b>\$2,847,715.50</b>
<i>Stock.</i>		
Guaranteed Dividends of 6 per cent on Capital Stock.....	20,000,000.00	1,200,000.00
<b>Grand Total.....</b>	<b>\$73,649,200.00</b>	<b>\$4,047,715.50</b>
Mileage of Main Track.....		2,921.17
Bonded Debt per Mile.....		\$18,365.65
Capital Stock per Mile.....		6,846.57
Interest Charges per Mile.....		974.85
Dividend Charges per Mile.....		410.79

The above statement does not include the mileage of the Pacific Extension now under construction, or the \$3,000,000 Pacific Extension 4 per cent Bonds issued thereon.

STATEMENT B.—WILLMAR & SIOUX FALLS RAILWAY.

Mileage of Main Track.....		146.91
Capital Stock.....	\$1,500,000.00	
Bonded Debt.....	2,625,000.00	
Interest Charges.....	157,500.00	
Capital Stock per Mile.....		10,210.33
Bonded Debt per Mile.....		17,868.08
Interest Charges per Mile.....		1,072.08
Gross Earnings per Mile.....		3,337.04
Operating Expenses and Taxes per Mile.....		1,523.92
Net Earnings per Mile.....		1,813.12

All the above stock and bonds are owned by the Great Northern Railway Company.

STATEMENT C.—DULUTH, WATERTOWN & PACIFIC RAILWAY.

Mileage of Main Track.....		69.84
Capital Stock.....	\$730,000.00	
Bonded Debt.....	1,375,000.00	
Interest Charges.....	82,500.00	
Capital Stock per Mile.....		10,452.46
Bonded Debt per Mile.....		19,687.86
Interest Charges per Mile.....		1,181.27
Gross Earnings per Mile.....		540.65
Operating Expenses and Taxes per Mile.....		527.86
Net Earnings per Mile.....		12.79

All the above stock and bonds are owned by the Great Northern Railway Company.

## STATEMENT D.—MONTANA CENTRAL RAILWAY.

Mileage of Main Track.....	253.22
Capital Stock.....	\$5,000,000.00
Bonded Debt.....	8,000,000.00
Interest Charges.....	460,000.00
Capital Stock per Mile.....	19,745.68
Bonded Debt per Mile.....	31,593.08
Interest Charges per Mile.....	1,816.60
*Gross Earnings per Mile.....	4,920.06
*Operating Expenses and Taxes per Mile.....	2,784.66
*Net Earnings per Mile.....	2,135.40

\*Divided on basis of 245.08 miles, the mileage operated during the twelve months.

All the above stock is owned by the Great Northern Railway Company.

## STATEMENT E.—EASTERN RAILWAY COMPANY OF MINNESOTA.

This Company owns very extensive docks, warehouses, elevators, etc., in West Superior and Duluth, and furnishes lake terminals for the entire Great Northern system. Its mileage being short, its debt shows a relatively high figure per mile, which is occasioned by the cost of the terminal properties.

Mileage of Main Track.....	72.39
Capital Stock.....	\$5,000,000.00
Bonded Debt.....	4,700,000.00
Interest Charges.....	235,000.00
Capital Stock per Mile.....	69,070.31
Bonded Debt per Mile.....	64,926.09
Interest Charges per Mile.....	3,246.29
Gross Earnings per Mile.....	17,667.78
Operating Expenses and Taxes per Mile.....	9,035.88
Net Earnings per Mile.....	8,631.90

All the above stock is owned by the Great Northern Railway Company.

## STATEMENT F.—MINNEAPOLIS UNION RAILWAY.

This Company owns the passenger terminals at Minneapolis, Minn., including Union Depot and double track stone arch bridge across the Mississippi river.

Mileage of Main Track.....	4.96
Capital Stock.....	\$500,000.00
Bonded Debt.....	2,800,000.00
Interest Charges.....	161,500.00
Capital Stock per Mile.....	100,806.45
Bonded Debt per Mile.....	564,516.13
Interest Charges per Mile.....	32,560.48
Gross Earnings per Mile.....	59,291.17
Operating Expenses per Mile.....	12,140.51
Net Earnings per Mile.....	47,150.66

All the above stock is owned by the Great Northern Railway Company.

INCOME STATEMENT OF PROPRIETARY COMPANIES FOR  
THE YEAR ENDING JUNE 30, 1892.

WILLMAR & SIOUX FALLS RAILWAY.

Earnings from Operation.....	\$490,245.26	
Income from Other Sources .....	241.85	
		\$490,487.11
Operating Expenses and Taxes.....	\$223,879.58	
Interest Paid and Accrued.....	157,500.00	
		381,379.58
Balance.....		\$109,107.53

DULUTH, WATERTOWN & PACIFIC RAILWAY.

Earnings from Operation .....	\$37,759.30	
Income from Other Sources.....	24.00	
		\$37,783.30
Operating Expenses and Taxes.....	\$36,866.00	
Interest Paid and Accrued.....	82,500.00	
		119,366.00
Balance.....		\$81,582.70

MONTANA CENTRAL RAILWAY.

Earnings from Operation.....	\$1,205,808.91	
Income from Other Sources .....	3,556.48	
		\$1,209,365.39
Operating Expenses and Taxes.....	\$682,465.20	
Rental of Lines Leased.....	3,600.00	
Interest Paid and Accrued.....	439,500.00	
		1,125,565.20
Balance.....		\$83,800.19

EASTERN RAILWAY OF MINNESOTA.

Earnings from Operation.....	\$1,278,970.28	
Income from Other Sources.....	155,524.80	
		\$1,434,495.08
Operating Expenses and Taxes.....	\$654,106.99	
Rental of Lines Leased .....	78,739.89	
Interest Paid and Accrued .....	234,212.50	
		967,059.38
Balance.....		\$467,435.70

## MINNEAPOLIS UNION RAILWAY.

Earnings from Operation.....	\$294,084.24	
Income from Other Sources.....	1,850.23	
		<u>\$295,934.47</u>
Operating Expenses.....	\$60,216.95	
Interest Paid and Accrued.....	159,000.00	
		<u>219,216.95</u>
Balance.....		\$76,717.52

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## NORTHERN STEAMSHIP COMPANY.

*Earnings from Operation.....		\$363,786.79
*Operating Expenses.....		<u>263,184.77</u>
Balance.....		\$100,602.02
* For nine months ending March 31, 1892.		

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## SAND COULEE COAL COMPANY.

Coal Sales.....	\$693,418.44	
Income from Other Sources.....	22,065.99	
		<u>\$715,484.43</u>
Operating Expenses.....		<u>346,197.76</u>
Balance.....		\$369,286.67

## TRACK STATEMENT.

## GREAT NORTHERN RY. AND PROPRIETARY COMPANIES.

GREAT NORTHERN RAILWAY.  LEASED FROM ST. P., M. & M. RY.	MILES.					Total.
	Main Track.	Second Track.	Third Track.	Fourth, Fifth and Sixth Track.	Side Track.	
Fergus Falls Div.....	587.22	12.26	8.10	9.91	142.79	
Breckenridge Div.....	571.07	14.66	1.18	2.52	71.60	
Northern Div.....	544.54	.....	.....	.....	66.15	
Dakota Div.....	605.53	.....	.....	.....	47.57	
Montana Div.....	564.18	.....	.....	.....	54.88	
† Total Main Track G. N. Ry.....	2,872.54	26.92	9.28	12.43	382.99	3,304.16
PROPRIETARY COMPANIES.						
Eastern Ry. of Minn.....	72.39	.....	.....	.....	32.15	104.54
*Montana Central Ry...	253.22	.....	.....	.....	29.96	283.18
Willmar & S. F. Ry.....	146.91	.....	.....	.....	11.24	158.15
Duluth, W. & P. Ry.....	69.84	.....	.....	.....	4.09	73.93
Minneapolis U. Ry.....	2.48	2.48	.....	.....	1.84	6.80
Total, all Lines.....	3,417.38	29.40	9.28	12.43	462.27	3,930.76

There was completed during the year an extension from Eagle Bend, Minn., to Park Rapids, Minn., 54.524 miles, and between Hendrum, Minn., and Alton, N. D., 10.381 miles.

The system of tracks at the Boston & Montana Smelter near Great Falls were extended 2.02 miles.

† This statement does not include the Pacific Extension under construction, of which 511.4 miles between Pacific Junction, Mont., and Spokane, Wash., are practically completed, and will be placed in operation this season.

\* During the year the lines to Barker and Neihart were completed, and an extension to the Mountain View Mines near Butte, under construction, will be completed during this season.

The line between Silver and Marysville has been removed.

## EQUIPMENT STATEMENT.

JUNE 30, 1892.

CLASS.	G. N. Rv.	M. C. Rv.	E. Rv.	TOTAL.
Locomotives .....	289	20	18	327
<b>PASSENGER EQUIPMENT—</b>				
Sleeping Cars.....	31			31
Parlor Cars.....			3	3
Dining Cars.....	6			6
Coaches .....	113	6	6	125
Colonist Sleepers.....	8			8
Passenger and Baggage.....	24	2	4	30
Baggage, Mail and Express.....	57	2		59
Business Cars.....	6			6
<b>Total Passenger Equipment..</b>	<b>245</b>	<b>10</b>	<b>13</b>	<b>268</b>
<b>FREIGHT EQUIPMENT—</b>				
Box Cars.....	6,867	100	750	7,717
Flat and Coal Cars.....	1,554	600	493	2,647
Ore Cars.....		75		75
Stock Cars.....	478	50		528
Furniture Cars.....	410			410
Refrigerator Cars.....	103		4	107
Express Freight Cars.....			6	6
Hay Cars.....	6			6
Caboose Cars.....	149	10	12	171
Boarding Cars.....	39		7	46
Ballast Cars.....	104			104
Derrick and Tool Cars.....	24	1	1	26
Steam Shovels.....	7		1	8
Rotary Snow Plows.....	2			2
Pile Drivers.....	6	1		7
Ditching Car.....	1			1
Flanger.....	1			1
Other Work Equipment.....	75			75
<b>Total Freight and Work Equip- ment.....</b>	<b>9,826</b>	<b>837</b>	<b>1,274</b>	<b>11,937</b>

The Board of Directors has, during the year, continued the policy of making all improvements, as far as possible, of the most permanent character.

Heavy steel has been laid in place of fifty-six and sixty-pound sections on about one hundred and sixty miles of the main track.

The wooden bridge across the Mississippi river at Minneapolis has been replaced by a heavy, double track, steel bridge, and heavy single track steel bridges are replacing wooden ones across the Mississippi at St. Cloud and the Red Lake river at Crookston.

The work of replacing wooden trestles with stone culverts and earth embankments has been continued, with the intention of making all this work permanent as fast as renewals are required.

Particular attention has been given to the increase of terminal yards and passing tracks.

About three hundred miles of the main track between Barnesville and Pacific Junction are being heavily ballasted with gravel, and the entire distance will be finished next year.

The grading and tracklaying on the Pacific Extension between Spokane Falls and Puget Sound have been rapidly pushed forward, and it is expected that the track will be completed to the Pacific Coast not later than the end of the present year. The Pacific Extension is being heavily ballasted with either broken stone or gravel over the entire length of the line, and your Board of Directors has great pleasure in saying that the entire work on this line is most thorough and substantial in all respects.

The crossing of the Columbia river is being made by a heavy steel bridge, which will be fully completed by the last of January next.

The Pacific Extension will be ready for traffic early in 1893, and its condition will then be such that its traffic can be handled with all the safety and regularity of an old line.

This report shows a steady improvement of the business of this Company and of its proprietary lines and companies, and attention is particularly called to the respective statements of each company, as compared with former reports. Attention is also respectfully called to the provision made for improvements and renewals.

The advent of your Company to the Pacific Coast marks an important change in its general position as regards transcontinental traffic.

Your Company has, at the expiration of its contract with the American Express Company, organized the Great Northern Express

Company, which is now operating on all its lines. It is believed that the revenue from this source will be largely increased by this change.

During the year, \$89,000 of the St. Paul, Minneapolis & Manitoba Railway Company's First Mortgage 7 per cent Land Grant Bonds were exchanged for the Consolidated Mortgage 4½ per cent Bonds of that company, and, by the operation of the First Mortgage Sinking Fund an additional amount of \$425,800 of the First Mortgage Bonds were redeemed and canceled, thereby reducing the interest to be paid by this Company as rental under the lease, \$32,031 per annum.

It is confidently expected that the process of exchange of First Mortgage 7 per cent Bonds for Consolidated Mortgage 4½ per cent Bonds, which is continuing rapidly, together with the further operation of the Sinking Fund, will effect the early extinguishment of the First Mortgage.

Upon the retirement of that mortgage, the proceeds of the Manitoba Company's lands will be devoted to the purchase and cancellation of the Consolidated Mortgage Bonds.

In this connection your attention is called to the statement of the bonded debt of the St. Paul, Minneapolis & Manitoba Railway Company, on page thirteen (13) and the very low rate of bonded debt and fixed charges per mile of road.

The following is a statement of the Minneapolis and St. Cloud Land Grant for the fiscal year ending June 30th :

## LAND COMMISSIONER'S REPORT.

*Jas. J. Hill, Esq., President,*

DEAR SIR: I herewith respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1892:

	<i>Acres.</i>	<i>Acres.</i>
Amount of Grant, Hinckley Branch.....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	
	<hr/>	476,864.00
*Total Acreage Selected to Date.....	148,684.82	
*Total Acreage Deeded to Company to Date.....	111,498.07	
	<hr/>	
Total Acreage Sold Prior to June 30, 1892.....		57,863.66
Remaining Unsold June 30, 1892.....		<hr/> 419,000.34

\*Of selected lands, 39,269.64 acres, and of deeded lands, 13,214.57 acres, included in previous reports, were decreed to Duluth & Iron Range Ry. by Supreme Court of Minnesota.

During the year ending June 30, 1892, 3,173.33 acres of land were sold for \$16,082.80, an average price of \$5.07 per acre. The disbursements of the Land Department for the year were \$25,387.70, including \$24,892.97 paid to Duluth & Iron Range Ry. Co. for lands sold by the G. N. Ry. Co. and afterwards awarded by decree of Court to D. & I. R. Ry. Co.

Amount of Deferred Payments due Company, \$25,559.00, bearing seven and six per cent interest.

W. W. BRADEN,  
*Land Commissioner.*

JAMES J. HILL,  
*President.*







PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT,  
NOT TO BE LOANED OR TAKEN FROM OFFICE

FOURTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

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FISCAL YEAR ENDING

JUNE 30, 1893.





**FOURTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

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**FISCAL YEAR ENDING**

**JUNE 30, 1893.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES J. HILL	(term expires 1893),	. . . . .	ST. PAUL.
W. P. CLOUGH	(term expires 1893),	. . . . .	ST. PAUL.
SAMUEL HILL	(term expires 1893),	. . . . .	MINNEAPOLIS.
J. KENNEDY TOD	(term expires 1894),	. . . . .	NEW YORK.
EDWARD SAWYER	(term expires 1894),	. . . . .	ST. PAUL.
M. D. GROVER	(term expires 1894),	. . . . .	ST. PAUL.
SIR DONALD A. SMITH	(term expires 1895),	. . . . .	MONTREAL.
JACOB H. SCHIFF	(term expires 1895),	. . . . .	NEW YORK.
E. T. NICHOLS	(term expires 1895),	. . . . .	NEW YORK.

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## OFFICERS.

J. J. HILL,	. . . . .	PRESIDENT,	. . . . .	ST. PAUL.
W. P. CLOUGH,	. . . . .	VICE PRESIDENT,	. . . . .	ST. PAUL.
E. SAWYER,	. . . . .	TREASURER AND ASST. SECRETARY,	. . . . .	ST. PAUL.
E. T. NICHOLS,	. . . . .	SECRETARY AND ASST. TREASURER,	. . . . .	NEW YORK.
C. H. WARREN,	. . . . .	COMPTROLLER,	. . . . .	ST. PAUL.
M. D. GROVER,	. . . . .	GENERAL SOLICITOR,	. . . . .	ST. PAUL.
A. L. MOHLER,	. . . . .	GENERAL MANAGER,	. . . . .	ST. PAUL.
W. W. FINLEY,	. . . . .	GENERAL TRAFFIC MANAGER,	. . . . .	ST. PAUL.
N. D. MILLER,	. . . . .	CHIEF ENGINEER,	. . . . .	ST. PAUL.
N. TERHUNE,	. . . . .	TRANSFER AGENT,	. . . . .	NEW YORK.
F. W. BOBBETT,	. . . . .	TRANSFER AGENT,	. . . . .	NEW YORK.



FOURTH ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

The President and Directors submit the following  
report for the Year ending June 30, 1893.

## REVENUE ACCOUNT.

(ST. P., M. & M. RY. CO.'S LEASED LINES.)

<p><b>To</b> Conducting Transportation, Maintenance and General Expenses.....</p> <p>Taxes.....</p> <p>Guaranteed Interest on St. P., M. &amp; M. Ry. Bonds, Paid and Accrued..... \$3,440,286.41</p> <p>Guaranteed Dividends on St. P., M. &amp; M. Ry. Stock, Paid and Accrued..... 1,200,000.00</p> <p>Maintenance of St. P., M. &amp; M. Ry. Organization..... 6,863.17</p> <p>Rental Paid for Other Lines Leased.....</p> <p>Dividends, <math>\frac{1}{4}</math> per cent, Aug. 1, 1892..... \$250,000.00</p> <p>Dividends, <math>\frac{1}{4}</math> per cent, Nov. 1, 1892..... 250,000.00</p> <p>Dividends, <math>\frac{1}{4}</math> per cent, Feb. 1, 1893..... 250,000.00</p> <p>Dividends, <math>\frac{1}{4}</math> per cent, May 1, 1893..... 250,000.00</p> <p>Balance.....</p>	<p>\$7,335,417.15</p> <p>375,554.33</p> <p>4,647,149.58</p> <p>681.45</p> <p>1,000,000.00</p> <p>163,778.97</p> <p><b>\$13,522,581.48</b></p>
<p><b>By</b> Earnings:</p> <p>Freight.....</p> <p>Passenger.....</p> <p>Mail.....</p> <p>Express.....</p> <p>Miscellaneous.....</p> <p>Balance from Earnings.....</p> <p>Interest on Bonds Owned.....</p> <p>Dividends on Stocks Owned.....</p> <p>Rental of Leased Lines.....</p> <p>Interest and Exchange.....</p> <p>Bills Receivable.....</p> <p>Income from Other Sources.....</p>	
	<p>\$10,522,805.53</p> <p>2,145,293.01</p> <p>399,418.40</p> <p>157,655.42</p> <p>387,409.12</p> <p><b>\$13,522,581.48</b></p>

## INCOME ACCOUNT.

<p><b>To</b> Balance.....</p>	<p>\$1,182,330.95</p>
<p><b>By</b> Balance from Earnings.....</p> <p>Interest on Bonds Owned.....</p> <p>Dividends on Stocks Owned.....</p> <p>Rental of Leased Lines.....</p> <p>Interest and Exchange.....</p> <p>Bills Receivable.....</p> <p>Income from Other Sources.....</p>	
	<p>\$163,778.97</p> <p>244,039.89</p> <p>70,136.00</p> <p>191,518.67</p> <p>256,688.13</p> <p>92,830.33</p> <p>163,338.96</p> <p><b>\$1,182,330.95</b></p>

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GENERAL BALANCE SHEET.

<p>To Cost of Properties and Securities Acquired from St. Paul, Minneapolis &amp; Manitoba Railway .....</p> <p>New Equipment .....</p> <p>Additions and Improvements .....</p> <p>St. P. M. &amp; M. Ry. Pac. Ext. Bonds in hands of Trustees .....</p> <p>Other Properties and Securities Owned .....</p> <p>Expended for Construction of New Lines .....</p>	<p>\$19,250,000.00</p> <p>1,940,495.40</p> <p>184,792.61</p> <p>\$21,375,288.01</p> <p>15,000,000.00</p> <p>1,879,975.38</p> <p>8,436,306.89</p>	<p>By Capital Stock .....</p> <p>Collateral Trust Bonds .....</p> <p>Proceeds from Lands and Real Estate Sold .....</p> <p>Proceeds from Securities Sold .....</p>	<p>\$20,000,000.00</p> <p>15,000,000.00</p> <p>3,976,821.52</p> <p>3,690,005.00</p>
<p><b>CURRENT ASSETS.</b></p> <p>Cash in St. Paul Office .....</p> <p>Cash in New York Office .....</p> <p>Cash in London Office .....</p> <p>Due from Agents .....</p> <p>Due from United States Postal Department .....</p> <p>Due from United States Transportation .....</p> <p>Advanced Charges .....</p> <p>Due from Other Companies and Individuals .....</p> <p>Material Supply .....</p>		<p><b>CURRENT LIABILITIES.</b></p> <p>Audited Vouchers Unpaid .....</p> <p>Unpaid Pay Rolls .....</p> <p>Interest Due Under Lease from St. P., M. &amp; M. Ry. ....</p> <p>Dividends Due Under Lease from St. P., M. &amp; M. Ry. ....</p> <p>Unpaid Dividends G. N. Ry. Capital Stock .....</p> <p>Unpaid Coupons G. N. Ry. Col. Trust Bonds .....</p> <p>Due to Other Companies and Individuals .....</p>	
<p><b>CURRENT ASSETS.</b></p> <p>\$463,918.34</p> <p>1,264,391.11</p> <p>268,259.28</p> <p>307,807.21</p> <p>84,077.12</p> <p>7,963.21</p> <p>6,675.91</p> <p>3,236,852.37</p>		<p>\$4,456,562.44</p> <p>845,045.52</p> <p>11,416.51</p> <p>5,271.15</p>	
<p><b>CONSTRUCTION LIABILITIES.</b></p> <p>Audited Vouchers Unpaid .....</p> <p>Unpaid Pay Rolls .....</p> <p>Due to Other Companies and Individuals .....</p>		<p>5,318,295.62</p> <p>770,346.49</p> <p>994,169.94</p> <p>223,583.90</p> <p>128,968.73</p> <p>128,976.95</p> <p>524,000.00</p> <p>15,000.00</p>	
<p><b>OTHER LIABILITIES.</b></p> <p>Montana Central Ry. Current Account .....</p> <p>Eastern Ry. of Minnesota Current Account .....</p> <p>Northern Steamship Co .....</p> <p>Climax Coal Co .....</p> <p>Minneapolis Union Ry. ....</p> <p>Sand Soule Coal Co .....</p> <p>Great Northern Express Co. Current Account .....</p> <p>Taxes not due .....</p> <p>G. N. Ry. Interest Accrued, not due .....</p> <p>St. P., M. &amp; M. Ry. Interest Accrued, not due .....</p> <p>St. P., M. &amp; M. Ry. Dividend Accrued, not due .....</p> <p>Subscription G. N. Ry. Capital Stock .....</p> <p>St. P., M. &amp; M. Ry. Accounts in Liquidation .....</p> <p>Fund for Permanent Improvements and Renewals .....</p> <p>Balance .....</p>		<p>1,052,998.05</p> <p>71,232.16</p> <p>203,000.00</p> <p>202,146.67</p> <p>200,000.00</p> <p>2,075,845.00</p> <p>154,569.05</p> <p>918,182.29</p> <p>3,527,956.82</p> <p>\$53,602,047.18</p>	
<p><b>Balance</b> .....</p>		<p><b>Balance</b> .....</p>	
<p>\$53,602,047.18</p>		<p>\$53,602,047.18</p>	

FOR THE PURPOSE OF COMPARISON, THE FOLLOWING STATEMENTS ARE SUBMITTED SHOWING THE RESULTS FOR THE YEAR ENDING JUNE 30. 1893, FROM THE OPERATION OF THE LINE LEASED FROM THE ST. PAUL MINNEAPOLIS & MANITOBA RAILWAY COMPANY.\*

## GROSS EARNINGS.

PER CENT.	1893.		1892.	PER CENT.
77.8165	\$10,522,805.53	.....Freight.....	\$9,720,485.95	77.1214
15.8645	2,145,293.01	.....Passenger.....	2,028,948.85	16.0975
2.2882	309,418.40	.....Mail.....	304,171.84	2.4133
1.1659	157,655.42	.....Express.....	153,460.89	1.2176
2.8649	387,409.12	....Miscellaneous....	397,060.89	3.1502
	\$13,522,581.48		\$12,604,128.42	

## OPERATING EXPENSES.

PER CENT.	1893.		1892.	PER CENT.
47.3494	\$3,473,277.43	Conducting Transportation	\$3,289,904.58	46.1204
14.2517	1,045,418.63	Maintenance of Equipment	995,067.98	13.9496
28.7293	2,107,413.55	{ Maintenance of Road and Structures.	2,243,543.57	31.4517
9.6696	709,307.54	.....General Expenses.....	604,781.96	8.4783
	\$7,335,417.15		\$7,133,298.09	

## SUMMARY OF EARNINGS AND EXPENSES.

1893.		1892.
\$13,522,581.48	.....Gross Earnings.....	\$12,604,128.42
7,335,417.15	.....Operating Expenses.....	7,133,298.09
\$6,187,164.33	.....Net Earnings.....	\$5,470,830.33
375,554.33	.....Taxes.....	367,550.65
\$5,811,610.00	.....Net Income.....	\$5,103,279.68
	Operating Expenses, per cent of Gross	
54.24	.....Earnings.....	56.59
	Operating Expenses and Taxes, per cent	
57.02	.....of Gross Earnings.....	59.51
\$4,034.70	Gross Traffic Earnings per Mile of Road	\$4,398.73
2,188.65	.. Operating Expenses per Mile of Road...	2,489.46
\$1,846.05	.....Net Earnings per Mile of Road.....	\$1,909.27
3,351.57	Average Miles of Road under Operation	2,865.40

\*Statements do not include the W. & S. F. Ry. or D. W. & P. Ry.

**COMPARATIVE STATISTICS OF FREIGHT TRAFFIC  
OPERATIONS DURING LAST TWO FISCAL YEARS.**

	1893.	1892.
Freight Train Mileage.....	3,631,566	3,894,852
Number of Tons Carried.....	3,103,647	2,926,706
Tons Carried One Mile.....	854,123,825	787,880,742
Earnings from Freight Traffic.....	\$10,522,805.53	\$9,720,485.95
Average Earnings per Ton per Mile.....	.01232	.01234

**COMPARATIVE STATISTICS OF PASSENGER TRAFFIC  
OPERATIONS DURING LAST TWO FISCAL YEARS.**

	1893.	1892.
Passenger Train Mileage.....	1,971,476	1,681,850
Number of Passengers Carried.....	1,436,939	1,600,553
Number of Passengers Carried One Mile.....	84,956,282	82,333,417
Earnings from Passenger Trains.....	\$2,747,973.49	\$2,606,448.16
Earnings per Passenger per Mile.....	.02525	.02464

STATEMENT OF THE GREAT NORTHERN RAILWAY AND ITS  
 PROPRIETARY LINES, SHOWING MILEAGE, BONDED DEBT,  
 FIXED CHARGES, ETC., JUNE 30, 1893.

STATEMENT A.—LINE LEASED FROM ST. PAUL, MINNEAPOLIS & MANITOBA  
 RAILWAY.

<i>Bonded Debt.</i>	<i>Bonds.</i>	<i>Interest.</i>
First Mortgage, 7 per cent.....	\$2,783,300.00	\$162,540.00
Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
Dakota Extension First Mortgage, 6 per cent.....	5,676,000.00	340,560.00
Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,640.00
Consolidated Mortgage, 4½ per cent.....	18,346,000.00	825,570.00
Montana Extension First Mortgage, 4 per cent.....	7,616,000.00	304,640.00
Pacific Extension, 4 per cent .....	14,545,454.54	581,808.00
Great Northern Railway Collateral Trust, 4 per cent.....	15,000,000.00	600,000.00
<b>Total .....</b>	<b>\$85,310,754.54</b>	<b>\$4,095,758.00</b>
<i>Stock.</i>		
Guaranteed Dividends of 6 per cent on Capital Stock .....	20,000,000.00	1,200,000.00
<b>Grand Total.....</b>	<b>\$105,310,754.54</b>	<b>\$5,295,758.00</b>
Mileage of Main Track.....		3,758.62
Bonded Debt per Mile.....	\$22,697.36	
Capital Stock per Mile.....	5,321.10	
Interest Charges per Mile .....	1,089.70	\$28,018.46
Dividend Charges per Mile.....	319.27	1,408.97

The above statement does not include £3,000,000 Pacific Extension, 4 per cent Bonds underlying the Great Northern Railway Collateral Trust Bonds.

STATEMENT B.—WILLMAR AND SIOUX FALLS RAILWAY.

Mileage of Main Track.....		146.91
Capital Stock.....		\$1,500,000.00
Bonded Debt.....		2,625,000.00
Interest Charges.....		131,250.00
Capital Stock per Mile.....	\$10,210.33	
Bonded Debt per Mile.....	17,868.68	
Interest Charges per Mile .....		28,078.41
Gross Earnings per Mile.....	\$3,493.54	893.40
Operating Expenses and Taxes per Mile.....	1,797.44	
Net Earnings per Mile.....		1,606.10

All the above stock is owned by the Great Northern Railway Company.

STATEMENT C.—DULUTH, WATERTOWN AND PACIFIC RAILWAY.

Mileage of Main Track .....		69.84
Capital Stock.....		\$730,000.00
Bonded Debt.....		1,375,000.00
Interest Charges.....		82,500.00
Capital Stock per Mile .....	\$10,452.46	
Bonded Debt per Mile .....	19,687.86	
Interest Charges per Mile .....		30,140.32
Gross Earnings per Mile.....	\$909.11	1,151.27
Operating Expenses and Taxes per Mile.....	581.21	
Net Earnings per Mile.....		327.90

All the above stock and bonds are owned by the Great Northern Railway Company.

## STATEMENT D.—MONTANA CENTRAL RAILWAY.

Mileage of Main Track .....		256.60
Capital Stock .....	\$5,000,000.00	
Bonded Debt .....	8,000,000.00	
Interest Charges .....		460,000.00
Capital Stock per Mile.....	\$19,485.58	
Bonded Debt per Mile.....	31,176.93	
Interest Charges per Mile .....		50,662.51
*Gross Earnings per Mile.....	\$4,555.38	1,792.67
*Operating Expenses and Taxes per Mile.....	3,154.50	
*Net Earnings per Mile .....		1,400.88

\*Divided on basis of 254.07 miles, the mileage operated during the twelve months.  
All the above stock is owned by the Great Northern Railway Company.

## STATEMENT E.—EASTERN RAILWAY COMPANY OF MINNESOTA.

This Company owns very extensive docks, warehouses, elevators, etc., in West Superior and Duluth, and furnishes lake terminals for the entire Great Northern System. Its mileage being short, its debt shows a relative high figure per mile, which is occasioned by the cost of the terminal properties.

Mileage of Main Track .....		72.39
Capital Stock .....	\$5,000,000.00	
Bonded Debt .....	4,700,000.00	
Interest Charges .....		235,000.00
Capital Stock per Mile.....	\$69,070.31	
Bonded Debt per Mile .....	64,926.09	
Interest Charges per Mile .....		133,996.40
Gross Earnings per Mile.....	\$18,721.31	3,246.30
Operating Expenses and Taxes per Mile.....	9,630.73	
Net Earnings per Mile.....		9,090.58

All the above stock is owned by the Great Northern Railway Company.

## STATEMENT F.—MINNEAPOLIS UNION RAILWAY.

This Company owns the passenger terminals at Minneapolis, Minn., including Union Depot and double track stone arch bridge across the Mississippi River.

Mileage of Main Track .....		5.26
Capital Stock .....	\$500,000.00	
Bonded Debt.....	2,800,000.00	
Interest Charges.....		161,500.00
Capital Stock per Mile .....	\$95,057.03	
Bonded Debt per Mile .....	532,319.39	
Interest Charges per Mile.....		627,376.42
Gross Earnings per Mile.....	\$58,300.45	30,703.42
Operating Expenses and Taxes per Mile .....	12,750.87	
Net Earnings per Mile.....		45,549.58

All the above stock is owned by the Great Northern Railway Company.

**INCOME STATEMENT OF PROPRIETARY COMPANIES FOR  
THE YEAR ENDING JUNE 30, 1893.**

**WILLMAR AND SIOUX FALLS RAILWAY.**

Earnings from Operation.....	\$500,014.83	
Income from Other Sources.....	214.43	
	<u>500,229.26</u>	\$500,229.26
Operating Expenses and Taxes.....	\$264,062.36	
Interest Paid and Accrued.....	142,187.50	
	<u>406,249.86</u>	406,249.86
Balance.....		<u>\$93,979.40</u>

**DULUTH, WATERTOWN AND PACIFIC RAILWAY.**

Earnings from Operation.....	\$63,492.18	
Income from Other Sources.....	35.50	
	<u>63,527.68</u>	\$63,527.68
Operating Expenses and Taxes.....	\$40,591.92	
Interest Paid and Accrued.....	82,500.00	
	<u>123,091.92</u>	123,091.92
Balance.....		<u>\$59,564.24</u>

**MONTANA CENTRAL RAILWAY.**

Earnings from Operation.....	\$1,157,385.11	
Income from Other Sources.....	2,153.61	
	<u>1,159,538.72</u>	\$1,159,538.72
Operating Expenses and Taxes.....	\$801,464.87	
Expended for Reconstruction Account of Flood.....	288,649.79	
Rental of Lines Leased.....	3,600.00	
Interest Paid and Accrued.....	460,000.00	
	<u>1,553,714.66</u>	1,553,714.66
Balance.....		<u>\$394,175.94</u>

**EASTERN RAILWAY OF MINNESOTA.**

Earnings from Operation.....	\$1,355,235.62	
Income from Other Sources.....	167,527.17	
	<u>1,522,762.79</u>	\$1,522,762.79
Operating Expenses and Taxes.....	\$697,168.70	
Rental of Lines Leased.....	82,920.86	
Interest Paid and Accrued.....	235,000.00	
	<u>1,015,089.56</u>	1,015,089.56
Balance.....		<u>\$507,673.23</u>

## MINNEAPOLIS UNION RAILWAY.

Earnings from Operation .....	\$306,660.39	
Income from Other Sources .....	500.29	\$307,160.68
Operating Expenses and Taxes .....	\$67,069.60	
Interest Paid and Accrued .....	161,500.00	
		<u>228,569.60</u>
Balance.....		\$78,591.08

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## NORTHERN STEAMSHIP COMPANY.

* Earnings from Operation .....	\$480,082.61	
* Operating Expenses .....	404,776.15	
Balance.....		\$75,306.46

\* For year ending March 31, 1893.

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## SAND COULEE COAL COMPANY.

Coal Sales.....	\$570,985.37	
Income from Other Sources.....	29,284.81	\$600,270.18
Operating Expenses.....		<u>406,564.01</u>
Balance.....		\$193,706.17

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## GREAT NORTHERN EXPRESS COMPANY.

Earnings from Operation.....		\$429,806.41
Operating Expenses.....	\$198,423.61	
Transportation Paid Railways.....	170,729.13	
		<u>369,152.74</u>
Balance.....		\$60,653.67

## TRACK STATEMENT.

## GREAT NORTHERN RY. AND PROPRIETARY COMPANIES.

GREAT NORTHERN RAILWAY.  LEASED FROM ST. P., M. & M. RY.	MILES.					Total.
	Main Track	Second Track.	Third Track.	Fourth, Fifth and Sixth Track.	Side Track.	
Fergus Falls Div.....	587.22	12.26	8.10	9.91	148.47	
Breckenridge Div.....	571.07	14.94	1.18	3.14	72.77	
Northern Div.....	562.26	.....	.....	.....	68.35	
Dakota Div.....	605.53	.....	.....	.....	48.85	
Montana Div.....	715.27	.....	.....	.....	67.29	
Kalispell Div.....	360.21	.....	.....	.....	26.95	
Cascade Div.....	307.53	.....	.....	.....	23.37	
Total Main Line Track G. N. RY.....	3,709.09	27.20	9.28	13.05	456.05	
					3,758.62	4,214.67
<b>PROPRIETARY COMPANIES.</b>						
Eastern Ry. of Minn....	72.39	.....	.....	.....	34.01	106.40
Montana Central Ry....	256.60	.....	.....	.....	32.25	288.85
Willmar & S. F. Ry....	146.91	.....	.....	.....	11.50	158.41
Duluth, W. & P. Ry....	69.84	.....	.....	.....	4.09	73.93
Minneapolis U. Ry. ....	2.63	2.63	.....	.....	6.02	11.28
Total, all Lines.....	4,257.46	29.83	9.28	13.05	543.92	4,853.54

Track laying upon the Pacific Extension from Havre, Mont., to the Puget Sound at Everett, Wash., a distance of 818.83 miles, was completed January 5th, 1893, and the road opened for transcontinental traffic June 18th.

The Branch from Shirley to St. Hilaire has been extended to Thief River Falls, Minn., and Red Lake Falls, Minn., 17.72 miles.

The Montana Central extension to the Mountain View Mines near Butte, mentioned in the report of last year, has been completed, 3.38 miles.

## EQUIPMENT STATEMENT.

JUNE 30, 1893.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	TOTAL.
Locomotives.....	361	20	19	400
<b>PASSENGER EQUIPMENT—</b>				
Sleeping Cars.....	31			31
Parlor Cars.....			3	3
Dining Cars.....	10			10
Buffet Smokers.....	5			5
Coaches .....	117	6	6	129
Colonist Sleepers.....	8			8
Passenger and Baggage.....	24	2	4	30
Baggage, Mail and Express.....	62	2		64
Business Cars.....	6			6
<b>Total Passenger Equipment...</b>	<b>263</b>	<b>10</b>	<b>13</b>	<b>286</b>
<b>FREIGHT EQUIPMENT—</b>				
Box Cars.....	7,638	100	750	8,488
Flat and Coal Cars.....	1,650	600	493	2,743
Ore Cars.....		100		100
Stock Cars.....	478	50		528
Furniture Cars.....	679			679
Refrigerator Cars.....	103		4	107
Express Freight Cars.....			6	6
Hay Cars.....	6			6
Caboose Cars.....	192	12	12	216
Boarding Cars .....	48		7	55
Ballast Cars.....	364			364
Derrick and Tool Cars.....	38	1	1	40
Steam Shovels.....	6	1	1	8
Rotary Snow Plows.....	4			4
Pile Drivers.....	6	1		7
Ditching Cars.....	3			3
Flanger.....	1			1
Other Work Equipment.....	76			76
<b>Total Freight and Work Equip- ment.....</b>	<b>11,292</b>	<b>865</b>	<b>1,274</b>	<b>13,431</b>

The most important event of the year was the completion of the Pacific Extension of the St. Paul, Minneapolis and Manitoba Railway Company to Puget Sound.

The steel bridge across the Columbia river was opened for traffic on the 5th day of May, 1893.

The completion of this line practically finished the work of construction for the Company, except so far as greater development of local territory served by your lines may demand the building of some local branches, leaving the Company more able to encourage the growth of its local business.

The new line has been built in the most substantial manner, the terminals are conveniently located for the Company's business, and are extensive enough to provide adequately for future requirements. The terminal grounds and facilities in Puget Sound cities are particularly full and complete for traffic by both land and water.

The renewals and improvements on the older lines have been continued.

Eleven thousand tons of heavy steel have been relaid on the main line in place of fifty six and sixty pound sections between Ada and Crookston and between Kelso and Shawnee—103 miles. The work is still in progress and the relaying will be completed this summer between Shawnee and York, a distance of ninety miles.

Five thousand five hundred feet of wooden trestle have been filled with permanent embankments, the waterways being either stone-arched culverts or large iron pipe.

Six hundred and eighty-eight feet of permanent steel bridges on masonry piers have replaced the former wooden structures.

Two hundred and thirty-two miles have been reballasted with gravel.

Seven hundred and forty thousand new ties have been used in renewals.

All of this work has been done in a very substantial and thorough manner.

An improvement in the yards on the east side of the Mississippi river in Minneapolis, which will be completed this year, covers the construction of ten steel street bridges, and the lowering of the Company's East Side yard. This work is being done under a contract with the city, which will relieve the Company from building street bridges in the future; and it is expected that it will prove of great advantage both to the public and the railway.

Comparison of the equipment statements with those of last year will show that the purchases of equipment — engines, passenger and freight cars — have been unusually large, all of the best design and workmanship. It is expected that the new equipment will be ample to meet all requirements for some time to come.

The cost of improvements, additions and renewals upon the several lines has been.....	\$818,038.88
The cost of new equipment.....	2,010,218.02

In the summer of 1892 a very heavy waterspout on the Montana Central line in the Belt mountains destroyed about 21 miles of that Company's road, including buildings and bridges, which have been rebuilt, and protected with heavy stone protection.

The balance sheets and statements are specially referred to for the purpose of showing the income of the various companies and lines. The net income of the several proprietary railway lines and other companies *has not been divided or included in Great Northern income accounts*, but stands to the credit of each company.

It will be seen that the Great Northern Express Company (entirely owned by the Great Northern Railway Company) has made a satisfactory showing for the first year of its business. It has paid the Railway Company the same rates for transportation that were formerly paid by the American Express Company.

The recent financial depression throughout the country quickly manifested itself by a reduction in railway earnings. Notwithstanding these conditions, your railway has made good earnings, both gross and net, for the year, and the business since the close of the fiscal year has shown a small increase over the same time last year.

The country served by your lines is nearly all new country, where the fertility of the soil has not been exhausted by long cultivation, and we may look for quick recovery from the effects of the recent financial conditions.

The low grades, good condition of the railway and its equipment, and the permanent character of the improvements, with the large increase in engines and cars, leaves your Company in a position to do its work under very favorable conditions as to cost.

The Company's lines reach the largest bodies of pine and other valuable timber left standing in the country; and the time is not far distant when a large part of the lumber used north of the Ohio river and east of the Rocky mountains must be supplied from these forests.

Large deposits of iron, also lead and other ores, have been discovered on the Pacific Extension within a few miles of the track, and easily accessible. Within a short distance there is an abundance of good coking coal suitable for smelting purposes.

The completion of the Pacific Extension during the last fiscal year makes the length of the system approach five thousand miles of railway, with important steamer connections, annually handling a large volume of traffic, and greatly facilitating and steadying the movement of business on the railways. The necessity of additions to the equipment of the railways and to the fleet of steamships controlled by the Company, and of dock and other terminal facilities, was recognized. To secure the funds needed for these and other purposes, your Directors, after extended consideration, decided the best plan would be to increase the issue of the Company's preferred stock by \$5,000,000, and to offer the new shares to the holders of its outstanding preferred stock, ratably, at par. Necessary formal action was taken by the Board, with the assent of the holders of three-fourths of its outstanding shares; and on May 1st of this year the new shares were offered for subscription, the price to be payable in installments, as follows:

June 1st, 20 per cent.  
 July 1st, 20 per cent.  
 August 1st, 20 per cent.  
 September 1st, 20 per cent.  
 October 2d, 20 per cent.

The subscriptions were promptly filled. The preferred stock of the Company now amounts to \$25,000,000, and mostly represents investments additional to leases of railways, having reliable and good earning powers.

During the year \$562,000 of the St. Paul, Minneapolis & Manitoba Railway Company's First Mortgage 7 per cent Land Grant Bonds were exchanged for the Consolidated Mortgage 4½ per cent Bonds of that Company, and, by the operation of the First Mortgage Sinking Fund an additional amount of \$139,900 of the First Mortgage Bonds were redeemed and canceled, thereby reducing the interest to be paid by this Company as rental under the lease, \$23,843 per annum.

## LAND COMMISSIONER'S REPORT.

*Jas. J. Hill, Esq., President:*

DEAR SIR: I herewith respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1893.

	<i>Acres.</i>	<i>Acres.</i>
Amount of Grant, Hinckley Branch.....	425 664.00	
Amount of Grant, Willmar Branch.....	51.200 00	
	<hr/>	476,864.00
*Total Acreage Selected to Date.....	156,910.45	
*Total Acreage Deeded to Company.....	128,055.00	
	<hr/>	
Total Acreage Sold Prior to June 30, 1893.....		60,584.37
Value of Same.....	\$178,543.61	
Average Price Per Acre.....	2.95	
Remaining Unsold June 30, 1893.....		416,279.63

\*Of selected lands, 39,269.64 acres, and of deeded lands, 13,214.57 acres, included in previous reports, were awarded to the Duluth & Iron Range Railway Company, by the Supreme Court of Minnesota, and have been deducted from amounts previously reported.

During the year ending June 30, 1893, 2,720.71 acres were sold for \$11,543.56, an average price of \$4.24 per acre. The disbursements of the Land Department for the year were \$5,048.94.

Amount of deferred payments due Company, \$24,648.91; bearing interest at six and seven per cent.

W. W. BRADEN,  
*Land Commissioner*

JAMES J. HILL,  
*President.*

PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT,  
NOT TO BE LOANED OR TAKEN FROM OFFICE

FIFTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1894.

PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT,  
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**FIFTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

---

**FISCAL YEAR ENDING**

**JUNE 30, 1894.**



# GREAT NORTHERN RAILWAY COMPANY.

## DIRECTORS.

J. KENNEDY TOD (term expires 1894),	NEW YORK.
EDWARD SAWYER (term expires 1894),	ST. PAUL.
M. D. GROVER (term expires 1894),	ST. PAUL.
SIR DONALD A. SMITH (term expires 1895),	MONTREAL.
JACOB H. SCHIFF (term expires 1895),	NEW YORK.
E. T. NICHOLS (term expires 1895),	NEW YORK.
JAMES J. HILL (term expires 1896),	ST. PAUL.
W. P. CLOUGH (term expires 1896),	ST. PAUL.
SAMUEL HILL (term expires 1896),	MINNEAPOLIS.

## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
C. H. WARREN,	GENERAL MANAGER,	ST. PAUL.
W. W. FINLEY,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
N. D. MILLER,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.
F. W. BOBBETT,	TRANSFER AGENT,	NEW YORK.



FIFTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

The President and Directors submit the following report for the Year ending June 30, 1894.

REVENUE ACCOUNT.

(ST. P., M. & M. RY. CO.'S LEASED LINES.)

<p><i>To</i> Conducting Transportation, Maintenance and General Expenses.....</p> <p>Taxes.....</p> <p>Balance.....</p>	<p>\$6,488,779.21</p> <p>411,942.83</p> <p>4,444,634.86</p> <hr/> <p>\$11,345,356.90</p>
<p><i>By</i> EARNINGS:</p> <p>Freight.....</p> <p>Passenger.....</p> <p>Mail.....</p> <p>Express.....</p> <p>Miscellaneous.....</p>	<p>\$8,762,984.03</p> <p>1,810,329.85</p> <p>394,778.58</p> <p>143,903.37</p> <p>323,271.07</p> <hr/> <p>\$11,345,356.90</p>

INCOME ACCOUNT.

<p><i>To</i> Guaranteed Interest on St. P., M. &amp; M. R'y Bonds, Paid and Accrued.....</p> <p>Guaranteed Dividends on St. P., M. &amp; M. R'y Stock, Paid and Accrued.....</p> <p>Maintenance of St. P., M. &amp; M. R'y Organization.....</p> <p>Interest on Great Northern R'y Collateral Trust Bonds, Paid and Accrued (secured by St. P., M. &amp; M. R'y Pacific Extension Bonds).....</p> <p>Rental Paid for Other Lines Leased.....</p> <p>Dividends, 1½ per cent, Aug. 1, 1893.....</p> <p>Dividends, 1½ per cent, Nov. 1, 1893.....</p> <p>Dividends, 1½ per cent, Feb. 1, 1894.....</p> <p>Dividends, 1½ per cent, May 1, 1894.....</p>	<p>\$3,595,973.76</p> <p>1,200,000.00</p> <p>6,681.15</p> <p>600,000.00</p> <hr/> <p>\$5,312,654.91</p> <p>49,150.00</p> <hr/> <p>1,187,500.00</p> <hr/> <p>\$6,540,304.91</p>
<p><i>By</i> Balance from Earnings.....</p> <p>OTHER INCOME:</p> <p>Interest on Bonds Owned.....</p> <p>Dividends on Stocks Owned.....</p> <p>Rental of Leased Lines.....</p> <p>Interest and Exchange.....</p> <p>Bills Receivable.....</p> <p>Income from Other Sources.....</p> <p>Balance.....</p>	<p>\$4,444,634.86</p> <p>\$13,197.49</p> <p>1,084,607.25</p> <p>236,134.37</p> <p>248,099.46</p> <p>109,806.95</p> <p>179,670.85</p> <hr/> <p>1,991,516.37</p> <p>104,153.68</p> <hr/> <p>\$6,540,304.91</p>



FOR THE PURPOSE OF COMPARISON, THE FOLLOWING STATEMENTS ARE SUBMITTED, SHOWING THE RESULTS FOR THE YEAR ENDING JUNE 30, 1894, FROM THE OPERATION OF THE LINE LEASED FROM THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY.\*

## GROSS EARNINGS.

PER CNT.	1894.		1893.	PER CNT.
77.2385	\$8,762,984.03	.....Freight .....	\$10,522,805.53	77.8165
15.9566	1,810,329.85	..... Passenger.....	2,145,293.01	15.8645
2.6864	304,778.58	..... Mail .....	309,418.40	2.2882
1.2692	143,993.37	..... Express.....	157,655.42	1.1659
2.8493	323,271.07	.... Miscellaneous....	387,409.12	2.8649
	\$11,345,356.90		\$13,522,581.48	

## OPERATING EXPENSES.

PER CENT.	1894.		1893.	PER CENT.
49.6114	\$3,219,171.88	Conducting Transportation	\$3,473,277.43	47.3494
13.1864	855,635.36	Maintenance of Equipment	1,045,418.63	14.2517
27.2385	1,767,447.35	{ Maintenance of Road and Structures. }	2,107,413.55	28.7293
9.9637	646,524.62	.....General Expenses.....	709,307.54	9.6696
	\$6,488,779.21		\$7,335,417.15	

## SUMMARY OF EARNINGS AND EXPENSES.

1894.		1893.
\$11,345,356.90	.....Gross Earnings.....	\$13,522,581.48
6,488,779.21	.....Operating Expenses.....	7,335,417.15
\$4,856,577.69	.....Net Earnings.....	\$6,187,164.33
411,942.83	.....Taxes.....	375,554.33
\$4,444,634.86	.....Net Income.....	\$5,811,610.00
	Operating Expenses, per cent of Gross	
57.19	..... Earnings .....	54.24
	Operating Expenses and Taxes, per cent	
60.82	..... of Gross Earnings.....	57.02
\$3,013.14	Gross Traffic Earnings per Mile of Road	\$4,034.70
1,723.31	...Operating Expenses per Mile of Road...	2,188.65
\$1,289.83	.....Net Earnings per Mile of Road.....	\$1,846.05
3,765.29	Average Miles of Road under Operation	3,351.57

\*Statements do not include the W. & S. F. Ry. nor D. W. & P. Ry.

**COMPARATIVE STATISTICS OF FREIGHT TRAFFIC  
OPERATIONS DURING THE PAST TWO FISCAL YEARS.**

	1894.	1893.
Freight Train Mileage.....	3,520,582	3,631,566
Number of Tons Carried.....	2,593,749	3,103,647
Tons Carried One Mile.....	799,306,864	854,123,825
Earnings from Freight Traffic.....	\$8,762,984.03	\$10,522,805.53
Average Earnings per Ton per Mile.....	.01096	.01232

**COMPARATIVE STATISTICS OF PASSENGER TRAFFIC  
OPERATIONS DURING THE PAST TWO FISCAL YEARS.**

	1894.	1893.
Passenger Train Mileage.....	2,069,242	1,971,476
Number of Passengers Carried.....	1,020,976	1,436,939
Number of Passengers Carried One Mile.....	76,663,741	84,956,282
Earnings from Passenger Trains.....	\$2,390,285.60	\$2,747,973.49
Earnings per Passenger per Mile.....	.02361	.02525

STATEMENT OF THE GREAT NORTHERN RAILWAY COMPANY AND ITS PROPRIETARY LINES, SHOWING MILEAGE, BONDED DEBT, FIXED CHARGES, ETC., JUNE 30, 1894.

STATEMENT A.—LINE LEASED FROM ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY.

<i>Bonded Debt.</i>	<i>Bonds.</i>	<i>Interest.</i>
First Mortgage, 7 per cent.....	\$2,322,000.00	\$162,463.00
Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
Dakota Extension First Mortgage, 6 per cent.....	5,676,000.00	340,560.00
Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,640.00
Consolidated Mortgage, 4½ per cent.....	18,563,000.00	835,335.00
Montana Extension First Mortgage, 4 per cent.....	7,805,000.00	312,200.00
Pacific Extension, 4 per cent.....	14,545,454.54	581,868.00
Great Northern Railway Collateral Trust, 4 per cent.....	15,000,000.00	600,000.00
Total.....	<u>\$85,255,454.54</u>	<u>\$4,113,006.00</u>
<i>Stock.</i>		
Guaranteed Dividends of 6 per cent on Capital Stock.....	20,000,000.00	1,200,000.00
Grand Total.....	<u>\$105,255,454.54</u>	<u>\$5,313,006.00</u>
Mileage of Main Track.....		3,771.36
Bonded Debt per Mile.....	\$22,606.02	
Capital Stock per Mile.....	5,393.13	
Interest Charges per Mile.....	\$1,090.59	\$27,909.15
Dividend Charges per Mile.....	318.19	1,408.78

The above statement does not include £3,000,000 Pacific Extension, 4 per cent Bonds, underlying the Great Northern Railway Collateral Trust Bonds, but the latter are shown instead.

STATEMENT B.—WILLMAR & SIOUX FALLS RAILWAY.

Mileage of Main Track.....		205.25
Capital Stock.....		\$1,500,000.00
Bonded Debt.....		3,625,000.00
Interest Charges.....		181,250.00
Capital Stock Per Mile.....	\$7,308.16	
Bonded Debt per Mile.....	17,661.39	
Interest Charges per Mile.....		24,969.55
*Gross Earnings per Mile.....	\$3,173.93	883.07
*Operating Expenses and Taxes per Mile.....	1,359.26	
*Net Earnings per Mile.....		1,814.67

\*Divided on basis of 185.80 miles, the average mileage operated during the twelve months.

All the above Stock is owned by the Great Northern Railway Company.

STATEMENT C.—DULUTH, WATERTOWN & PACIFIC RAILWAY.

Mileage of Main Track.....		69.84
Capital Stock.....		\$730,000.00
Bonded Debt.....		1,375,000.00
Interest Charges.....		82,500.00
Capital Stock per Mile.....	\$10,452.46	
Bonded Debt per Mile.....	19,687.86	
Interest Charges per Mile.....		30,140.32
Gross Earnings per Mile.....	\$523.19	1,181.27
Operating Expenses and Taxes per Mile.....	469.07	
Net Earnings per Mile.....		54.12

All the above Stock and Bonds are owned by the Great Northern Railway Company.

## STATEMENT D.—MONTANA CENTRAL RAILWAY.

Mileage of Main Track.....		256.60
Capital Stock .....	\$5,000,000.00	
Bonded Debt.....	8,700,000.00	
Interest Charges.....		495,000.00
Capital Stock per Mile.....	\$19,485.58	
Bonded Debt per Mile.....	<u>33,904.91</u>	
Interest Charges per Mile.....		53,390.49
Gross Earnings per Mile .....	\$4,778.82	1,929.07
Operating Expenses and Taxes per Mile.....	<u>3,010.22</u>	
Net Earnings per Mile.....		1,768.60

All the above Stock is owned by the Great Northern Railway Company.

## STATEMENT E.—EASTERN RAILWAY COMPANY OF MINNESOTA.

This Company owns very extensive Docks, Warehouses, Elevators, etc, in West Superior and Duluth, and furnishes Lake Terminals for the entire Great Northern System. Its mileage being short, its debt shows a relative high figure per mile, which is occasioned by the cost of the Terminal Properties.

Mileage of Main Track.....		72.39
Capital Stock .....	\$5,000,000.00	
Bonded Debt.....	4,700,000.00	
Interest Charges.....		235,000.00
Capital Stock per Mile.....	\$69,070.31	
Bonded Debt per Mile.....	<u>64,926.09</u>	
Interest Charges per Mile .....		133,996.40
Gross Earnings per Mile .....	\$17,612.96	3,246.30
Operating Expenses per Mile .....	<u>8,526.97</u>	
Net Earnings per Mile.....		9,085.99

All the above Stock is owned by the Great Northern Railway Company.

## STATEMENT F.—MINNEAPOLIS UNION RAILWAY.

This Company owns the Passenger Terminals at Minneapolis, Minn., including Union Depot and double track, stone arch bridge across the Mississippi river.

Mileage of Main Track.....		5.26
Capital Stock .....	\$500,000.00	
Bonded Debt.....	2,800,000.00	
Interest Charges.....		161,500.00
Capital Stock per Mile.....	\$95,057.03	
Bonded Debt per Mile .....	<u>532,319.39</u>	
Interest Charges per Mile .....		627,376.42
Gross Earnings per Mile.....	\$54,804.26	30,703.42
Operating Expenses and Taxes per Mile .....	<u>9,932.69</u>	
Net Earnings per Mile .....		44,871.57

All the above Stock is owned by the Great Northern Railway Company.

**INCOME STATEMENT OF PROPRIETARY COMPANIES FOR THE  
YEAR ENDING JUNE 30, 1894.**

**WILLMAR AND SIOUX FALLS RAILWAY.**

Earnings from Operation.....	\$589,716.27	
Income from Other Sources.....	285.11	
	<u>590,001.38</u>	\$590,001.38
Operating Expenses and Taxes.....	\$252,550.87	
Interest Paid and Accrued.....	164,583.34	
	<u>417,134.21</u>	
Balance.....		\$172,867.17

**DULUTH, WATERTOWN AND PACIFIC RAILWAY.**

Earnings from Operation.....	\$36,539.93	
Income from Other Sources.....	28.00	
	<u>36,567.93</u>	\$36,567.93
Operating Expenses and Taxes.....	\$32,760.08	
Interest Paid and Accrued.....	82,500.00	
	<u>115,260.08</u>	
Balance.....		\$78,692.15

**MONTANA CENTRAL RAILWAY.**

Earnings from Operation.....	\$1,226,245.24	
Income from Other Sources.....	3,301.65	
	<u>1,229,546.89</u>	\$1,229,546.89
Operating Expenses and Taxes.....	\$772,421.72	
Rental of Lines Leased.....	3,600.00	
Interest Paid and Accrued.....	477,500.00	
	<u>1,253,521.72</u>	
Balance.....		\$23,974.83

**EASTERN RAILWAY OF MINNESOTA.**

Earnings from Operation.....	\$1,275,002.34	
Income from Other Sources.....	105,790.05	
	<u>1,380,792.39</u>	\$1,380,792.39
Operating Expenses and Taxes.....	\$617,267.37	
Rental of Lines Leased.....	83,931.99	
Interest Paid and Accrued.....	235,000.00	
	<u>936,199.36</u>	
Balance.....		\$444,593.03

**MINNEAPOLIS UNION RAILWAY.**

Earnings from Operation.....	\$288,270.42	
Income from Other Sources.....	229.87	
	<u>288,500.29</u>	\$288,500.29
Operating Expenses and Taxes.....	\$52,245.95	
Interest Paid and Accrued.....	161,500.00	
	<u>213,745.95</u>	
Balance.....		\$74,754.34

## NORTHERN STEAMSHIP COMPANY.

*Earnings from Operation.....	\$458,057.37	
*Operating Expenses.....	<u>396,970.24</u>	
Balance.....		\$61,087.13
*For year ending March 31, 1894.		

## SAND COULEE COAL COMPANY.

Coal Sales.....	\$636,596.15	
Income from Other Sources.....	<u>31,647.19</u>	
		\$668,243.34
Operating Expenses.....	\$491,772.26	
Expenses of Anaconda Gas Test, charged off.....	21,602.87	
Transferred to Sinking Fund.....	<u>47,915.83</u>	
		561,290.96
Balance.....		\$106,952.38

## GREAT NORTHERN EXPRESS COMPANY.

Earnings from Operation.....		\$356,975.62
Operating Expenses.....	\$192,773.28	
Transportation Paid Railroads.....	<u>149,026.35</u>	
		341,799.63
Balance.....		\$15,175.99

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

GREAT NORTHERN RAILWAY.	MILES.					Total.
	Main Track.	Second Track.	Third Track.	Fourth, Fifth and Sixth Track.	Side Track.	
Fergus Falls Div.....	587.22	12.26	8.10	9.91	151.33	
Breckenridge Div.....	571.40	15.57	1.18	3.14	74.15	
Northern Div.....	562.26				69.08	
Dakota Div.....	617.31				50.40	
Montana Div.....	715.27				67.57	
Kalispell Div.....	355.53				27.43	
Cascade Div.....	312.21				30.08	
<b>Total Main Line Track G. N. Ry.....</b>	<b>3,721.20</b>	<b>27.83</b>	<b>9.28</b>	<b>13.05</b>	<b>470.04</b>	<b>4,241.40</b>
<b>PROPRIETARY COMPANIES.</b>						
Eastern Ry. of Minn....	72.39				34.20	106.59
Montana Central Ry....	256.60				33.78	290.38
Willmar & S. F. Ry....	205.25				15.30	220.55
Duluth, W. & P. Ry....	69.84				4.09	73.93
Minneapolis Union Ry..	2.63	2.63			6.08	11.34
<b>Total, all Lines.....</b>	<b>4,327.91</b>	<b>30.46</b>	<b>9.28</b>	<b>13.05</b>	<b>563.49</b>	<b>4,944.19</b>

Track laying upon the extension of the Willmar & Sioux Falls Railway from Sioux Falls to Yankton, South Dakota, a distance of 58.34 miles, was completed and the line opened for operation Nov. 1, 1893.

Under the provisions of the lease from the St. Paul, Minneapolis & Manitoba Railway Company, the following lines have been constructed during the year:

	Miles.
Main track in City of Minneapolis, - - - -	.33
From Addison, North Dakota, to Rita, North Dakota, - - - -	11.78

## EQUIPMENT STATEMENT.

JUNE 30, 1894.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	TOTAL.
Locomotives.....	370	23	19	412
<b>PASSENGER EQUIPMENT—</b>				
Sleeping Cars.....	38			38
Parlor Cars.....			3	3
Dining Cars.....	12			12
Buffet Smokers.....	8			8
Coaches.....	125	6	6	137
Tourist Cars.....	8			8
Passenger and Baggage.....	24	2	4	30
Baggage, Mail and Express.....	75	2		77
Business Cars.....	5			5
<b>Total Passenger Equipment..</b>	<b>295</b>	<b>10</b>	<b>13</b>	<b>318</b>
<b>FREIGHT EQUIPMENT—</b>				
Box Cars.....	7,637	100	750	8,487
Flat and Coal Cars.....	1,573	600	493	2,666
Ore Cars.....		100		100
Stock Cars.....	478	50		528
Furniture Cars.....	1,152			1,152
Refrigerator Cars.....	103		4	107
Express Freight Cars.....			6	6
Hay Cars.....	6			6
Caboose Cars.....	192	12	12	216
Boarding Cars.....	44			51
Ballast Cars.....	364			364
Derrick and Tool Cars.....	38	1	1	40
Steam Shovels.....	6	1	1	8
Rotary Snow Plows.....	6			6
Pile Drivers.....	6	1		7
Ditching Car.....	1			1
Flanger.....	1			1
Other Work Equipment.....	72			72
<b>Total Freight and Work Equip- ment.....</b>	<b>11,679</b>	<b>865</b>	<b>1,274</b>	<b>13,818</b>

The conditions prevailing throughout the entire country during the past year have been such as to test the value of railway property to a greater extent than during any other year in the existence of this Company.

Financial disturbances, followed by general depression in the mercantile, industrial and agricultural interests of the whole country, have fallen with particular severity on the lines of railway operated west of the Mississippi and Missouri rivers. The traffic of the transcontinental lines has been reduced in all its various branches, and the tables in this report give the extent of the reductions in both the tonnage and revenues of this Company.

The operation of your road during most of the year has been attended with great hardships and much difficulty. The past winter was unusually severe; heavy snows during the latter months were followed by severe floods over large areas, which interrupted train service over most of the Western Divisions for nearly ten weeks.

On the 13th of April a general strike occurred, without a day's notice or warning of any kind, and continued until the 2d of May, when it was settled, partly by agreement and partly by arbitration; but, notwithstanding this settlement, the greater part of the month of May was gone before business of the Company was moving with regularity. During the latter part of June and the greater part of July a general strike occurred, which included practically all the lines between Chicago and the Pacific Coast, except the line of this Company; but the effect of the strike on the general business of the country greatly reduced the traffic and revenues of this Company.

Notwithstanding these conditions and a general reduction of the average rate per ton per mile, as shown in accompanying table of "Comparative Statistics of Freight Traffic," from .01232 per ton per mile in 1893, to .01096 in 1894, or 11 per cent of the former rate, your Company has been able, from its income from all sources, to pay its interest and guaranteed obligations and its usual dividend, with a deficiency of \$104,153.68.

The Board of Directors believe that a careful examination of this report will show that under the conditions of reduced traffic and interruption to business, the results confirm the great vitality of the Company, and its ability to withstand adversity to an extent which can hardly be expected to occur again.

In the report for last year we called attention to the fact that "the country served by your lines is nearly all new country, where the

“fertility of the soil has not been exhausted by long cultivation, and  
 “we may look for quick recovery from the effects of the recent  
 “financial conditions.”

We are glad to say that this recovery has already made itself manifest in the Company's earnings. Our revenues from traffic on the new lines are fast approaching in amount the entire revenue from grain carried on all the older portions of the railway. During the present summer a very gratifying increase has occurred in the lumber traffic from Puget Sound to the East; and the increase in coal, ore and mineral traffic in Montana is adding largely to the Company's earnings.

The track and the entire property have been well maintained, and are now in better permanent condition than ever before. The substantial manner in which the Pacific Extension was built, and policy of heavy renewals and improvements on the older portions, together with the reduced grades, have enabled the Company to greatly reduce the cost of doing its business. The past policy of permanent improvements of the property is being continued. About eight thousand feet of wooden trestles are being filled with permanent embankments during the present summer. About one hundred miles of main track have been reballasted with either broken stone or clean gravel.

Six hundred and eight thousand seven hundred and eighty-six new ties have been used in renewal.

During the year four thousand eight hundred tons of seventy five pound steel have been laid in place of sixty-pound steel in the main line, and the sixty-pound steel, which shows but little wear, has been relaid on branch lines, where the traffic is lighter.

The embankments along the streams in the mountain portions have been heavily protected with stone.

At a point west of the Columbia river, in the State of Washington, where the high water of last spring overflowed the track, the line has been changed so as to avoid any possibility of further trouble from such cause.

The improvement of the yards in Minneapolis, mentioned in last report, has been completed, and the Company is now, by contract with the city, released from further construction of street or highway bridges in the city.

During the year the equipment has been increased as follows:

15 locomotives, 18 coaches, 6 sleepers, 12 baggage and express cars, 8 postal cars, 6 dining cars, 8 buffet smokers, 172 flat cars, 66 ballast cars, 4 plow cars, 604 furniture cars.

The Company has now a full equipment of engines, passenger and freight cars, all in good order, and no immediate need for increasing it.

With the completion of its line to the Pacific Coast, the Company has no further extensions in view, and its efforts will now be turned to the development of its local business on all its lines.

Early in June the Northern Steamship Company's new passenger steamer, "North West," was put into service between Buffalo and Duluth, and continued during the passenger season to make regular weekly trips. Her performance as a passenger ship placed her ahead of anything heretofore built for use on fresh water, and it may be said that she has no superior—if any equal—of her class on any water in the world. Her sister ship is well advanced, and will be ready to take her place upon the beginning of the passenger season next summer.

It is fully expected that these ships will, in addition to their own earnings, greatly aid the passenger business of the Railway Company.

During the year \$60,000 of the St. Paul, Minneapolis & Manitoba Railway Company's First Mortgage 7 per cent Land Grant Bonds were exchanged for the Consolidated Mortgage 4½ per cent Bonds of that Company, and, by the operation of the First Mortgage Sinking Fund, an additional amount of \$401,300 of the First Mortgage Bonds were redeemed and canceled, thereby reducing the interest to be paid by this Company as rental under the lease, \$29,591 per annum.

## LAND COMMISSIONER'S REPORT.

*James J. Hill, Esq., President,*

DEAR SIR: I herewith respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1894:

	ACRES.	ACRES.
Amount of Grant, Hinckley Branch.....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	
		476,864.00
Total Acreage Selected to Date.....	164,836.47	
Total Acreage Deeded to Company.....	135,732.96	
Total Acreage Sold Prior to June 30, 1894.....		62,172.25
Value of Same.....	\$186,205.60	
Average Price Per Acre.....	2.99	
Remaining Unsold June 30, 1894.....		414,691.75

During the year ending June 30, 1894, 1,587.88 acres were sold for \$7,661.99, an average price of \$4.82 per acre. The disbursements of the Land Department for the year were \$7,642.24.

Amount of deferred payments due Company, \$23,071.07, bearing interest at six and seven per cent.

CHAS. H. BABCOCK,  
*Assistant Land Commissioner.*

JAMES J. HILL,  
*President.*

PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT.  
NOT TO BE LOANED OR TAKEN FROM OFFICE

SIXTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

---

FISCAL YEAR ENDING

JUNE 30, 1895.



**SIXTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

---

**FISCAL YEAR ENDING**

**JUNE 30, 1895.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

SIR DONALD A. SMITH (term expires 1895),	MONTREAL.
JACOB H. SCHIFF (term expires 1895),	NEW YORK.
E. T. NICHOLS (term expires 1895),	NEW YORK.
JAMES J. HILL (term expires 1896),	ST. PAUL.
W. P. CLOUGH (term expires 1896),	ST. PAUL.
SAMUEL HILL (term expires 1896),	MINNEAPOLIS.
J. KENNEDY TOD (term expires 1897),	NEW YORK.
EDWARD SAWYER (term expires 1897),	ST. PAUL.
M. D. GROVER (term expires 1897),	ST. PAUL.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
C. H. WARREN,	GENERAL MANAGER,	ST. PAUL.
H. L. SHUTE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
J. F. STEVENS,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.
F. W. BOBBETT,	TRANSFER AGENT,	NEW YORK.



SIXTH ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

The President and Directors submit the following  
report for the year ending June 30, 1895.



COMPTROLLER'S REPORT.

*Jas. J. Hill, Esq., President,*

DEAR SIR: Herewith I beg to submit statements showing the results of operation of the *Great Northern Railway Company* and its Proprietary Companies for the fiscal year ending June 30, 1895.

R. I. FARRINGTON,  
*Comptroller.*

## REVENUE ACCOUNT, FROM ST. P., M. & M. RY'S LEASED LINES,

FOR YEAR ENDED JUNE 30, 1895.

<b>EARNINGS:</b>		
Freight.....		\$10,365,031.73
Passenger.....		1,854,821.94
Mail.....		376,439.63
Express.....		163,632.16
Miscellaneous.....		359,014.36
Gross Earnings.....		<u>\$13,109,939.82</u>
<b>OPERATING EXPENSES:</b>		
Conducting Transportation.....	\$3,556,698.91	
Maintenance of Equipment.....	950,937.04	
Maintenance of Road and Structures.....	1,909,313.26	
General Expenses.....	729,512.94	
Total Operating Expenses.....	<u>\$7,146,462.15</u>	
TAXES.....	459,215.54	
		<u>7,605,677.69</u>
NET EARNINGS.....		\$5,504,262.13
From which has been paid—		
<b>RENTALS:</b>		
To St. P., M. & M. Ry. Co., Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued.....	\$3,514,866.18	
(See detail on page 13.)		
Guaranteed Dividends of 6 per cent on the Capital Stock of St. P., M. & M. Ry. Co.....	1,200,000.00	
Interest on Great Northern Ry. Collateral Trust Bonds, secured by St. P., M. & M. Ry., Pacific Extension Bonds	600,000.00	
Maintenance of Organization of St. P., M. & M. Ry.....	6,574.02	
Other Rentals.....	51,150.00	
Total.....		<u>5,372,590.20</u>
Surplus from Earnings St. P., M. & M. Ry., transferred to In- come Account of Great Northern Ry. Co.....		<u>\$131,671.93</u>

## INCOME ACCOUNT OF GREAT NORTHERN RY. CO.

FOR YEAR ENDED JUNE 30, 1895.

Surplus Earnings from Operation under Lease of St. P., M. & M. Ry.....		\$131,671.93
<b>OTHER INCOME:</b>		
Interest on Bonds Owned.....	\$113,917.31	
Dividends on Stocks Owned.....	731,631.00	
Rentals from Lines Leased.....	228,640.39	
Interest and Exchange.....	21,912.18	
Bills Receivable.....	53,654.71	
Income from Other Sources.....	158,080.94	
Total.....		<u>1,307,836.53</u>
Total Income.....		\$1,439,508.46
From which has been paid Dividends, as follows:		
August 1, 1894, 1½ per cent.....	\$312,500.00	
November 1, 1894, 1½ per cent.....	312,500.00	
February 1, 1895, 1½ per cent.....	312,500.00	
May 1, 1895, 1½ per cent.....	312,500.00	
		<u>1,250,000.00</u>
Balance, Transferred to Profit and Loss.....		<u>\$189,508.46</u>



GROSS EARNINGS, OPERATING EXPENSES, TAXES AND NET EARNINGS OF THE LINE LEASED FROM THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY CO. FOR THE LINE AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDED JUNE 30, 1895, COMPARED WITH PREVIOUS FISCAL YEAR. \*

## GROSS EARNINGS.

PER CENT.	1895.		1894.	PER CENT.
79.0624	\$10,365,031.73	.....Freight.....	\$8,762,984.03	77.2385
14.1482	1,854,821.94	.....Passenger.....	1,810,329.85	15.9566
2.8714	376,439.63	.....Mail.....	304,778.58	2.6864
1.2482	163,632.16	.....Express.....	143,993.37	1.2692
2.6698	350,014.36	... Miscellaneous....	323,271.07	2.8493
	\$13,109,939.82		\$11,345,356.90	

## OPERATING EXPENSES.

PER CENT.	1895.		1894.	PER CENT.
49.7687	\$3,556,698.91	Conducting Transportation	\$3,219,171.88	49.6114
13.3064	950,937.04	Maintenance of Equipment	855,635.36	13.1864
26.7169	1,909,313.26	{ Maintenance of Road and Structures. }	1,767,447.35	27.2385
10.2080	729,512.94	.....General Expenses.....	646,524.62	9.9637
	\$7,146,462.15		\$6,488,779.21	

\*Statements do not include the W. & S. F. Ry. nor D. W. & P. Ry.

## SUMMARY OF EARNINGS AND EXPENSES.\*

1895.		1894.
\$13,109,939.82	.....Gross Earnings.....	\$11,345,356.90
7,146,462.15	..... Operating Expenses.....	6,488,779.21
\$5,963,477.67	..... Net Earnings .....	\$4,856,577.69
459,215.54	..... Taxes .....	411,942.83
\$5,504,262.13	..... Net Income .....	\$4,444,634.86
54.51	Operating Expenses, per cent of Gross ..... Earnings.....	57.19
58.01	Operating Expenses and Taxes, per cent .....of Gross Earnings.....	60.82
\$3,481.14	Gross Traffic Earnings per Mile of Road.	\$3,013.14
1,897.63	Operating Expenses per Mile of Road..	1,723.31
\$1,583.51	.....Net Earnings per Mile of Road.....	\$1,289.83
3,765.99	Average Miles of Road Under Operation	3,765.29

\* Statements do not include the W. & S. F. Ry. nor D. W. & P. Ry.

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC FOR  
YEAR ENDED JUNE 30, 1895, COMPARED WITH PREVIOUS  
FISCAL YEAR.

DESCRIPTION.	1895.	1894.	INCREASE.	
			Amount.	Per Cent.
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight and Mixed Trains...	4,313,400	3,520,582	792,818	22.5195
Mileage of Loaded Freight Cars.....	83,505,980	65,100,423	18,405,557	28.2725
Mileage of Empty Freight Cars.....	27,185,407	22,327,525	4,857,882	21.7574
Total Car Mileage.....	110,691,387	87,427,948	23,263,439	26.6087
Tons of Freight Carried, Revenue.....	2,946,920	2,593,749	353,171	13.6162
Company.....	770,484	649,058	121,426	18.7080
Total.....	3,717,404	3,242,807	474,597	14.6353
Tons of Revenue Freight Carried One Mile.....	1,022,173,154	799,306,864	222,866,290	27.8824
Earnings from Freight Traffic.....	\$10,555,502.12	\$8,947,140.87	\$1,608,361.25	17.9763
<b>AVERAGES.</b>				
All Cars hauled per Freight Train Mile	26.90	26.10	.80	3.0651
Tons Revenue Freight hauled per Train	236.976	227.038	9.938	4.3772
Tons Revenue Freight hauled per Loaded Car.....	12.241	12.278	.037	.3013
Earnings per Freight Train Mile.....	\$2.45	\$2.54	\$0.09	3.5433
Earnings per Ton per Mile.....	Cents. 1.014	Cents. 1.096	Cents. *.082	7.4818
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	2,176,297	2,048,427	127,870	Increase. 6.2423
Passengers Carried.....	1,058,798	1,020,976	37,822	Increase. 3.7044
Passengers Carried One Mile.....	72,700,446	76,663,741	3,963,295	Decrease. 5.1697
Earnings from Passenger Trains.....	\$2,541,126.27	\$2,389,234.44	\$151,891.83	Increase. 6.3573
Earnings per Passenger Train Mile.....	\$1.1676	\$1.1664	.12	Cents. .1029
Earnings per Passenger per Mile.....	Cents. 2.551	Cents. 2.361	.190	Cents. 8.0474
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	6,489,697	5,569,009	920,688	16.5323
Earnings from Freight and Passenger Traffic.....	\$13,096,628.39	\$11,336,375.31	\$1,760,253.08	15.5275
Earnings per Train per Mile.....	\$2.02	\$2.035	\$.015	Decrease. .7371
Expenses per Train per Mile.....	\$1.10	\$1.165	\$.065	Decrease. 5.5793
Net Earnings per Train per Mile from Traffic.....	\$.92	\$.87	\$.050	Increase. 5.7471

\*Had the average revenue per ton per mile for 1895 been the same as 1894 the Gross Earnings of the Company from Freight Traffic would have been \$838,181.98 larger. The decrease in average earnings per Freight Train Mile comes entirely from decrease in the average earnings per ton per mile, there being an increase of nearly ten (10) tons, as shown, in the revenue tonnage hauled per train.

SHOWING STOCK, BONDED DEBT AND FIXED CHARGES OF  
THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY  
COMPANY, GUARANTEED BY GREAT NORTHERN RAIL-  
WAY COMPANY UNDER LEASE.

Amount of Interest Paid or Accrued during year ended June 30, 1895.	DESCRIPTION OF BONDED DEBT.	Amount of Bonds Outstanding July 1, 1895.	Annual Interest Charge.
\$162,463.00	First Mortgage, 7 per cent .....	\$2,120,900.00	\$148,463.00
480,000.00	Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
340,560.00	Dakota Extension, First Mortgage, 6 per cent.....	5,676,000.00	340,560.00
800,640.00	Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,640.00
537,185.00	Consolidated Mortgage, 4½ per cent.....	18,963,000.00	853,335.00
312,200.00	Montana Extension, First Mortgage, 4 per cent.....	7,805,000.00	312,200.00
581,818.18	Pacific Extension, 4 per cent.....	14,545,454.54	581,818.18
600,000.00	Great Northern Railway, Collateral Trust, 4 per cent.....	15,000,000.00	600,000.00
\$4,114,866.18	Total.....	\$85,454,354.54	\$4,117,016.18
	<b>Stock.</b>		
1,200,000.00	St. Paul, Minneapolis & Manitoba Railway Co., 6 per cent.....	20,000,000.00	1,200,000.00
\$5,314,866.18	Grand Totals.....	\$105,454,354.54	\$5,317,016.18

Mileage of Main Track, including second, third, fourth, fifth and sixth main tracks.....	3,770.10
Bonded Debt, per Mile of Main Track.....	\$22,666.34
Capital Stock, per Mile of Main Track.....	5,304.90
Total Bonds and Stock per Mile of Main Track.....	\$27,971.24
Interest Charges, per Mile of Main Track.....	\$1,092.02
Guaranteed Dividend, per Mile of Main Track.....	318.29
Total Charges, per Mile of Main Track.....	\$1,410.31

\*This amount does not include \$200,000 Bonds called for payment July 1, 1895, but does include \$400,000 called for payment August 15, and \$725,000 called for payment November 1, 1895.

†This does not include £3,000,000 St. P., M. & M. Bonds Pac. Extension underlying the Great Northern Railway Company's Collateral Trust Bonds, the latter being shown instead.

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

	<i>Main Track Miles.</i>	<i>Total Miles.</i>
<b>LINE LEASED FROM ST. P., M. &amp; M. RY.:</b>		
Willmar Division.....	167.84	
Fergus Falls Division.....	570.77	
Breckenridge Division.....	419.99	
Northern Division.....	585.88	
Dakota Division.....	593.71	
Montana Division.....	562.92	
Kalispell Division.....	506.62	
Cascade Division.....	312.21	
Total First Main Track.....	3,719.94	3,719.94
Second Track.....	27.83	
Third Track.....	9.28	
Fourth, Fifth and Sixth Tracks.....	13.05	50.16
Total Main Tracks, St. P., M. & M. Ry. leased.....		3,770.10
Side Tracks.....		475.42
Total tracks covered by St. P., M. & M. Ry. bonded debt shown by preceding state- ment.....		4,245.52
<b>OTHER TRACKS LEASED BY GREAT NORTH- ERN RY.:</b>		
Oregon Short Line, Union Depot Co. and Seattle, Lake Shore & Eastern Ry. in Spokane.....	4.80	
Everett & Monte Cristo Ry., Everett, Washington.....	5.25	10.05
Main Line operated by Great Northern Ry. Co.	*3,729.99	
<b>PROPRIETARY LINES—</b>		
	<i>Side Tracks, Miles.</i>	<i>Main Track, Miles.</i>
Eastern Ry. of Minnesota.....	43.46	72.39
Montana Central Ry.....	39.22	256.60
Willmar & Sioux Falls Ry.....	15.37	205.25
Duluth, Watertown & Pacific Ry.....	4.08	69.84
Minneapolis Union Ry.....	5.64	2.63
Second Track.....	2.63	
Pacific Coast Lines.....	20.05	159.10
Total First Main Track, Proprietary Lines		765.81
Total Second Main Track and Side Tracks, Proprietary Lines.....	130.45	130.45
Total miles of Road in system.....		4,495.80
Total miles of Tracks, all kinds, in system..		5,151.83

\*NOTE.—As Great Northern Railway trains run through to Seattle over the Pacific Coast Lines tracks, 36 miles should be added to these figures to get the "Miles of Road Operated" (3,765.99) used in ascertaining earnings and expenses per mile of road, etc.

## PROPRIETARY COMPANIES.

## EASTERN RAILWAY COMPANY OF MINNESOTA.

This Company owns extensive Terminal Yards, Docks, Warehouses, Elevators, etc., in West Superior, Wis., and Duluth, Minn., which are used for the entire Great Northern System.

Mileage of Main Track.....	72.39 Miles.
Capital Stock (all owned by Great Northern Railway Company).....	\$5,000,000.00
Bonded Debt.....	4,700,000.00
Interest Charges per annum.....	235,000.00

## INCOME FOR YEAR ENDED JUNE 30, 1895.

## EARNINGS:

Freight.....	\$1,367,633.03
Passenger.....	102,988.05
Mail.....	4,803.00
Express.....	3,747.93
Miscellaneous.....	19,276.37
<b>Gross Earnings.....</b>	<b>\$1,498,447.48</b>

## OPERATING EXPENSES:

Conducting Transportation.....	\$434,420.75
Maintenance of Equipment.....	77,130.47
Maintenance of Road and Structures.....	156,830.16
General Expenses.....	98,024.57
<b>Total Operating Expenses.....</b>	<b>\$766,405.95</b>
Taxes.....	44,586.76
	<u>810,992.71</u>
<b>Net Earnings.....</b>	<b>\$687,454.77</b>
Income from Rents, Elevators, etc.....	128,622.75
	<u>\$816,077.52</u>
Rentals Paid for Lines Leased.....	\$86,402.00
Interest on Bonds, Paid and Accrued.....	235,000.00
	<u>\$321,402.00</u>
Surplus.....	\$494,675.52
From which has been paid a Dividend of.....	450,000.00
	<u>\$44,675.52</u>
Balance, to Profit and Loss.....	<u>\$44,675.52</u>

## MONTANA CENTRAL RAILWAY COMPANY.

Mileage of Main Track.....	256.60 Miles
Capital Stock (all owned by Great Northern Railway Company).....	\$5,000,000.00
Bonded Debt.....	8,700,000.00
Interest Charges per annum.....	495,000.00

## INCOME FOR YEAR ENDED JUNE 30, 1895.

## EARNINGS:

Freight.....	\$1,234,532.22
Passenger.....	264,396.91
Mail.....	21,357.70
Express.....	15,363.18
Miscellaneous.....	15,239.86
<b>Gross Earnings.....</b>	<b>\$1,550,889.87</b>



## DULUTH, WATERTOWN &amp; PACIFIC RAILWAY COMPANY.

Mileage of Main Track.....	69.84 Miles
Capital Stock (all owned by Great Northern Railway Company).....	\$730,000.00
Bonded Debt (all owned by Great Northern Railway Company).....	1,375,000.00
Interest Charges per annum.....	82,500.00

## INCOME FOR YEAR ENDED JUNE 30, 1895.

<b>EARNINGS:</b>		
Freight.....		\$10,116.36
Passenger.....		1,773.69
Mail.....		1,788.15
Express.....		1,478.24
Miscellaneous.....		190.28
<b>Gross Earnings</b> .....		<b>\$15,346.72</b>
<b>OPERATING EXPENSES:</b>		
Conducting Transportation.....	\$12,065.69	
Maintenance of Equipment.....	1,219.50	
Maintenance of Road and Structures.....	10,747.30	
General Expenses.....	1,371.15	
<b>Total Operating Expenses</b> .....	<b>\$25,403.64</b>	
Taxes.....	4,918.55	30,322.19
Deficit from Operation.....		\$14,975.47
Miscellaneous Income.....		28.00
<b>Net Deficit for year, transferred to Profit and Loss</b> .....		<b>\$14,947.47</b>
Earnings of Great Northern Ry., Main Line, upon business contributed by D., W. & P. Ry., and line between Benson and Watertown during the year.....		\$105,494.72

## MINNEAPOLIS UNION RAILWAY COMPANY.

This Company owns the Passenger Terminals at Minneapolis, Minn., including Union Depot and double track, stone arch bridge across the Mississippi river.

Mileage of Main Track (first and second tracks).....	5.26 Miles
Capital Stock (all owned by Great Northern Railway Company).....	\$500,000.00
Bonded Debt.....	2,800,000.00
Interest Charges per annum.....	161,500.00

## INCOME FOR YEAR ENDED JUNE 30, 1895.

Earnings, Rentals, etc.....		\$304,562.28
Operating Expenses.....	\$54,334.45	
Taxes.....	1,145.55	
		55,480.00
<b>Net Earnings</b> .....		<b>\$249,082.28</b>
Miscellaneous Income.....		595.34
		\$249,677.62
Interest on Bonds, Paid and Accrued.....		161,500.00
Surplus.....		\$88,177.62
From which has been paid a Dividend of.....		75,000.00
<b>Balance, credited to Profit and Loss</b> .....		<b>\$13,177.62</b>

## NORTHERN STEAMSHIP COMPANY.

INCOME FOR YEAR ENDED MARCH 31, 1895.

Earnings .....		\$549,463.97
Operating Expenses .....		<u>665,422.52</u>
Balance, Loss .....		<u>\$115,958.55</u>

## GREAT NORTHERN EXPRESS COMPANY.

INCOME FOR YEAR ENDED JUNE 30, 1895.

Earnings from Operation ....		\$439,243.79
Operating Expenses and Taxes.....	\$195,674.58	
Paid Railways for Transportation.....	<u>198,171.26</u>	
		<u>393,845.84</u>
Balance, Surplus Earnings.....		<u>\$45,397.95</u>

## SAND COULEE COAL COMPANY.

INCOME FOR YEAR ENDED JUNE 30, 1895.

Coal Sales .....	\$768,653.28	
Income from Other Sources.....	<u>34,495.06</u>	
		<u>\$803,148.34</u>
Operating Expenses.....		<u>594,268.22</u>
Balance, Surplus Earnings ....		\$208,880.12
From which has been paid a Dividend of.....		<u>200,000.00</u>
Balance, credited to Profit and Loss.....		<u>\$8,880.12</u>

Ten cents (10c.) per ton is charged to cost of coal to provide a Sinking Fund against the ultimate mining out of the Coal Property. This Fund now amounts to \$144,965.00.

**EQUIPMENT OF GREAT NORTHERN RAILWAY AND  
PROPRIETARY LINES.**

JUNE 30, 1895.

CLASS.	G. N. R.V.	M. C. R.V.	E. R.V.	TOTAL.
Locomotives .....	370	23	19	412
<b>PASSENGER EQUIPMENT—</b>				
Sleeping Cars.....	38			38
Parlor Cars.....			3	3
Dining Cars.....	12			12
Buffet Smokers.....	8			8
Coaches .....	125	6	6	137
Tourist Cars.....	8			8
Passenger and Baggage.....	24	2	4	30
Baggage, Mail and Express.....	75	2		77
Business Cars.....	5			5
<b>Total Passenger Equipment..</b>	<b>295</b>	<b>10</b>	<b>13</b>	<b>318</b>
<b>FREIGHT EQUIPMENT—</b>				
Box Cars.....	7,637	100	749	8,486
Flat and Coal Cars .....	1,577	600	493	2,670
Ore Cars.....		100		100
Stock Cars.....	478	50		528
Furniture Cars.....	1,152			1,152
Refrigerator Cars.....	103		4	107
Express Freight Cars.....			6	6
Hay Cars.....	6			6
Caboose Cars.....	192	12	12	216
Boarding Cars.....	40		7	47
Ballast Cars.....	364			364
Derrick and Tool Cars.....	37	1	2	40
Steam Shovels.....	6	1	1	8
Rotary Snow Plows.....	6			6
Pile Drivers.....	6	1		7
Ditching Car.....	1			1
Flanger.....	1			1
Other Work Equipment.....	73			73
<b>Total Freight and Work Equip- ment.....</b>	<b>11,679</b>	<b>865</b>	<b>1,274</b>	<b>13,818</b>

During the year ending June 30, 1895, this Company has enjoyed a reasonable increase in the volume of its freight traffic, a good share of which has come from the newer portions of its lines in Montana and on the Pacific Coast. The largest relative increase in tonnage has been on the Montana Division. The wheat and grain crops of Minnesota and North Dakota show an increase over the previous year of about *five million* bushels, or 150,000 tons.

A material reduction in the average rate received per ton per mile will be noticed, which is mainly due to the larger amount of grain, ore, lumber, coal, etc., carried, which pay proportionately lower rates.

The passenger traffic shows a decrease in the volume of business with an increase in the average rate. This may be attributed to the general condition of the business of the country, and a consequent falling off in emigration to the newer states. There has arisen, however, during the present summer, a considerable movement on to the fertile and low-priced lands of North Dakota and Minnesota, and it is believed that intelligent efforts on the part of the people and the railways will result in extending this settlement to the States farther west, and particularly to the State of Washington, which for timber, fruit, stock raising, general farming, mining, etc., has no superior in the Union.

The operation of your railway has, during the year, met with no serious interruptions from snows, floods, or otherwise, with the exception of the forest fires along the line of the Eastern Railway in September, 1894.

The work of permanent improvements of track, replacing sixty with seventy-five pound steel rails, changing pile culverts and trestles into solid embankments with either stone or iron waterways, and replacing wooden bridges with steel structures of strong design, has been continued as heretofore, and will be continued until all temporary structures are changed into permanent ones. To do this as it has been done will take from three to four years.

The track, bridges, buildings, shops, and locomotive and car equipment are all in good order and condition.

The permanent character of the work done on the mountain portions of your line during construction and since has enabled the Company to operate its line in those sections with safety and great economy. The Board of Directors wish to call particular attention to the fact that, while the cost of operation per train mile, which

includes the cost of maintenance of track, equipment, renewals, improvements, etc., is unusually high, your Company's earnings per train mile, both gross and net, will compare very favorably with those of other railways similarly situated, or even with those of railways enjoying a much larger traffic at rates as high as or higher than the rates received by your Company.

At the time of making this report, the crop for the year 1895 indicates the heaviest grain tonnage ever hauled by the road, which will be handled under more favorable conditions than ever before. The fiscal year ending June 30, 1896, should show the largest net earnings in the history of the Company.

During the year the Company opened its new shops at Spokane, where it has ample facilities for doing all the repair work on the equipment used on the Western Divisions.

Large additions have been made to the terminal and division yards at Minneapolis, Melrose, West Superior and Duluth.

On the Great Lakes there has been carried a large tonnage during the year; but most of it at very low rates.

The Northern Steamship Company's second passenger steamer, "North Land," was put into service early in June, and the season is showing a very satisfactory increase in the traffic of both passenger steamers, particularly in the travel brought by them to your railways.

## LAND COMMISSIONER'S REPORT.

*Jas. J. Hill, Esq., President,*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ended June 30, 1895:

	<i>Acres.</i>	<i>Acres.</i>
Amount of Grant, Hinckley Branch.....	425,664 00	
Amount of Grant, Willmar Branch.....	51,200.00	
	<hr/>	476,864.00
Total acreage selected to date.....	167,465.59	
Total acreage deeded to Company.....	138,522.08	
	<hr/>	
Total acreage sold prior to June 30, 1895 .....		64,979.00
Value of same.....	\$198,357.89	
Average price per acre.....	3.05	
	<hr/>	
Remaining Unsold, June 30, 1895 .....		411,885.00
		<hr/>

## OPERATIONS DURING THE YEAR.

Sales.....	2,806.75	Acres.
Amount sold for.....	\$12,152.29	
Average price per acre.....	4.33	
Disbursements of Land Department.....	2,112.67	
Amount of Deferred Payments due Company, which are bearing interest at six and seven per cent.....	24 873.46	

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*

JAMES J. HILL,  
*President.*









4/22/96

p 15

**SEVENTH ANNUAL REPORT**

OF THE

**GREAT NORTHERN**

**Railway Company.**

---

**FISCAL YEAR ENDING**

**JUNE 30, 1896.**

PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT.

NOT TO BE LOANED OR TAKEN FROM OFFICE.

# DOW JONES & CO.,

WALL STREET JOURNAL. DAILY MARKET LETTER.

42-44 Broad Street, New York. Telephone No. 646 Broad.

Notify us if this number is received later than:

Tuesday.

September 15, 1896.

No. 13

## GREAT NORTHERN.

Great Northern directors have made several changes in the form of the annual report which it may be said are all changes for the better. The income account this year shows clearly every source from which the company has derived revenue. Details of stock and bonds owned are given. Furthermore, the income account is charged as it properly should be with the amount advanced in the past to pay interest on Duluth, Watertown & Pacific bonds not earned by that company. While it is all right for Great Northern to carry on its books this charge against Duluth, Watertown & Pacific, it is proper to write it off against profit and loss.

The Great Northern balance sheet is for the first time presented this year in a consolidated form designed to show the position of the entire railway system with reference to the public. Great Northern itself acts as a special of "clearing house" for the various properties owned and controlled by it, but this year it has consolidated the accounts of all the railroads with its own as far as the balance sheet is concerned, thus eliminating a number of cross entries and bookkeeping items and showing the amounts due to and due from the outside public. The advantage of a statement of this kind is obvious as it shows the real position of the system.

It will be noted in the balance sheet that the advances to other proprietary companies, which presumably refer more particularly to the Northern Steamship Co. are only \$161,000.

Another item in the balance sheet which is remarkable, chiefly because of a change of phraseology, is one of \$1,000,000 odd called "amount deducted from income to provide for future improvements and renewals." In former balance sheets this was called a "fund," whereas, of course, properly speaking there can be no "fund" on the liabilities side of a balance sheet.

It is rather surprising at first sight that with an increase of 20% in the ton mileage, there should be an increase of only 1.6% in the train load. The train load on Great Northern, however, is so heavy that little fault can be found in this respect.

**SEVENTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

---

**FISCAL YEAR ENDING**

**JUNE 30, 1896.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES J. HILL (term expires 1896)	ST. PAUL.
W. P. CLOUGH (term expires 1896)	ST. PAUL.
SAMUEL HILL (term expires 1896)	MINNEAPOLIS.
J. KENNEDY TOD (term expires 1897)	NEW YORK.
EDWARD SAWYER (term expires 1897)	ST. PAUL.
M. D. GROVER (term expires 1897)	ST. PAUL.
SIR DONALD A. SMITH (term expires 1898)	MONTREAL.
JACOB H. SCHIFF (term expires 1898)	NEW YORK.
HENRY W. CANNON (term expires 1898)	NEW YORK.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL.
W. W. FINLEY,	SECOND VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
J. M. BARR,	GENERAL SUPERINTENDENT,	ST. PAUL.
H. L. SHUTE,	TRAFFIC MANAGER,	ST. PAUL.
J. F. STEVENS,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.
F. W. BOBBETT,	TRANSFER AGENT,	NEW YORK.

# SEVENTH ANNUAL REPORT

OF THE

# GREAT NORTHERN RAILWAY

COMPANY.

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*To the Stockholders:*

The President and Directors submit the following report for the year ending June 30, 1896:

During the business year covered by this report there was no change in the funded debt or share capital of the Great Northern Railway Company, or of either of its proprietary railway companies. The change in the bonded debt of the St. Paul, Minneapolis & Manitoba Railway Company shown in the table on page 15 of this report, and fully explained in that Company's annual report, was caused, in part, by the redemption, through the operation of the sinking fund, of First Mortgage 7 per cent land grant bonds; and, in part, by the exchange of other bonds, of the same class, for Consolidated Mortgage 4½ per cent bonds.

Expenditures were made during the year on the capital accounts of proprietary companies, as follows:

Eastern Railway Company of Minnesota.....	\$437,615.36
Montana Central Railway Company .....	288,355.28
Willmar & Sioux Falls Railway Company.....	878.94
Duluth Terminal Railway Company.....	7,044.87
Minneapolis Union Railway Company.....	2,790.55

No stock or bonds have been issued to represent these increases of invested capital.

The large outlays made during the year for improvements of and additions to the properties leased from the St. Paul, Minneapolis & Manitoba Railway Company, having been in part repaid by that company, the amount charged to this account in the balance sheet given in this report is not so great as that shown on the balance sheet for the previous year.

The policy of keeping the railways and their equipment in the highest state of efficiency has been observed, as heretofore; as will appear from the mention made below of the principal items of addition, improvement and reconstruction, made during the business year. In the capital accounts, however, appear only such expenditures as were incurred for positive additions to property; all outlays for every kind of replacement having been charged to operating expenses.

#### EQUIPMENT PURCHASED.

- 15 Mogul freight engines, with cylinders 19''x24'', six for the Eastern Railway Company of Minnesota, and nine for the Great Northern Railway Company. Of the latter, six were additional and three to replace vacant numbers.
- 2 Switching engines for the Eastern Railway Company of Minnesota.
- 4 Sleeping cars of the latest improved pattern, for use by the Eastern Railway Company of Minnesota on its night trains between Duluth and St. Paul.
- 12 Baggage, mail and express cars, four for the Eastern Railway Company of Minnesota and eight for the Great Northern Railway. Of the latter, two were to replace vacant numbers.
- 750 Forty-feet 60,000 pound capacity box cars, equipped with automatic couplers and air brakes, 250 for the Eastern Railway Company of Minnesota and 500 for the Great Northern Railway. Of the entire 750, 490 were additional, and 260 to replace cars destroyed during the past three years.
- 400 Sixty thousand pound capacity ballast cars, fitted with extra coal sides, air brakes and automatic couplers, for the Montana Central Railway. These cars are intended to be loaded one way with coal and the opposite way with ores, by which much empty car mileage will be avoided, and the average revenue capacity of trains much increased. The hopper bottoms will greatly facilitate unloading, and thereby save much time and expense for labor.
- 1 Steam shovel for the Eastern Railway Company of Minnesota.

The equipment with air brakes and automatic couplers of cars not previously so equipped has been actively carried forward, so that a sufficient proportion of the cars belonging to the system are now so fitted as to conform to the Acts of Congress relating thereto.

As equipment is destroyed or taken out of service, operating expense is charged, and an account denominated "Amount deducted from Income to provide for future improvements and renewals," is credited with the cost of replacing the same. When equipment for replacements is purchased, the cost of the same is charged to the account last mentioned.

#### ADDITIONS.

##### ST. P., M. & M. RY.'S LEASED LINES.

A new division point has been built at Melrose. This terminal consists of a yard containing about eleven miles of track, a brick roundhouse, with steel turntable and improved cinder pits, complete water supply, a coaling station operated by machinery, avoiding the expense incident to handling coal by hand, sand and oil houses, and an office building for Superintendent, Roadmaster, Dispatchers, etc.

A large division yard is now being built at Larimore.

Numerous stock yards have been built during the year, to handle increasing stock shipments. A wool warehouse has been erected at Chinook, and an automatic coaling station built at Minneapolis Junction.

A large brick passenger and freight station, with offices for superintendent and other division officers, is being built at Larimore, and a new stone passenger depot is in process of erection at Moorhead.

The water supply is being improved, numerous new water stations having been established, supplied from reservoirs now under construction.

The work of relaying the main track with 75-pound steel rail has been completed to a point two miles east of Berwick, and about 480 miles west of St. Paul. The relaying of the Osseo Line, between Minneapolis and St. Cloud, with this weight of rail is now in progress. It is expected to relay during the current year about 95 miles of main track with this weight of rail.

A large tract of land has been purchased in Minneapolis for additional yard facilities as the same may be needed.

A cut-off line 4.35 miles in length has been completed between Casselton and Fleming, and the old line between Everest and Fleming removed, shortening the line .4 miles, doing away with one railroad crossing at grade, and greatly facilitating the running of trains to and from Casselton station.

At the time of making this report the construction of an extension of the Halstad Branch, from Halstad to Carman Junction, a distance of about thirty-two miles, is nearly completed, and the Hope Branch is being extended to Aneta, about twenty-eight miles.

#### EASTERN RAILWAY OF MINNESOTA.

Land has been acquired at Sandstone and the division point moved there from Hinckley. This terminal consists of a station, a stone roundhouse, with improved cinder pits, steel turntable and steam-heating plant, water supply, a coaling station in which the coal is handled by machinery, at reduced cost, an oil house, and yards containing about nine miles of track.

Six miles of double track have been built from West Superior to Saunders.

Several of the stations along the line have been relocated and rebuilt on improved plans, and additional passing tracks constructed, so that there is now a passing track each six and one-half miles, of 3,000 feet and 6,000 feet in length, alternately.

An interlocking plant has been put in at the crossing of the St. Paul & Duluth Railroad at Hinckley, a second story added to the West Superior General Office building, and a steel bridge built for carrying Belknap street over the yard at West Superior.

#### DULUTH TERMINAL RAILWAY.

The work of replacing the present trestle of the Duluth Terminal Railway in Duluth with a steel structure has been begun, and will be completed during the current year.

#### MONTANA CENTRAL RAILWAY.

A new division point has been established, at Clancy, at the foot of the mountain grade, a brick roundhouse, with improved cinder pits and steel turntable, water supply, a coaling station, with

machinery for handling coal, a sand and oil house, and a station built. A yard has been built at the same point, containing about three and one-half miles of track.

The grade at East Helena has been reduced since the close of the fiscal year to an equated  $\frac{8}{100}$  of 1 per cent, enabling engines to haul their full capacity between Great Falls and Clancy. The reduction of this grade, and the establishment of the new division point at Clancy, will permit a large saving in engine mileage and resulting expense, and will increase the average trainload.

The yards at Helena have been rearranged. Several passing tracks have been built and work is now in progress on additional passing tracks, sidings and spurs for the handling of the increased business. The water supply has been greatly improved, four water stations having been constructed in addition to the one at Clancy.

#### MINNEAPOLIS UNION RAILWAY.

During the year it has been necessary to reconstruct the floor of the bridge carrying Hennepin avenue, Minneapolis, over this Company's tracks, strengthening same, and providing a concrete foundation for a new street pavement to replace the old wooden pavement.

#### GENERAL WORK.

Considerable new fencing on the right of way of all lines, has been done during the year and will be continued.

Much other work has been done in providing facilities for the increase in traffic, present and prospective.

All improvements, replacements, and renewals are being made in the most permanent manner, with a view to avoiding further expenditures in that regard, and securing lower cost of operation.

#### BRIDGE FILLING.

During the year bridges have been filled with earth as follows:

Great Northern Railway.....	5,519 lineal feet.
Eastern Railway of Minnesota.....	1,674 lineal feet.
Montana Central Railway....	191 lineal feet.
Duluth, Watertown & Pacific Railway.....	408 lineal feet.
Total.....	<u>7,792</u> lineal feet.

Iron pipe culverts have been provided for waterways in cases where larger structures are not required. The cost of this work has been charged to Operating Expense.

The plan of filling wooden bridges and trestles with earth, instead of renewing them, is being followed except when steel is used for larger structures. Much work of this kind is now in progress, all of the trestles and bridges on the Montana Central line between Helena and Butte are being filled or replaced with steel.

#### VOLUME OF TRAFFIC AND RATES.

The phenomenally abundant crops with which the territory served by the Great Northern System was blessed in the year 1895 necessarily added much to the volume of the traffic moved over its lines. Nearly 70,000,000 bushels of wheat alone were transported in the business year covered by this report. Still, the progress of the traffic of the system toward greater diversity in the articles comprising it, was never more marked. The percentage of earnings from haulage of grain to the total freight earnings is year by year decreasing, while the income from other traffic shows a relative increase.

The progress of rates, and of amounts paid by the public for transportation, per unit of traffic, still maintain a steady downward course. It cannot be disputed that, during the past twenty years, the price of no commodity bought and sold in the markets of the country has fallen so fast or so far as that of rail transportation.

The articles carried by the Great Northern System, while considerably more diversified in 1896 than in 1881, are substantially of the same description as then; yet, in 1880-'81 the average charge per ton per mile was  $2\frac{8}{100}$  cents, while in 1895-'96 it had fallen to  $\frac{176}{1000}$  of one cent; or to only a little more than  $\frac{1}{3}$  of the former rate. Has the price of any other commodity, or the rate of pay for any other class of service, fallen equally?

In 1895-'96 the revenue ton-mileage of the system was 1,622,877,423, and the cost of it to the public, \$15,833,090.47. Had the rate per ton per mile of the year 1880-'81 been charged, the earnings would have amounted to \$46,738,869.78, or \$30,905,779.31 more than the companies actually collected, and during the same time the rates of wages paid by this Company have advanced to an average of 45 per cent higher than the average of 1880-'81.

In the downward course of transportation rates, a point is always reached when the decrease ceases to go to the benefit of the producer by being added to the market price at the point of production, but all goes to the benefit of the consumer, by being deducted from the market price at the point of consumption. A survey of the course of prices of the great staples of the world will not fail to convince the most casual observer that this point has been reached and passed long ago; and that no other cause has so much operated to depress prices as cheap transportation.

Nearly eighteen thousand new settlers, an unusually large number, have located along the line during the year, and the settlement of new country is going on more rapidly than for several years past.

This, and the natural growth of the population and business along the newer portion of the Company's lines, has been gratifying, and indicates continued increase of the Company's traffic.

General business along the Company's line is, on the whole, prosperous; at the same time some branches of business have not shown material increase during the past year.

Attention is called to the report of the Comptroller, with the customary balance sheet and statistical tables, and the report of the Assistant Land Commissioner, which follow.

JAMES J. HILL,  
*President.*

## COMPTROLLER'S REPORT.

MR. JAMES J. HILL,  
PRESIDENT,

DEAR SIR: Herewith, I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ending June 30, 1896.

As these statements are made in somewhat different form than those of former years, the following explanation is given:

The "Revenue," and "Income" Accounts immediately following are those of the Great Northern Railway Company only, or the same as has been shown in reports of former years.

In order that the results of the system could be seen at a glance, the table on page 14 has been prepared, which includes the Great Northern Railway Company and its proprietary companies, and takes the place of the several statements of proprietary companies shown in former reports.

The Condensed General Balance Sheet, on pages 16 and 17, is a consolidation of the General Balance Sheets of the companies named in it. The Balance Sheet which has been given in former reports has been that of the Great Northern Railway Company only. In making a comparison between this report and those of former years, this should be borne in mind. The Balance Sheet given this year shows the financial condition of the railway system. The finances of the companies that are omitted, that is, the Northern Steamship Company, Sand Coulee Coal Company and Great Northern Express Company, are kept separate and distinct from those of the railway system.

The statistical tables on pages 18, 19 and 20, include the Earnings and the Operating Expenses of the railway system proper, as shown by the first footing in table on page 14.

The statement of Bonds and Stocks Outstanding, shown on page 15, includes in addition to the bonds of the St. Paul, Minneapolis & Manitoba Railway Company, which has been given in former years, the bonds in the hands of the public of the several proprietary companies, so as to show the total bonded debt and share capital of the system.

R. I. FARRINGTON,  
*Comptroller.*

REVENUE ACCOUNT, GREAT NORTHERN RAILWAY COMPANY. EARNINGS FROM OPERATION OF ST. P., M. & M. RY'S LEASED LINES.

FOR YEAR ENDING JUNE 30, 1896.	
<b>EARNINGS:</b>	
Freight.....	\$12,170,275.74
Passenger.....	2,151,295.00
Mail.....	396,224.59
Express.....	163,029.35
Miscellaneous.....	416,628.57
<b>Gross Earnings</b> .....	<b>\$15,297,453.05</b>
<b>OPERATING EXPENSES:</b>	
Conducting Transportation.....	\$4,122,472.70
Maintenance of Equipment.....	1,185,913.69
Maintenance of Road and Structures.....	1,821,961.75
General Expenses.....	768,632.63
<b>Total Operating Expenses</b> .....	<b>\$7,898,980.77</b>
<b>TAXES</b> .....	<b>528,053.15</b>
	<b>8,427,033.92</b>
<b>NET EARNINGS</b> .....	<b>\$6,870,419.13</b>
From which have been paid—	
<b>RENTALS:</b>	
To St. P., M. & M. Ry. Co., Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued.....	\$3,486,834.29
(See details on page 15.)	
Guaranteed Dividends of 6 per cent on Capital Stock of St. P., M. & M. Ry. Co. (See page 15).....	1,200,000.00
Interest on Great Northern Ry. Collateral Trust Bonds, secured by St. P. M. & M. Ry., Pacific Extension Bonds.....	600,000.00
Maintenance of Organization of St. P., M. & M. Ry.....	6,031.66
Other Rentals.....	90,150.00
<b>Total</b> .....	<b>\$5,383,015.95</b>
<b>Balance Transferred to Income Account</b> .....	<b>\$1,487,403.18</b>

INCOME ACCOUNT OF GREAT NORTHERN RY. CO.

FOR YEAR ENDING JUNE 30, 1896.	
Balance Brought Down.....	\$1,487,403.18
<b>OTHER INCOME:</b>	
Interest on Bonds Owned. (See detail on page 13).....	\$56,195.55
Dividends on Stocks Owned. (See detail on page 13).....	403,631.00
Rental of Lines Leased.....	220,254.93
Bills Receivable (Land Notes).....	50,175.83
Income from Other Sources—ground rents, rental of equipment, general interest, etc.....	74,886.65
	<b>805,143.96</b>
<b>Total Income</b> .....	<b>\$2,292,547.14</b>
From which have been paid dividends, as follows:	
August 1, 1895, 1¼ per cent.....	\$312,500.00
November 1, 1895, 1¼ per cent.....	312,500.00
February 1, 1896, 1¼ per cent.....	312,500.00
May 1, 1896, 1¼ per cent.....	312,500.00
	<b>1,250,000.00</b>
<b>Balance, Carried Forward</b> .....	<b>\$1,042,547.14</b>

Balance, Brought Forward.....	\$1,042,547.14
<b>Less:</b>	
Interest on Bonds of Duluth, Watertown & Pacific Ry., prior to July 1, 1894, paid by advances made by the Great Northern Railway Co., in anticipation of future repayment, now charged off.....	405,625.00
Balance, transferred to Profit and Loss.....	<u>\$636,922.14</u>

DETAILS OF OTHER INCOME AS TAKEN UP ON PAGE 12.

INTEREST ON BONDS OWNED:

Todd County Bonds.....	\$1,100.00
County of Pipestone Bonds.....	1,800.00
Town of Wadena Bonds.....	480.00
Town of Sandness Bonds.....	240.00
Town of Leaf River Bonds.....	120.00
Town of Hutchinson Bonds.....	720.00
Town of Breckenridge Bonds.....	161.00
Town of Minnesota Falls Bonds.....	120.00
Minnesota Transfer Ry. Bonds.....	1,454.55
Butte, Anaconda & Pacific Ry. Bonds.....	50,000.00
Total.....	<u>\$56,195.55</u>

DIVIDENDS ON STOCKS OWNED:

Great Northern Ry. Co. Stock.....	\$295.00
St. Paul Union Depot Co. Stock.....	3,000.00
Eastern Ry. Co. of Minnesota Stock.....	400,000.00
St. Paul, Minneapolis & Manitoba Ry. Co. Stock.....	336.00
Total.....	<u>\$403,631.00</u>

STATEMENT SHOWING REVENUE FOR THE YEAR ENDING JUNE 30, 1896, OF THE GREAT NORTHERN RY. CO., AND ALL PROPRIETARY COMPANIES.

COMPANY.	Gross Earnings.	Operating Expenses.	Taxes.	Net Earnings.	Miscellaneous Income Received.	Total.
Great Northern Ry.....	\$15,397,453.05	\$7,898,980.77	\$528,053.15	\$6,879,419.13	\$405,143.96	\$7,275,563.09
RAILWAYS.						
Eastern Ry. of Minnesota.....	1,829,445.66	881,716.19	54,659.24	955,070.23	57,198.77	1,022,269.00
Montana Central Ry.....	1,765,935.34	1,139,053.85	27,010.84	599,418.85	8,070.95	607,489.90
Willmar & Sioux Falls Ry.....	248,488.55	270,072.95	19,401.16	359,579.32	696.45	337,271.57
Duluth, Watertown & Pacific Ry.....	24,981.55	46,333.61	5,112.70	22,844.76	122.00	Def. 22,842.76
Total Railway System Proper.....	\$19,614,564.33	\$10,230,798.47	\$632,837.09	\$8,749,018.77	\$471,231.03	\$9,220,249.80
OTHER COMPANIES.						
Minneapolis Union Ry (Union Depot Property).....	291,226.63	47,548.49	3,005.03	240,773.11	272.41	241,045.52
Minneapolis Western Ry. (Switching Railway).....	63,248.95	24,081.39	1,278.08	33,588.87	10,868.67	44,457.54
Duluth Terminal Ry.....	44,728.55	31,828.67	.....	33,500.00	.....	33,500.00
Northern Steamship Co.....	622,492.05	681,810.52	.....	Def. 37,318.87	.....	Def. 37,318.87
Great Northern Express Co.....	495,775.43	405,051.80	350.24	90,554.68	.....	90,554.68
Sand Coulee Coal Co.....	689,253.76	559,086.41	1,016.20	137,351.15	26,841.00	164,192.15
Total for the System.....	\$21,819,699.11	\$11,975,115.76	\$639,105.64	\$9,205,477.71	\$509,233.11	\$9,714,710.82

\* For the fiscal year ending December 31, 1895. † For the fiscal period (nine months) ending December 31, 1895.

‡ From St. P., M. & M. Ry's. Leased Lines.

EXPLANATORY NOTES.

The Great Northern Railway Company has advanced the deficits for the year of the Duluth, Watertown & Pacific Ry. and the Northern Steamship Co., to be repaid out of the future earnings of those companies.  
 EASTERN RY. CO. OF MINNESOTA.—Out of the Net Income of this Company for the year has been declared a dividend of eight per cent, amounting to \$400,000, which amount is not included in the Miscellaneous Income of the Great Northern as given in above table, but is added to that. Miscellaneous Income in the Income Account on page 12. The Miscellaneous Income of the Eastern Ry. arises from its Elevators and Docks and Rentals received.  
 DULUTH TERMINAL RY. CO.—This Company is the owner of the railway used by the Eastern Ry. of Minnesota to secure an entrance into Duluth, and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Ry. Under the franchise of the Duluth Terminal Ry. its earnings, derived from trackage, are limited to six per cent on its stock and bonds. The interest and dividends paid, amounting to \$13,500, are not included in the Miscellaneous Income of the Eastern Ry. above shown.

GREAT NORTHERN EXPRESS CO.—The amount shown under "Operating Expenses" includes the amount paid Railway Companies for transportation.  
 SAND COULLEE COAL CO.—Included in the amount shown under Operating Expenses, in addition to the cost of mining and marketing coal, is a charge of ten cents per ton to provide a Sinking Fund against the ultimate exhaustion of the property. A portion of the rental received from buildings is likewise set aside to cover their replacement. These Sinking Funds now amount to \$184,045.28.

STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTHERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR UNDER GUARANTEE.

Outstanding July 1, 1895.	BONDS.	Outstanding July 1, 1896.	Annual Charges Paid 1895-96.
\$2,120,000.00	ST. P., M. & M. RY.—		
8,000,000.00	First Mortgage, 7 per cent.....	\$419,800.00	\$73,745.19
5,676,000.00	Second Mortgage, 6 per cent.....	8,000,000.00	480,000.00
13,344,000.00	Dakota Extension, 6 per cent.....	5,676,000.00	340,560.00
18,963,000.00	Consolidated Mortgage, 6 per cent.....	13,344,000.00	800,540.00
7,805,000.00	Consolidated Mortgage, 4½ per cent.....	20,318,000.00	1897,870.92
14,545,454.54	Montana Extension, 4 per cent.....	7,805,000.00	312,200.00
	Pacific Extension, 4 per cent.....	14,545,454.54	581,818.18
	Total shown on Page 12.....		\$3,486,834.29
15,000,000.00	GREAT NORTHERN RY.—		
	Collateral Trust, 4 per cent.....	\$15,000,000.00	\$600,000.00
4,700,000.00	EASTERN RY. OF MINNESOTA—		
	First Mortgage, 5 per cent.....	4,700,000.00	235,000.00
6,000,000.00	MONTANA CENTRAL RY.—		
2,700,000.00	First Mortgage, 6 per cent.....	6,000,000.00	360,000.00
	First Mortgage, 5 per cent.....	2,700,000.00	135,000.00
3,625,000.00	WILLMAR & SIOUX FALLS RY.—		
	First Mortgage, 5 per cent.....	3,625,000.00	181,250.00
2,150,000.00	MINNEAPOLIS UNION RY.—		
650,000.00	First Mortgage, 6 per cent.....	2,150,000.00	129,000.00
	First Mortgage, 5 per cent.....	650,000.00	32,500.00
500,000.00	MINNEAPOLIS WESTERN RY.—		
	First Mortgage, 5 per cent.....	500,000.00	25,000.00
\$105,779,354.54	.....Total.....	\$105,433,254.54	\$5,184,584.29
	STOCK.		
\$20,000,000.00	St. P., M. & M. Ry., 6 per cent Guaranteed..	\$20,000,000.00	\$1,200,000.00
\$125,779,354.54	..... Total.....	\$125,433,254.54	\$6,384,584.29
\$25,000,000.00	Great Northern Railway Company.....	\$25,000,000.00	\$1,250,000.00

A ✓  
L ✓  
C ✓  
B ✓  
C ✓  
C ✓  
37 ✓

Mileage of Main Tracks in system, including second, third, fourth, fifth and sixth tracks, as shown on page 21.....		4,547.34
LESS MILEAGE OF—		
Pacific Coast Lines.....	159.10	
Duluth, Watertown & Pacific Ry., bonds on which are all owned by Great Northern Ry. Co.....	69.84	
Duluth Terminal Ry., bonds on which are all owned by Eastern Ry. Co. of Minnesota.....	1.78	230.72
Mileage of Main Tracks, covered by bonds in hands of the public..		4,316.62
Bonded Debt, per Mile of Main Track.....		\$24,424.96
Capital Stock, St. P., M. & M. Ry., per Mile of Main Track (3,770.42 miles).....		5,304.45
Interest Charges and Guaranteed Dividends on Stock of St. P., M. & M. Ry., per mile of road operated.....		1,459.49

† The total interest paid on Consolidated Mortgage 4½ per cent Bonds was \$910,890.00; the difference between this amount and that shown above, viz., \$13,019.08, is accrued interest on Bonds issued during the year in exchange for First Mortgage Bonds.

\* Does not include \$3,000,000 St. P., M. & M. Ry. Pacific Extension Bonds underlying the Great Northern Railway Company's Collateral Trust Bonds, the latter only being shown.

## CONDENSED GENERAL BAL

BEING A CONSOLIDATION OF THE GENERAL

GREAT NORTHERN RY. CO., EASTERN RY. CO. OF MINNESOTA, MON  
WATERTOWN & PACIFIC RY. CO., MINNEAPOLIS  
AND DULUTH TER

*Dr.*

<i>To</i> Cost of Properties and Securities Owned by Great Northern Ry. Co.....	\$31,224,080.38	
Less Capital Stock and Bonds of Proprietary Companies, owned by Great Northern Ry. Co. and not shown contra.....	14,355,000.00	\$16,869,080.38
St. P., M. & M. Ry. Pacific Extension Bonds in hands of Trustees as Security for Great Northern Ry. Collateral Trust Bonds.....		15,000,000.00
Cost of the following Properties controlled by the Great Northern Ry. Co. through Ownership of their Entire Share Capital:		
Eastern Railway of Minnesota — Railway, Equipment, Elevators, etc.....	\$9,957,202.74	
Montana Central Ry.—Railway and Equipment.....	14,056,765.35	
Willmar & Sioux Falls Ry.—Railway and Real Estate...	5,405,129.14	
Duluth, Watertown & Pacific Ry.....	2,204,499.40	
Minneapolis Union Ry.—Union Depot, Railway, etc.....	3,289,552.95	
Minneapolis Western Ry.....	740,477.18	
	\$35,653,626.76	
Cost of Duluth Terminal Ry., the entire Share Capital and Bonds of which are owned by the Eastern Ry. Co. of Minnesota, and not shown contra.....	244,469.68	35,898,096.44
Stocks and Bonds owned by Eastern Ry. Co. of Minnesota, in addition to those of Duluth Terminal Ry. Co.		142,695.78
Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from St. P., M. & M. Ry. Co.....		195,045.32

## CURRENT ASSETS.

Cash in St. Paul Office.....	\$452,637.91	
Cash in New York Office.....	1,094,582.15	
Cash in London Office.....	286,240.49	
Due from Agents.....	421,813.67	
Due from U. S. Post Office Department.....	110,340.71	
Due from U. S. Transportation.....	8,608.74	
Advanced Charges.....	12,561.60	
Bills Receivable.....	784,403.90	
Due from Other Companies and Individuals.....	646,378.61	
Advances in Current Account to Other Proprietary Companies.....	161,022.46	
Value of Material and Fuel on Hand.....		3,978,590.24
		952,289.53
		<u>\$73,035,797.69</u>

ANCE SHEET JUNE 30, 1896.

BALANCE SHEETS FOR THAT DATE OF THE

TANA CENTRAL RY. CO., WILLMAR & SIOUX FALLS RY. CO., DULUTH,  
 UNION RY. CO., MINNEAPOLIS WESTERN RY. CO.,  
 MINAL RY. CO.

Cr.

By Capital Stock Great Northern Ry. Co ..... \$25,000,000.00

FUNDED DEBT IN HANDS OF PUBLIC.

C	Great Northern Ry. Co., Collateral Trust Bonds, 4 per cent.....	\$15,000,000.00	
B	Eastern Railway Co. of Minnesota, First Mortgage Bonds, 5 per cent.....	4,700,000.00	
C	Montana Central Ry. Co., First Mortgage Bonds, 6 per cent.....	6,000,000.00	
	Montana Central Ry. Co., First Mortgage Bonds, 5 per cent.....	2,700,000.00	
C	Willmar & Sioux Falls Ry. Co., First Mortgage Bonds, 5 per cent.....	3,625,000.00	
	Minneapolis Union Railway Co., First Mortgage Bonds, 6 per cent.....	2,150,000.00	
	Minneapolis Union Ry. Co., First Mortgage Bonds, 5 per cent.....	650,000.00	
	Minneapolis Western Ry. Co., First Mortgage Bonds, 5 per cent.....	500,000.00	
			35,325,000.00

CURRENT LIABILITIES.

Audited Vouchers Unpaid.....	\$1 251,251.15	
Unpaid Pay Rolls.....	781,342.17	
Unpaid Coupons, including those due July 1st, 1896.....	1,548,375.68	
Unpaid Dividends on St. P., M. & M. Ry. Stock.....	996.00	
Unpaid Dividends on Great Northern Ry. Stock.....	578.75	
Due to Other Companies and Individuals.....	242,628.51	
		3,825,172.26

DEFERRED LIABILITIES.

Accrued Taxes not yet due.....	\$309,040.58	
Bond Interest Accrued, not due.....	275,604.16	
Rental of St. P., M. & M. Ry. Accrued, not due.....	402,776.67	
		987,421.41
Amount deducted from Income to provide for future Improvements and Renewals.....	\$1,057,908.95	
Surplus Funds of Other Proprietary Companies deposited with Great Northern Ry. Co.....	761,065.66	
Balance—Profit and Loss.....	6,079,229.41	
		7,898,204.02
		\$73,035,797.69

**GROSS EARNINGS, OPERATING EXPENSES, TAXES AND NET EARNINGS OF THE RAILWAYS LEASED AND OWNED AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDING JUNE 30, 1896, COMPARED WITH PREVIOUS FISCAL YEAR.**

**GROSS EARNINGS.**

PER CENT.	1896.		1895.	PER CENT.
80.7293	\$15,833,090.47	..... Freight.....	\$13,234,560.47	80.0618
13.5059	2,648,853.93	..... Passenger.....	2,292,343.14	13.8674
2.2509	441,463.89	..... Mail.....	423,757.78	2.5635
.9744	191,106.31	..... Express.....	193,237.15	1.1690
2.5395	498,049.73	.... Miscellaneous ....	386,526.01	2.3383
	\$19,612,564.33		\$16,530,424.55	

**OPERATING EXPENSES.**

PER CENT.	1896.		1895.	PER CENT.
53.5163	\$5,475,095.44	Conducting Transportation.	\$4,654,912.71	50.6689
14.4498	1,478,314.98	Maintenance of Equipment.	1,213,403.62	13.2080
22.7188	2,324,293.73	{ Maintenance of Road and Structures. }	2,364,751.88	25.7404
9.3151	953,004.32	..... General Expenses.....	953,847.47	10.3827
	\$10,230,708.47		\$9,186,915.68	

## SUMMARY OF EARNINGS AND EXPENSES.

1896.		1895.
\$19,612,564.33	.....Gross Earnings.....	\$16,530,424.55
10,230,708.47	.....Operating Expenses.....	9,186,915.68
\$9,381,855.86	.....Net Earnings.....	\$7,343,508.87
632,837.09	.....Taxes.....	543,635.11
\$8,749,018.77	.....Net Income.....	\$6,799,873.76
52.16	Operating Expenses, per cent of Gross .....Earnings.....	55.58
55.39	Operating Expenses and Taxes, per cent .....of Gross Earnings.....	58.86
\$4,483.70	Gross Traffic Earnings per Mile of Road.	\$3,778.83
2,338.88	...Operating Expenses per Mile of Road...	2,100.11
\$2 144.82	.....Net Earnings per Mile of Road.....	\$1,678.72
4,374.19	Average Miles of Road Under Operation	4,374.48

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC FOR  
THE YEAR ENDING JUNE 30, 1896, COMPARED WITH PRE-  
VIOUS YEAR.

DESCRIPTION.	1896.	1895.	INCREASE.	
			Amount.	Per Cent.
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	5,680,711	4,633,790	1,046,921	22.5932
Mileage of Mixed Trains.....	653,468	700,601	<i>Decrease.</i> 47,133	<i>Decrease.</i> 6.7272
Mileage of Loaded Freight Cars.....	124,007,236	102,232,113	21,775,123	21.2997
Mileage of Empty Freight Cars.....	43,648,618	34,151,164	9,497,454	27.8100
Total Car Mileage.....	167,655,854	136,383,777	31,272,577	22.9300
Tons of Freight Carried, Revenue.....	7,521,159	6,071,065	1,450,094	23.8853
Company.....	1,102,676	924,275	178,401	19.3017
Total.....	8,623,835	6,995,340	1,628,495	23.2797
Tons of Revenue Freight Carried One Mile.....	1,622,877,423	1,344,957,131	277,920,292	20.6639
Earnings from Freight Traffic.....	\$16,124,404.68	\$13,442,567.55	\$2,681,837.13	19.9503
<b>AVERAGES.</b>				
All Cars hauled per Freight Train Mile.	26.47	25.57	.90	3.5197
Tons Revenue Freight hauled per Train	256.210	252.129	4.081	1.6186
Tons Revenue Freight hauled per Loaded Car.....	13.087	13.156	<i>Decrease.</i> .069	<i>Decrease.</i> .5282
Earnings per Freight Train Mile.....	\$2.55	\$2.52	<i>Increase.</i> \$.03	<i>Increase.</i> 1.1904
Earnings per Ton per Mile.....	<i>Cents.</i> .976	<i>Cents.</i> .984	<i>Decrease.</i> Cents .008	<i>Decrease.</i> .8130
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	2,971,338	2,649,585	<i>Increase.</i> 321,753	<i>Increase.</i> 12.1435
Passengers Carried.....	1,528,369	1,312,480	215,889	16.4489
Passengers Carried One Mile.....	99,178,028	85,519,922	13,658,106	15.9706
Earnings from Passenger Trains.....	\$3,457,411.73	\$3,071,234.14	\$386,177.59	12.5740
<b>AVERAGES.</b>				
Earnings per Passenger Train Mile....	\$1.1636	\$1.1591	<i>Decrease.</i> .0045	<i>Decrease.</i> .3882
Earnings per Passenger per Mile.....	<i>Cents.</i> 2.671	<i>Cents.</i> 2.680	<i>Decrease.</i> Cents .009	<i>Decrease.</i> .3358
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	9,305,517	7,983,976	<i>Increase.</i> 1,321,541	<i>Increase.</i> 16.5524
Earnings from Freight and Passenger Trains.....	\$19,581,816.41	\$16,513,801.69	\$3,068,014.72	18.5785
Earnings per Train per Mile.....	\$2.10	\$2.07	<i>Increase.</i> \$.03	<i>Increase.</i> 1.4493
Expenses per Train per Mile.....	\$1.10	\$1.15	<i>Decrease.</i> \$.05	<i>Decrease.</i> 4.3478
Net Earnings per Train per Mile from Traffic.....	\$1.00	\$.92	<i>Increase.</i> \$.08	<i>Increase.</i> 8.6956

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINE LEASED FROM ST. P., M. & M. RY. CO.:		<i>Main Track, Miles.</i>	<i>Total Miles.</i>
Willmar Division.....		167.87	
Fergus Falls Division.....		570.77	
Breckenridge Division.....		419.99	
Northern Division.....		585.88	
Dakota Division.....		593.31	
Montana Division.....		562.92	
Kaibab Division.....		506.62	
Cascade Division.....		312.21	
		<hr/>	
Total First Main Track.....		3,719.57	3,719.57
Second Track.....	28.52		
Third Track.....	9.28		
Fourth, Fifth and Sixth Tracks.....	13.05		50.85
		<hr/>	
Total Main Tracks St. P., M. & M. Ry. leased.....			3,770.42
Side Tracks.....			487.56
			<hr/>
Total Tracks covered by the Bonded Debt of the St. P., M. & M. Ry., as shown by statement on page 15.....			4,257.98
OTHER TRACKS LEASED BY GREAT NORTHERN RY.:			
Oregon Short Line, Union Depot Co. and Seattle, Lake Shore and Eastern Ry. in Spokane.....	4.80		
Everett & Monte Cristo Ry., Everett, Washington.....	5.25	10.05	10.05
		<hr/>	
Main Line operated by Great Northern Ry. Co.....		3,729.62	
PROPRIETARY COMPANIES:			
		<i>Side Track, Miles.</i>	<i>Main Track, Miles.</i>
Eastern Ry. of Minnesota.....	49.14	72.39	
Second Track.....	6.00		
Duluth Terminal Railway.....	3.31	1.78	
Montana Central Ry.....	44.32	256.60	
Willmar & Sioux Falls Ry.....	15.37	205.25	
Duluth, Watertown & Pacific Ry.....	4.08	69.84	
Minneapolis Union Ry.....	5.64	2.63	
Second Track.....	2.63		
Pacific Coast Lines.....	20.56	159.10	
Minneapolis Western Ry.....	4.00	.70	
		<hr/>	
Total First Main Tracks Proprietary Lines.....		768.29	768.29
Total Second Main Track and Side Tracks, Proprietary Lines.....	155.05		155.05
Total Miles of Road in System.....		4,497.91	
		<hr/>	
Total Miles of Tracks, all kinds, in System.....			5,191.37
Total Main Tracks St. P., M. & M. Ry.....		3,770.42	
First Main Track, Proprietary Companies.....		768.29	
Second Main Track, Proprietary Companies.....		8.63	
		<hr/>	
Total Miles Main Tracks.....			4,547.34
<hr/>			
NOTE.—Total miles of Road in System, June 30, 1896, as shown above.....		4,497.91	
Total miles of Road in System June 30, 1895, per report that year.....		4,495.80	
		<hr/>	
Increase in mileage.....			2.11
This increase is made up as follows:			
Main Tracks in Minneapolis constructed.....		.03	
Duluth Terminal Ry., not included in report for 1895.....		1.78	
Minneapolis Western Ry., not included in report for 1895.....		.70	
Casselton to Fleming cut off, constructed.....		4.35	
		<hr/>	
Less Tracks between Everett and Fleming, removed.....		6.86	
		4.75	
		<hr/>	
Net increase.....			2.11

**EQUIPMENT OF GREAT NORTHERN RAILWAY AND  
PROPRIETARY LINES.**

FOR YEAR ENDING JUNE 30, 1896, COMPARED WITH YEAR ENDING  
JUNE 30, 1895.

CLASS.	1896.	1895.
Locomotives.....	431	*414
<b>PASSENGER EQUIPMENT—</b>		
Sleeping Cars.....	42	38
Parlor Cars.....	3	3
Dining Cars.....	12	12
Buffet Smokers.....	8	8
Coaches.....	137	137
Tourist Cars.....	8	8
Passenger and Baggage.....	30	30
Baggage, Mail and Express.....	87	77
Business Cars.....	5	5
<b>Total Passenger Equipment.....</b>	<b>332</b>	<b>318</b>
<b>FREIGHT EQUIPMENT—</b>		
Box Cars.....	8,976	8,486
Flat and Coal Cars.....	2,670	2,670
Ore Cars.....	100	100
Stock Cars.....	527	528
Furniture Cars.....	1,152	1,152
Refrigerator Cars.....	107	107
Express Freight Cars.....	6	6
Hay Cars.....	6	6
Caboose Cars.....	217	216
Boarding Cars.....	47	47
Ballast Cars.....	764	364
Derrick and Tool Cars.....	39	40
Steam Shovels.....	9	8
Rotary Snow Plows.....	6	6
Pile Drivers.....	7	7
Ditching Car.....	1	1
Flanger.....	1	1
Other Work Equipment.....	74	73
<b>Total Freight and Work Equipment.....</b>	<b>14,709</b>	<b>13,818</b>

\* Report for 1895, shows 412; difference of two, account locomotives of Minneapolis Western Ry. not included.

## LAND COMMISSIONER'S REPORT.

*Jas. J. Hill, Esq., President,*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1896:

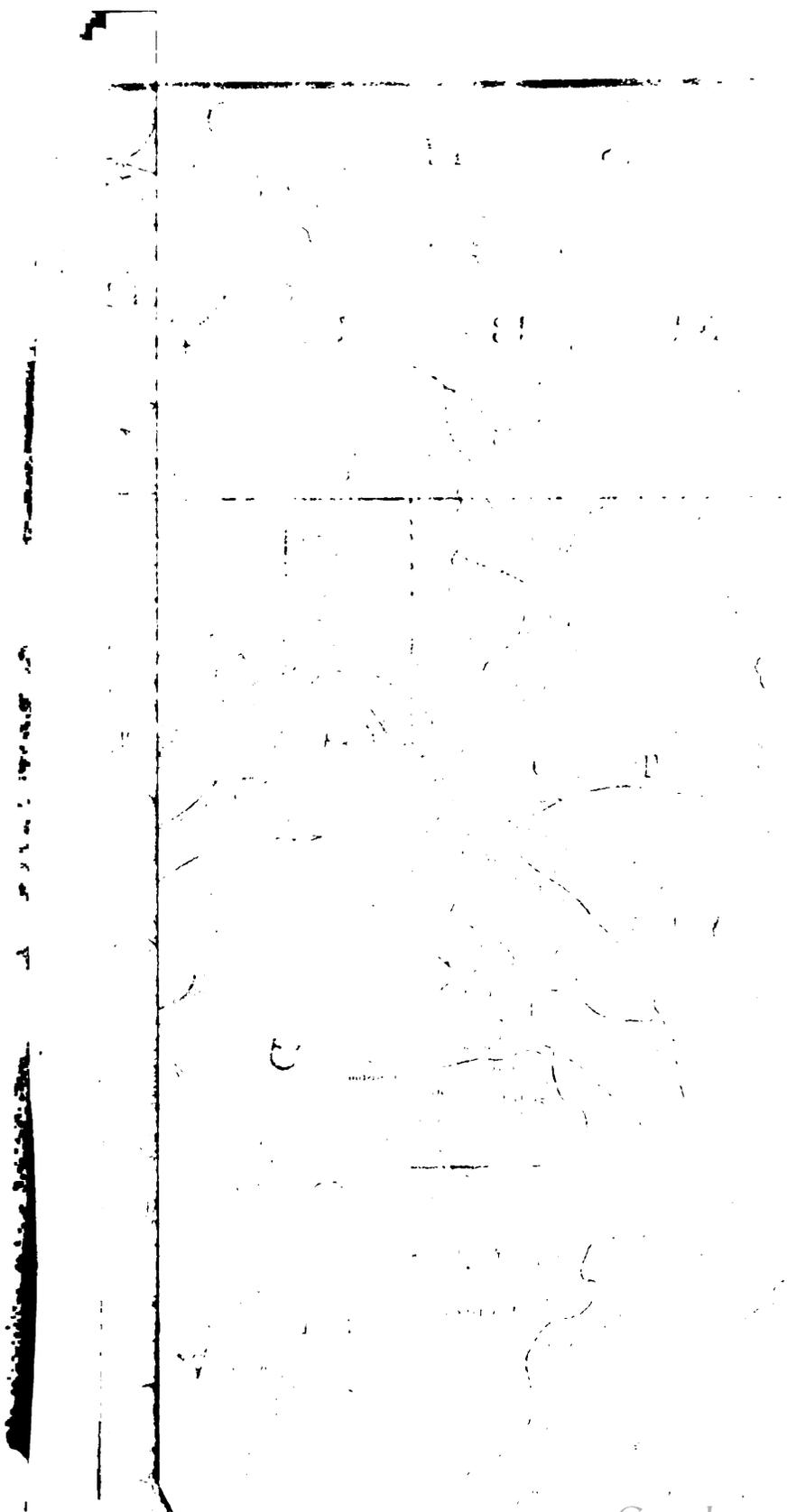
	<i>Acres.</i>	<i>Acres.</i>
Amount of Grant, Hinckley Branch.....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	
	<hr/>	476,864.00
Total acreage selected to date.....	169,476.84	
Total acreage deeded to Company.....	138,522.08	
	<hr/>	
Total acreage sold prior to June 30, 1896 .....		66,913.32½
Value of same.....	\$210,517.93	
Average price per acre.....	3.14	
	<hr/>	
Remaining Unsold, June 30, 1896.....		409,950.67½
		<hr/> <hr/>

## OPERATIONS DURING THE YEAR.

Sales.....	1,934.32½ Acres.
Amount sold for.....	\$12,160.04
Average price per acre.....	6.28
Disbursements of Land Department.....	3,851.06
Amount of Deferred Payments due Company, which are bearing interest at six and seven per cent.....	28,585.01

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*







PROPERTY OF  
HARVEY TISK & SONS,  
STATISTICAL DEPARTMENT.  
NOT TO BE LOANED OR TAKEN FROM OFFICE.

**EIGHTH ANNUAL REPORT**

OF THE

**GREAT NORTHERN**

**Railway Company.**

---

**FISCAL YEAR ENDING**

**JUNE 30, 1897.**



**EIGHTH ANNUAL REPORT**

OF THE

**GREAT NORTHERN**

**Railway Company.**

---

**FISCAL YEAR ENDING**

**JUNE 30, 1897.**







EIGHTH ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

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*To the Stockholders:*

The President and Directors submit the following report for the year ending June 30, 1897:

FINANCIAL.

During the business year covered by this report there was no change in the funded debt or share capital of the Great Northern Railway Company, or in the share capital of either of its proprietary railway companies. As the Willmar & Sioux Falls Railway Company did not issue in 1893 the full amount of its bonds required in payment for the line from Sioux Falls to Yankton, S. D., it has, during the past year, issued its bonds for \$21,000, the balance due, and closed out the open account.

The change in the bonded debt of the St. Paul, Minneapolis & Manitoba Railway Company, shown in the table on page 21 of this report, and fully explained in that Company's annual report, was caused, in part, by the redemption, through the operation of the Sinking Fund, of First Mortgage 7 per cent land grant bonds; and, in part, by the issuance of bonds for the acquisition of additional property, exchange of First Mortgage 7 per cent bonds for Consolidated Mortgage 4½ per cent bonds, and on account of the construction of an extension of the Hope line to Aneta, N. D., 28.07 miles, and of the Moorhead Northern line to Carman, Minn., 32.23 miles, a total of 60.30 miles.

Attention is called to the fact that during the year just ended the outstanding First Mortgage 7 per cent land grant bonds of the St. Paul, Minneapolis & Manitoba Ry. Co. have been called for payment by the Trustees of that mortgage, who, having in their hands the necessary funds for redemption of the bonds upon presentation, have satisfied the mortgage. Interest on these bonds ceased June 1, 1897. Six per cent per annum is the highest rate of bond interest now paid by this Company or its proprietary railway companies, and that rate upon \$35,170,000 of the \$106,141,854.54 outstanding bonds listed in table on page 21.

Expenditures were made during the year on the capital accounts of proprietary companies, as follows:

Eastern Railway Company of Minnesota... ..	\$136,730.32
Montana Central Railway Company .....	77,564.57
Willmar & Sioux Falls Railway Company.....	6,345.67
Duluth, Watertown & Pacific Railway Company... ..	314.42
Duluth Terminal Railway Company .....	72,309.95
Minneapolis Union Railway Company.....	234.66
Minneapolis Western Railway Company.....	94 63

No stock or bonds have been issued to represent these increases of invested capital.

During the year this Company purchased a large interest in the Preferred Shares of the Oregon Railroad & Navigation Company, in part payment for which Bills Payable were given to the amount of \$1,100,000, as shown by the General Balance Sheet on page 19. As soon as this purchase has been finally adjusted, these notes will be paid. This stock stands on the Company's books at cost, but has largely increased in value since purchased.

The Company has acquired during the year other securities and properties in connection with its railway, which, with the O. R. & N. stock above mentioned, make up the increase of \$2,713,174.72 in "Cost of Properties and Securities Owned by Great Northern Ry. Co.," as shown in General Balance Sheet on page 18, as compared with the same item in last year's balance sheet.

#### EQUIPMENT PURCHASED.

- 12 Mogul freight engines, with cylinders 19''x 26'' for the Great Northern Railway Company. Of these, eleven were additional and one to replace a vacant number.
- 751 Forty-foot 80,000 pound capacity box cars, equipped with automatic couplers and air brakes, for the Great Northern Railway, of which 681 were additional and 70 to replace cars destroyed during the year.

- 13 Four-wheel caboose cars were built in the Company's shops during the year, three to replace destroyed cars and ten for additional equipment.
- 21 Cinder cars for the Great Northern Railway were built during the year in the Company's shops.
- 1 Lidgerwood Rapid Unloader, mounted on car, was purchased for the Eastern Railway Company of Minnesota.
- 3 Heavy steel steam shovels, one each for the Great Northern Railway, Montana Central Railway and Eastern Railway Company of Minnesota.

The equipment with air brakes and automatic couplers of cars not previously so equipped has been actively carried forward, so that about sixty per cent of the cars belonging to the system are now so fitted as to conform to the Acts of Congress relating thereto, and the remainder will be equipped during the coming year.

As equipment is destroyed or taken out of service, operating expense is charged, and "Amount deducted from Income to provide for future Improvements and Renewals," is credited with the cost of replacing the same. When equipment for replacements is purchased the cost of the same is charged to the account last mentioned.

#### ADDITIONS.

##### ST. P., M & M. RY.'S LEASED LINES.

The Dakota Division offices, brick passenger and freight station, and yards at Larimore, N. D., referred to in last year's report, have been completed, and a brick roundhouse, water station, coaling station, and sand, oil and store houses built at that point.

The work of building additional stock yards, to handle increasing stock shipments, has been continued, many having been finished during the year, and work at this writing being in progress on others.

The stone passenger station at Moorhead, begun last year, has been completed. A depot has been built at Chokio and work started on one at Fergus Falls.

The improvement in the water supply is being carried on, dams and reservoirs with power supply plants, having been built at Amenia, Blanchard, Stanley, Glasgow and Burnham, besides important improvements at other stations.

Several street crossings at Grand Forks and Fargo have been protected by automatic gates. The St. Paul shops have been equipped with a full outfit of pneumatic tools and appliances for boiler and sheet work.

Relaying of the main tracks with 75-pound steel rails is being continued. During the year the lines from Minneapolis to St. Cloud via Osseo; from Crookston Junction to East Grand Forks; between Barnesville and Moorhead and between Rugby Junction and Berwick, have been so relaid, an aggregate of 93.02 miles. The lighter rails removed from these lines have been used to replace iron rails on the Halstad and Brown's Valley Branches, and on the lines between Sauk Centre and Park Rapids, and Ripon and Hope, where the traffic is lighter.

Numerous passing tracks have been laid along the main line of the Fergus Falls and Dakota Divisions, and between Breckenridge and Larimore. Work on others is now in progress. Additional tracks for local industries have also been laid during the year, the total increase in side track mileage being 16.65 miles.

In September, 1896, the Company acquired a grain elevator of 900,000 bushels capacity in Minneapolis, and a tract of land adjoining, and has built during the year an elevator of 1,750,000 bushels capacity, which is fully equipped, modern in every respect, and an advance in elevator construction. The operation of these elevators will insure the prompt handling of our cars, and increase their earning capacity. The yard in connection with these elevators has been rearranged and enlarged.

The extensions of the Halstad and Hope Branches, referred to in report of last year, have been completed, and those lines are in operation.

At the time of making this report, the construction of an extension of the Langdon Branch, from Langdon to Hannah, 20.156 miles, and an extension of the Cavalier Branch, from Cavalier to Walthalla, 16.128 miles, are about completed.

#### EASTERN RAILWAY OF MINNESOTA.

Very heavy work has been done in permanently improving this Railway. During the year 51 bridges and trestles have been replaced, 10 with steel bridges and the balance filled with solid embankments. Of the 127 wooden bridges and trestles originally constructed, there remained June 30, 1897, but 4 bridges and 41 trestles, and these are being filled.

All the embankments are being enlarged and strengthened and a heavy coat of gravel or broken stone ballast put over the entire line.

Owing to the heavy traffic on this line, wise economy calls for the best possible permanent way.

#### MONTANA CENTRAL RAILWAY.

A new division point has been established at Woodville, nine miles from Butte, at the top of the heavy grade, consisting of yard, coal and water station, etc.

All the wooden bridges between Helena and Butte are being either permanently filled or replaced with steel and masonry, and the work will be completed this fall.

#### GENERAL WORK.

Right of way fencing on all lines has been actively followed, a greater mileage having been constructed this year than ever before. Considerable work of this nature is now in progress.

The Company has continued the policy, as heretofore, of keeping its railway and equipment in the highest state of efficiency, as will appear by reference to the chief items of expenditure for additions, replacements, improvements, and reconstruction, as shown in this report. Only such amounts as were paid for actual additions to the property have been charged to capital account. All replacements and renewals have been charged to operating expenses.

On all newly constructed railways there is for some years a gradual settlement and diminution of embankments which has to be replaced from time to time, until the work has become permanent. During the past year there has been expended on the system about \$900,000 in permanent improvements of track alone. Steel bridges and trestles have been built, aggregating 9,288 feet, or over one and three-fourths miles.

Wooden structures replaced with solid embankments and permanent waterways aggregate 27,965 feet, or five and three-tenths miles.

Embankments have been widened and strengthened. Additional ballast of gravel and broken stone has been placed on over 300 miles.

The cost of this work, charged to maintenance of track, is equal to about ten cents per train mile of all revenue trains run during the year.

It will be the policy of the Company to continue this work until all its lines are in a permanent and perfect condition, to the end that the cost of its operation will be reduced to a minimum.

#### VOLUME OF TRAFFIC AND RATES.

During the year the Company's business has shown a reduction in the amount of wheat carried, compared with the preceding year, of about 20 000,000 bushels, or 600,000 tons, while the total decrease in tons carried is less than 50,000 tons. The tons hauled one mile increased over 34,000,000. This increase is almost entirely from the business of the lines between Minot and the Pacific Coast.

The average rate received per ton per mile has been reduced about two per cent; equal to a reduction in revenue of \$331,500.

The past six years have been marked, throughout the entire country, by various financial changes and depressions of business, which have borne heavily upon the general railway systems of the country. Many companies have been forced into bankruptcy; and almost all of the old and long-established lines have been compelled to reduce their rate of dividend to a greater or less extent. It is a matter of gratification that our Company has been able to earn and pay during these years its full dividend, and at the same time carry on the work of improving its property.

The general business prosperity of the country at large, and particularly of that part served by our line, has already made itself felt. Careful estimates indicate that over 20,000 new settlers located on our lines during the year. The higher prices of all agricultural products will bring more money to the farmers, and enable them to increase their use of the railway.

The Board respectfully calls the attention of the shareholders to the report of the Comptroller, with the customary balance sheet, and statistical tables, and the report of the Land Commissioner.

JAMES J. HILL,  
*President.*

## COMPTROLLER'S REPORT.

*Mr. JAMES J. HILL, President.*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ending June 30, 1897.

These statements are made in exactly the same form, and on the same basis, as those submitted with last year's report, but their order of insertion has been somewhat changed.

The statements on the pages next following, 12 and 13, show the Earnings, Operating Expenses, Taxes, etc., of the *Railway System*. The statement on page 14 shows the divisions of those amounts between the several railways. On pages 15 and 16 are given the Revenue and Income Accounts of the Great Northern *Railway Company*.

The Balance Sheet given this year shows, the same as last year's, the financial condition of the *railway system*. The finances of the companies that are omitted, that is, the Northern Steamship Company, Sand Coulee Coal Company, and Great Northern Express Company, are kept separate and distinct from those of the railway system.

R. I. FARRINGTON,  
*Comptroller.*

**GROSS EARNINGS, OPERATING EXPENSES, TAXES AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDING JUNE 30, 1897, COMPARED WITH PREVIOUS FISCAL YEAR.**

**GROSS EARNINGS.**

PER CENT.	1897.		1896.	PER CENT.
81.5048	\$15,841,330.90	.....Freight .....	\$15,833,090.47	80.7293
13.0022	2,527,109.17	.....Passenger .....	2,648,853.93	13.5059
2.2519	437,681.08	.....Mail.....	441,463.89	2.2509
.9259	179,958.16	.....Express .....	191,106.31	.9744
2.3152	449,981.26	.....Miscellaneous.....	498,049.73	2.5395
	<b>\$19,436,060.57</b>		<b>\$19,612,564.33</b>	

**OPERATING EXPENSES.**

PER CENT.	1897.		1896.	PER CENT.
49.4574	\$5,292,864.50	Conducting Transportation.	\$5,475,095.44	53.5163
12.0096	1,285,253.53	Maintenance of Equipment..	1,478,314.98	14.4498
29.2780	3,133,293.39	{ Maintenance of Road and Structures..... }	2,324,293.73	22.7188
9.2550	990,459.98	.....General Expenses.....	953,004.32	9.3151
	<b>\$10,701,871.40</b>		<b>\$10,230,708.47</b>	

## SUMMARY OF EARNINGS AND EXPENSES.

1897.		1896.
\$19,436,060.57	.....Gross Earnings.....	\$19,612,564.33
10,701,871.40	..... Operating Expenses .....	10,230,708.47
\$8,734,189.17	.....Net Earnings.....	\$9,381,855.86
602,648.69	.....Taxes.....	632,837.09
\$8,131,540.48	.....Net Income.....	\$8,749,018.77
55.06	Operating Expenses, per cent of Gross .....Earnings.....	52.16
58.16	Operating Expenses and Taxes, per cent .....of Gross Earnings. ....	55.39
\$4,402.52	Gross Traffic Earnings per Mile of Road	\$4,483.70
2,424.11	....Operating Expenses per Mile of Road....	2,338.88
\$1,978.41	.....Net Earnings per Mile of Road.....	\$2,144.82
4,414.76	Average Miles of Road Under Operation	4,374.19

**STATEMENT SHOWING REVENUE FOR THE YEAR ENDING JUNE 30, 1897, OF THE  
GREAT NORTHERN RY. CO., AND ALL PROPRIETARY COMPANIES.**

COMPANY.	Gross Earnings.	Operating Expenses.	Taxes.	Net Earnings.	Miscellaneous Income Received.	Total.
Great Northern Ry. (Lines leased from St. P., M. & M. Ry.)	\$14,994,541.41	\$8,173,890.54	\$502,205.55	\$6,318,445.32	\$589,551.26	\$6,907,996.58
RAILWAYS.						
Eastern Ry. of Minnesota	1,855,536.73	914,549.55	52,733.43	888,253.70	42,207.12	930,460.82
Montana Central Ry.	1,930,652.53	1,303,066.67	24,900.62	600,685.24	2,221.21	602,906.45
Willmar & Sioux Falls Ry.	616,087.51	267,610.93	17,322.54	331,154.04	<i>Dr.</i> 1,952.83	329,201.21
Duluth, Watertown & Pacific Ry.	\$9,242.39	40,733.71	5,486.50	<i>Def.</i> 6,977.82	121.00	<i>Def.</i> 6,856.82
Total Railway System Proper	\$19,436,000.57	\$10,701,871.40	\$602,648.59	\$8,131,540.48	\$632,147.76	\$8,763,688.24
OTHER COMPANIES.						
Minneapolis Union Ry.	240,169.81	42,724.60	2,075.97	195,369.24	202.20	195,571.44
Minneapolis Western Ry.*	63,464.06	25,504.15	1,266.00	33,593.85	48,601.13	82,194.98
Duluth Terminal Ry.	93,398.06	17,486.46		75,911.60		75,911.60
Northern Steamship Co.*	805,108.06	591,365.29		<i>Def.</i> 213,742.77		<i>Def.</i> 213,742.77
Great Northern Express Co.	573,366.69	390,857.55	366.00	82,142.84		82,142.84
Sand Coulee Coal Co.	684,117.71	349,656.73	1,446.45	133,014.53	22,563.87	155,578.40
Total for the System	\$21,736,225.30	\$12,622,418.48	\$607,803.11	\$8,506,003.71	\$664,921.11	\$9,170,924.82

\*For the fiscal year ending December 31, 1896.

EXPLANATORY NOTES.  
The Great Northern Railway Company has advanced the deficits for the year of the Duluth, Watertown & Pacific Ry. and the Northern Steamship Co. Dividends: Out of the Net Income for the Year of the Companies named, the following dividends have been declared:

Eastern Ry. Co. of Minnesota	\$400,000.00
Willmar & Sioux Falls Ry. Co.	150,000.00
Minneapolis Union Ry. Co.	50,000.00
Sand Coulee Coal Co.	150,000.00
Total	\$750,000.00

which amount is not included in the Miscellaneous Income of the Great Northern Ry., as given in the above table, but is added to that Miscellaneous Income in the Income Account on page 16.

DULUTH TERMINAL RY. CO.—This Company is the owner of the Railway used by the Eastern Ry. of Minnesota to secure an entrance into Duluth, and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Ry. Under the franchise of the Duluth Terminal Ry., its earnings, derived from trackage, are limited to six per cent on its stock and bonds. The interest and dividends paid, amounting to \$13,500, are not included in the Miscellaneous Income of the Eastern Ry., above shown.

GREAT NORTHERN EXPRESS CO.—The amount shown under "Operating Expenses" includes the amount paid Halfway Companies for transportation. SAND COULEE COAL CO.—The amount shown under "Operating Expenses" in addition to the cost of mining and marketing coal is a charge of ten cents per ton to provide a sinking fund against the ultimate exhaustion of the property. A portion of the rental received from buildings is likewise set aside to cover their replacement. The Sinking Funds now amount to \$25,000.00.

**REVENUE ACCOUNT,  
GREAT NORTHERN RAILWAY COMPANY.**

**EARNINGS FROM OPERATION OF ST. P., M. & M. RY.'S LEASED LINES.**

FOR YEAR ENDING JUNE 30, 1897.

**EARNINGS:**

Freight.....	\$11,974,462.97	
Passenger .....	2,074,166.32	
Mail.....	393,144.95	
Express.....	153,395.01	
Miscellaneous .....	399,372.16	
Gross Earnings.....		\$14,994,541.41

**OPERATING EXPENSES:**

Conducting Transportation.....	\$3,886,435.70	
Maintenance of Equipment.....	996,761.51	
Maintenance of Road and Structures...	2,484,475.93	
General Expenses.....	806,217.40	
Total Operating Expenses.....	\$8,173,890.54	

TAXES.....	502,305.55	8,676,096.09
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		\$8,318,445.32
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From which have been paid—

**RENTALS:**

To St. P., M. & M. Ry. Co.:

Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued.....	\$3,483,408.78	
(See details on page 21)		
Guaranteed Dividends of 6 per cent on Capital Stock of St. P., M. & M. Ry. Co. (See page 21) .....	1,200,000.00	
Interest on Great Northern Ry. Collat- eral Trust Bonds, secured by St. P., M. & M. Ry. Pacific Extension Bonds,	600,000.00	
Maintenance of Organization of St. P., M. & M. Ry. Co.....	7,170.57	
Other Rentals.....	90,150.00	
Total.....		\$5,380,729.35
Balance Transferred to Income Account.....		\$937,715.97

**INCOME ACCOUNT,  
GREAT NORTHERN RAILWAY COMPANY.**

FOR YEAR ENDING JUNE 30, 1897.

Balance Transferred from Revenue Account		\$937,715.97
<b>OTHER INCOME:</b>		
Interest on Bonds Owned. (See detail on page 17).....		\$93,823.18
Dividends on Stocks Owned. (See detail on page 17).....		1,000,547.67
Rental of Lines Leased.....		187,256.25
Bills Receivable (Land Notes) .....		15,837.83
General Interest.....		73,556.66
Rental of Equipment and Car Service...		56,904.05
Income from Other Sources—ground rents, miscellaneous items, etc. ....		91,625.62
		1,519,551.26
Total Income.....		<b>\$2,457,267.23</b>
<b>From which have been paid Dividends, as follows:</b>		
August 1, 1896, 1½ per cent.....		\$312,500.00
November 1, 1896, 1½ per cent.....		312,500.00
February 1, 1897, 1½ per cent.....		312,500.00
May 1, 1897, 1½ per cent.....		312,500.00
		1,250,000.00
Balance Transferred to Profit and Loss.....		<b>\$1,207,267.23</b>

DETAILS OF OTHER INCOME AS TAKEN UP ON PAGE 16.

INTEREST ON BONDS OWNED:

Todd County Bonds.....	\$777.77	
County of Pipestone Bonds.....	1,800.00	
Town of Wadena Bonds.....	690.00	
Town of Sandness Bonds..	240.00	
Town of Leaf River Bonds.....	120.00	
Town of Hutchinson Bonds.....	690.00	
Town of Breckenridge Bonds.....	70.00	
Town of Minnesota Falls Bonds.....	120.00	
Minnesota Transfer Ry. Bonds.....	1,170.41	
Willmar & Sioux Falls Ry. Bonds.....	1,050.00	
Butte, Anaconda & Pacific Ry. Bonds.....	50,000.00	
St. P., M. & M. Ry. Consolidated Mortgage Bonds	35,055.00	
St. P., M. & M. Ry. Montana Extension Bonds....	2,040.00	
		<hr/>
Total.....		\$93,823.18

DIVIDENDS ON STOCKS OWNED:

St. Paul Foundry Co. Stock.....	\$8,250.00	
Great Northern Ry. Co. Stock.....	295.00	
Minneapolis Union Ry. Co. Stock.....	30,000.00	
St. Paul Union Depot Co. Stock.....	2,868.67	
Sand Coulee Coal Co. Stock.....	150,000.00	
Willmar & Sioux Falls Ry. Co. Stock.....	150,000.00	
Eastern Ry. Co. of Minnesota Stock.....	600,000.00	
St. Paul, Minneapolis & Manitoba Ry. Co. Stock	336.00	
Butte, Anaconda & Pacific Ry. Co. Stock (for the two years ended June 30, 1897).....	58,800.00	
		<hr/>
Total.....		<u>\$1,000,547.67</u>

## CONDENSED GENERAL BAL

BEING A CONSOLIDATION OF THE GENERAL

GREAT NORTHERN RY. CO., EASTERN RY. CO. OF MINNESOTA, MON  
WATERTOWN & PACIFIC RY. CO., MINNEAPOLIS  
AND DULUTH

*Dr.*

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<i>To</i> Cost of Properties and Securities Owned by Great Northern Ry. Co.....	\$33,937,255.10
<i>Less</i> Capital Stock and Bonds of Proprietary Companies, owned by Great Northern Ry. Co. and not shown contra.....	14,355,000.00
	<hr/>
	\$19,582,255.10
St. P., M. & M. Ry. Pacific Extension Bonds in hands of Trustees as Security for Great Northern Ry. Collateral Trust Bonds.....	15,000,000.00
Cost of the following Properties controlled by the Great Northern Ry. Co. through Ownership of their Entire Share Capital: Eastern Ry. of Minnesota—Railway, Equip- ment, Elevators, Etc.....	\$10,093,933.06
Montana Central Ry.—Railway and Equipment...	14,134,329.92
Willmar & Sioux Falls Ry.—Railway and Real Estate.....	5,411,474.81
Duluth, Watertown & Pacific Ry.....	2,204,813.62
Minneapolis Union Ry.—Union Depot, Railway, Etc.....	3,289,787.81
Minneapolis Western Ry.....	740,671.81
	<hr/>
	\$35,874,911.03
Cost of Duluth Terminal Ry., the entire Share Capital and Bonds of which are owned by the Eastern Ry. Co. of Minne- sota, and not shown contra.....	316,779.63
	<hr/>
	36,191,690.66
Stocks and Bonds owned by Eastern Ry. Co. of Minnesota, in addition to those of Duluth Terminal Railway Co.....	142,695.78
Cost of Additions and Improvements made by the Great Northern Ry. Co. to Prop- erty leased from St. P., M. & M. Ry. Co.....	544,600.64
CURRENT ASSETS.	
Cash in St. Paul Office.....	\$370,724.61
Cash in New York Office.....	703,108.27
Cash in London Office.....	291,707.92
Due from Agents.....	575,168.80
Due from U. S. Post Office Department.....	110,356.15
Due from U. S. Transportation... .	10,167.48
Advanced Charges.....	11,520.56
Bills Receivable.....	781,466.48
Due from Other Companies and Individuals	614,369.88
Advances in Current Account to Other Proprietary Companies.....	327,787.52
	<hr/>
	3,776,377.67
Value of Material and Fuel on hand.....	991,494.96
	<hr/>
	\$76,229,114.81
	<hr/>

## ANCE SHEET JUNE, 30, 1897.

BALANCE SHEETS FOR THAT DATE OF THE

TANA CENTRAL RY. CO., WILLMAR & SIOUX FALLS RY. CO., DULUTH,  
UNION RY. CO., MINNEAPOLIS WESTERN RY. CO.,  
TERMINAL RY. CO.

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By Capital Stock Great Northern Ry. Co.....	\$25,000,000.00
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## FUNDED DEBT IN HANDS OF PUBLIC.

Great Northern Ry. Co. Collateral Trust Bonds, 4 per cent.....	\$15,000,000.00
Eastern Railway Co. of Minnesota, First Mortgage Bonds, 5 per cent.....	4,700,000.00
Montana Central Ry., First Mortgage Bonds, 6 per cent.....	6,000,000.00
Montana Central Ry., First Mortgage Bonds, 5 per cent.....	2,700,000.00
Willmar & Sioux Falls Ry. Co., First Mortgage Bonds, 5 per cent.....	3,646,000.00
Minneapolis Union Ry. Co., First Mortgage Bonds, 6 per cent.....	2,150,000.00
Minneapolis Union Ry. Co., First Mortgage Bonds, 5 per cent.....	650,000.00
Minneapolis Western Ry. Co., First Mortgage Bonds, 5 per cent.....	500,000.00
	35,346,000.00

## CURRENT LIABILITIES.

Audited Vouchers Unpaid.....	\$970,573.51
Unpaid Pay Rolls.....	797,910.56
Unpaid Coupons, including those due July 1, 1897.....	1,555,846.92
Unpaid Dividends on St. P., M. & M. Ry. Stock.....	165.00
Unpaid Dividends on Great Northern Ry. Stock.....	143.75
Due to Other Companies and Individuals...	720,279.46
	4,044,919.20
Bills Payable, given in part payment for Preferred Stock Oregon Railroad & Navigation Co., not yet due.....	1,100,000.00

## DEFERRED LIABILITIES.

Accrued Taxes, not yet due.....	\$311,977.04
Bond Interest Accrued, not due.....	275,691.66
Rental of St. P., M. & M. Ry. Accrued, not due....	403,116.67
	990,785.37
Amount deducted from Income to provide for future Improvements and Renewals...	\$1,149,405.07
Insurance Fund.....	50,202.42
Surplus Funds of Other Proprietary Companies deposited with Great Northern Ry. Co.....	1,117,893.83
Balance—Profit and Loss.....	7,429,908.92
	9,747,410.24

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\$76,229,114.81

**STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON ENTIRE  
SYSTEM FOR THE YEAR ENDING JUNE 30, 1897, COMPARED  
WITH PREVIOUS YEAR.**

DESCRIPTION.	1897.	1896.	DECREASE.	
			Amount.	Per Cent.
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	5,442,659	5,680,711	238,052	4.1905
Mileage of Mixed Trains.....	452,901	653,468	200,567	30.6927
<hr/>				
Mileage of Loaded Freight Cars	116,801,076	124,007,236	7,206,160	5.8111
Mileage of Empty Freight Cars.	86,482,666	43,648,618	7,165,952	16.4174
<b>Total Car Mileage.....</b>	<b>153,283,742</b>	<b>167,655,854</b>	<b>14,372,112</b>	<b>8.5724</b>
<hr/>				
Tons of Freight Carried, Revenue	7,471,894	7,521,159	49,265	.6550
Company.	1,169,799	1,102,676	Increase. 67,123	Increase. 6.0873
<b>Total.....</b>	<b>8,641,693</b>	<b>8,623,835</b>	<b>Increase. 17,858</b>	<b>Increase. .2071</b>
<hr/>				
Tons of Revenue Freight Carried			<i>Increase.</i>	<i>Increase.</i>
One Mile.....	1,657,228,725	1,622,877,423	\$4,846,302	2.1164
Earnings from Freight Traffic...	\$16,096,609.87	\$16,124,404.68	<i>Decrease.</i> \$27,894.81	<i>Decrease.</i> .1730
<hr/>				
<b>AVERAGES.</b>				
All Cars hauled per Freight				
Train Mile.....	26.00	26.47	.47	1.7756
Tons Revenue Freight hauled			<i>Increase.</i>	<i>Increase.</i>
per Train.....	281.097	256.210	24.887	9.7135
Tons Revenue Freight hauled				
per Loaded Car.....	14.188	18.087	1.101	8.4129
Earnings per Freight Train Mile	\$2.73	\$2.55	\$0.18	7.0588
	<i>Cents.</i>	<i>Cents.</i>	<i>Decrease—Cents</i>	<i>Decrease.</i>
Earnings per Ton per Mile.....	.956	.976	.020	2.0492
<hr/>				
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	3,205,238	2,971,338	<i>Increase.</i> 233,900	<i>Increase.</i> 7.8719
Passengers Carried.....	1,498,310	1,528,369	<i>Decrease.</i> 30,059	<i>Decrease.</i> 1.9667
Passengers Carried One Mile.....	97,543,773	98,178,028	1,634,255	1.6478
Earnings from Passenger Trains	\$3,314,836.71	\$3,457,411.78	\$142,575.02	4.1237
<hr/>				
<b>AVERAGES.</b>				
Earnings per Passenger Train				
Mile.....	\$1.0342	\$1.1636	\$0.1294	11.1206
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	
Earnings per Passenger per Mile	2.591	2.671	.080	2.9951
<hr/>				
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passen- ger Trains.....	9,100,798	9,305,517	204,719	2.2000
Earnings from Freight and Pas- senger Trains.....	\$19,411,346.58	\$19,581,816.41	\$170,469.83	.8705
			<i>Increase.</i>	<i>Increase.</i>
Earnings per Train per Mile.....	\$2.13	\$2.10	\$0.03	1.4286
Expenses per Train per Mile.....	\$1.17	\$1.10	\$0.07	6.3636
Net Earnings per Train per Mile from Traffic.....	\$0.96	\$1.00	<i>Decrease.</i> \$0.04	<i>Decrease.</i> 4.0000

**STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE  
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTH-  
ERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR  
UNDER GUARANTEE.**

Outstanding July 1, 1896.	BONDS.	Outstanding July 1, 1897.	Annual Charges Paid 1896-97.
\$419,800.00	St. P., M. & M. RY.— First Mortgage, 7 per cent. ....	\$61,400.00	\$22,954.23
8,000,000.00	Second Mortgage, 6 per cent. ....	8,000,000.00	480,000.00
5,676,000.00	Dakota Extension, 6 per cent. ....	5,676,000.00	340,560.00
13,344,000.00	Consolidated Mortgage, 6 per cent	13,344,000.00	800,640.00
20,318,000.00	Consolidated Mortgage, 4½ per ct	21,262,000.00	†942,856.37
7,805,000.00	Montana Extension, 4 per cent. ....	7,907,000.00	314,580.00
14,545,454.54	Pacific Extension, 4 per cent. ....	*14,545,454.54	581,818.18
	Total shown on page 15 .....		\$3,483,408.78
15,000,000.00	GREAT NORTHERN RY.— Co.lateral Trust, 4 per cent. ....	\$15,000,000.00	\$600,000.00
4,700,000.00	EASTERN RY. OF MINNESOTA— First Mortgage, 5 per cent. ....	4,700,000.00	235,000.00
6,000,000.00	MONTANA CENTRAL RY.— First Mortgage, 6 per cent. ....	6,000,000.00	360,000.00
2,700,000.00	First Mortgage, 5 per cent. ....	2,700,000.00	135,000.00
3,625,000.00	WILLMAR & SIOUX FALLS RY.— First Mortgage, 5 per cent. ....	3,646,000.00	182,300.00
2,150,000.00	MINNEAPOLIS UNION RY.— First Mortgage, 6 per cent. ....	2,150,000.00	129,000.00
650,000.00	First Mortgage, 5 per cent. ....	650,000.00	32,500.00
500,000.00	MINNEAPOLIS WESTERN RY.— First Mortgage, 5 per cent. ....	500,000.00	25,000.00
\$105,433,254.54	.....Total .....	\$106,141,854.54	\$5,182,208.78
	STOCK.		
\$20,000,000.00	St. P., M. & M. Ry., 6 per ct. Guar'nt'd	\$20,000,000.00	\$1,200,000.00
\$125,433,254.54	.....Total .....	\$126,141,854.54	\$6,382,208.78
\$25,000,000.00	Great Northern Railway Company.	\$25,000,000.00	\$1,250,000.00

Mileage of Main Track in system, including second, third, fourth, fifth and sixth tracks, as shown on page 22..... 4,608.77

**LESS MILEAGE OF**

Pacific Coast Lines..... 159.10  
Duluth, Watertown & Pacific Ry., bonds on which are all owned by the Great Northern Ry. Co..... 69.84  
Duluth Terminal Ry., bonds on which are all owned by Eastern Ry. Co. of Minnesota..... 1.78

Mileage of Main Tracks covered by bonds in hands of the public..... 4,376.05

Bonded Debt, per mile of Main Track..... \$24,230.07

Capital Stock, St. P., M. & M. Ry., per mile of Main Track (8,830.72 miles)..... 5,220.95

Interest Charges and Guaranteed Dividend on Stock of St. P., M. & M. Ry., per mile of road operated..... 1,457.77

† The total interest paid on Consolidated Mortgage 4½ per cent Bonds was \$911,214.98; the difference between this amount and that shown above, viz.: \$373.61, is accrued interest on Consols issued during the year in exchange for First Mortgage Bonds.

\* Does not include \$3,000,000 St. P., M. & M. Ry. Pacific Extension Bonds underlying the Great Northern Railway Company's Collateral Trust Bonds, the latter only being shown.

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES LEASED FROM ST. P., M. & M. Ry. Co.:		<i>Main Track,</i>	<i>Total</i>
		<i>Miles.</i>	<i>Miles.</i>
Willmar Division.....		167.87	
Fergus Falls Division.....		570.77	
Breckenridge Division.....		419.99	
Northern Division.....		618.11	
Dakota Division.....		621.38	
Montana Division.....		562.92	
Kalispell Division.....		506.62	
Cascade Division.....		312.21	
Total First Main Track.....		3,779.87	3,779.87
Second Track.....	28.52		
Third Track.....	9.28		
Fourth, Fifth and Sixth Tracks.....	13.05		50.85
Total Main Tracks St. P., M. & M. Ry. leased.....			3,830.72
Side Tracks.....			503.56
Total Tracks covered by the Bonded Debt of the St. P., M. & M. Ry., as shown by statement on page 21.....			4,334.28
<b>OTHER TRACKS LEASED BY GREAT NORTHERN RY.:</b>			
Oregon Short Line, Union Depot Co. and Spokane & Seattle Ry. in Spokane.....	4.80		
Everett & Monte Cristo Ry., Everett, Washington.....	5.25	10.05	10.05
Main Line operated by Great Northern Ry. Co.....		3,789.92	
<b>PROPRIETARY COMPANIES:</b>		<i>Side Track,</i>	<i>Main Track,</i>
		<i>Miles.</i>	<i>Miles.</i>
Eastern Ry. of Minnesota.....	47.18	72.39	
Second Track.....	8.00		
Duluth Terminal Railway.....	3.31	1.78	
Montana Central Ry.....	45.52	256.74	
Willmar & Sioux Falls Ry.....	15.44	205.25	
Duluth, Watertown & Pacific Ry.....	4.08	69.84	
Minneapolis Union Ry.....	4.65	2.63	
Second Track.....	2.63		
Pacific Coast Lines.....	21.92	159.10	
Minneapolis Western Ry.....	4.00	1.69	
Total First Main Tracks, Proprietary Lines.....		760.42	769.42
Total Second Main Tracks and Side Tracks, Proprietary Lines.....	153.83		153.83
Total Miles of Road in System.....		4,550.34	
Total Miles of Tracks, all kinds, in System.....			5,267.58
Total Main Tracks St. P., M. & M. Ry.....		3,830.72	
First Main Track, Proprietary Companies.....		769.42	
Second Main Track, Proprietary Companies.....		8.63	
Total Miles of Main Tracks.....			4,608.77
<b>NOTE.—Total miles of Road in System, June 30, 1897, as shown above.....</b>			
Total miles of Road in System, June 30, 1896, per report that year.....		4,497.91	
Increase in mileage.....			61.43
<b>This increase is made up as follows:</b>			
Halstad to Carman, constructed.....		32.23	
Hope to Aneta, constructed.....		28.97	
Montana Central Ry. East "Y" at Helena, extended.....		.14	
Minneapolis Western Ry., correction in Mileage.....		.90	
Increase in Mileage.....			61.43

**EQUIPMENT OF GREAT NORTHERN RAILWAY AND  
PROPRIETARY LINES.**

FOR YEAR ENDING JUNE 30, 1897, COMPARED WITH YEAR ENDING  
JUNE 30, 1896.

CLASS.	1897.	1896.
Locomotives.....	443	431
<b>PASSENGER EQUIPMENT—</b>		
Sleeping Cars.....	42	42
Parlor Cars.....	3	3
Dining Cars.....	12	12
Buffet Smokers.....	8	8
Coaches.....	137	137
Tourist Cars.....	8	8
Passenger and Baggage.....	30	30
Baggage, Mail and Express.....	87	87
Business Cars.....	5	5
<b>Total Passenger Equipment.....</b>	<b>332</b>	<b>332</b>
<b>FREIGHT EQUIPMENT—</b>		
Box Cars.....	9,654	8,976
Flat and Coal Cars.....	2,671	2,670
Ore Cars.....	100	100
Stock Cars.....	527	527
Furniture Cars.....	1,152	1,152
Refrigerator Cars.....	107	107
Express Freight Cars.....	6	6
Hay Cars.....	6	6
Caboose Cars.....	227	217
Boarding Cars.....	47	47
Ballast Cars.....	764	764
Derrick and Tool Cars.....	41	39
Steam Shovels.....	12	9
Rotary Snow Plows.....	6	6
Pile Drivers.....	7	7
Ditching Car.....	1	1
Flanger.....	1	1
Cinder Cars.....	22	.....
Other Work Equipment.....	73	74
<b>Total Freight and Work Equipment.....</b>	<b>15,424</b>	<b>14,709</b>

## LAND COMMISSIONER'S REPORT.

*Jas. J. Hill, Esq., President,*

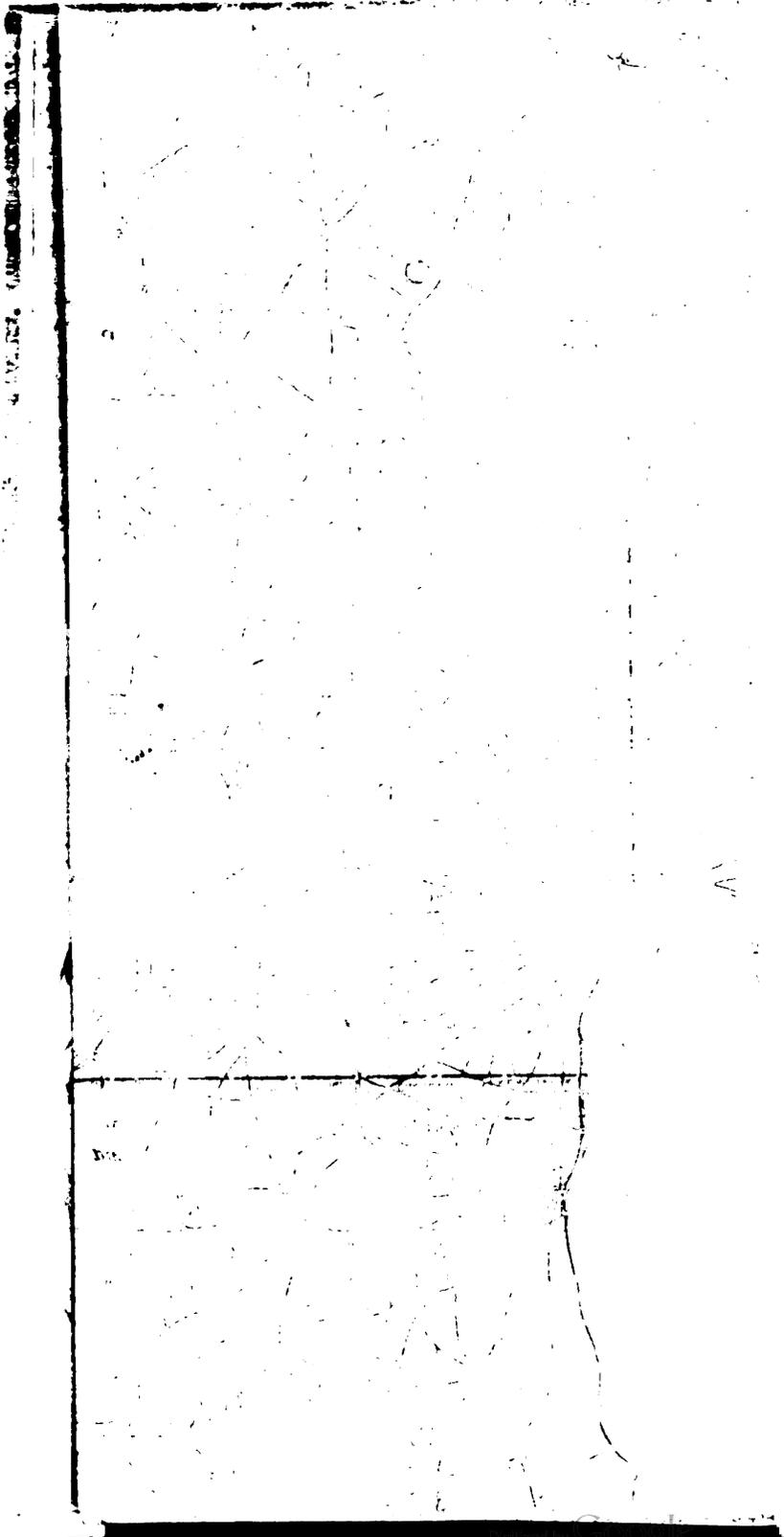
DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1897:

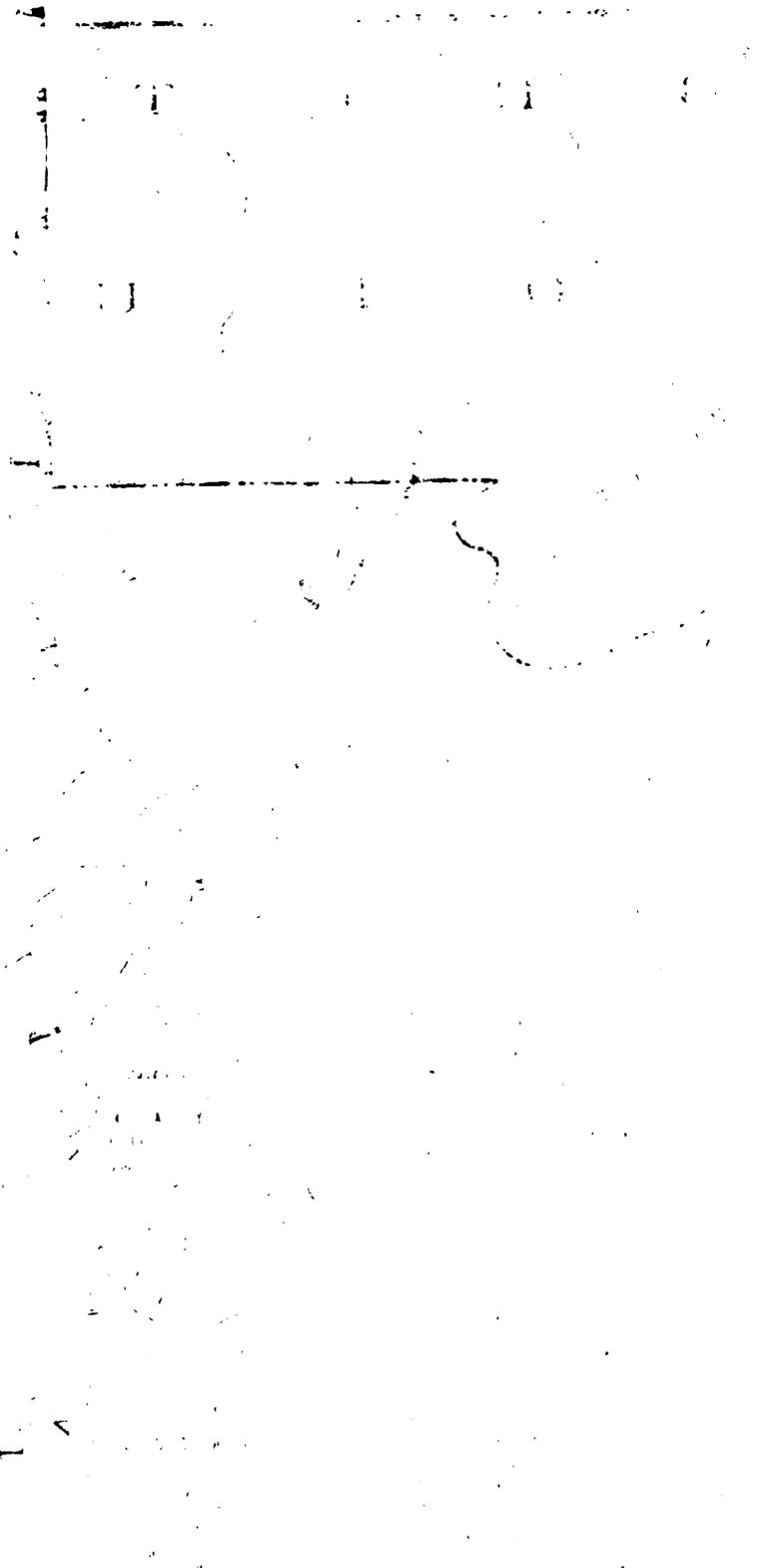
	<i>Acres.</i>	<i>Acres.</i>
Amount of Grant, Hinckley Branch.....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	
	<hr/>	
Total acreage selected to date.....	169,501.38	
Total acreage deeded to Company.....	138,546.62	
	<hr/>	
Total acreage sold prior to June 30, 1897.....		68,337 73½
Value of same.....	\$218,111.00	
Average price per acre.....	3.19	
		<hr/>
Remaining Unsold June 30, 1897.....		408,526 26½
		<hr/>

## OPERATIONS DURING THE YEAR.

Sales.....	1,424.41	Acres.
Amount sold for.....	\$7,598.72	
Average price per acre.....	5 33	
Disbursements of Land Department.....	385.51	
Amount of Deferred Payments due Company, which are bearing interest at six and seven per cent.....	\$33,381.05	

CHARLES H. DABCOCK,  
*Ass't Land Commissioner.*





14/12/11  
NINTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

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FISCAL YEAR ENDING

JUNE 30, 1898.



**NINTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

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**FISCAL YEAR ENDING**

**JUNE 30, 1898.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

LORD STRATHCONA and MOUNT ROYAL	(term expires 1898)	GLENCOE, SCOTLAND.
JACOB H. SCHIFF	(term expires 1898)	NEW YORK.
HENRY W. CANNON	(term expires 1898)	NEW YORK.
JAMES J. HILL	(term expires 1899)	ST. PAUL.
W. P. CLOUGH	(term expires 1899)	ST. PAUL.
SAMUEL HILL	(term expires 1899)	MINNEAPOLIS.
J. KENNEDY TOD	(term expires 1900)	NEW YORK.
EDWARD SAWYER	(term expires 1900)	ST. PAUL.
M. D. GROVER	(term expires 1900)	ST. PAUL.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
R. HARDING,	GENERAL SUPERINTENDENT,	ST. PAUL.
F. B. CLARKE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
N. D. MILLER,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.
F. W. BOBBETT,	TRANSFER AGENT,	NEW YORK.



NINTH ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

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*To the Stockholders:*

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

FINANCIAL.

During the business year covered by this report there was no change in the funded debt or share capital of the Great Northern Railway Company, or in the share capital of either of its proprietary railway companies.

The change in the bonded debt of the St. Paul, Minneapolis & Manitoba Railway Company, shown in the table on page 31 of this report, and fully explained in that Company's annual report, was caused in part by the redemption, through the operation of the Sinking Funds, of \$60,400 first mortgage 7 per cent land grant bonds and \$507,000 consolidated mortgage 4½ per cent bonds; and, in part, by the issuance of \$1,495,000 consolidated mortgage 4½ per cent bonds for the acquisition of additional property, and

on account of the construction of an extension of the Langdon branch to Hannah, and of the Cavalier branch to Walhalla, both in North Dakota.

There is still outstanding of the St. P., M. & M. R'y Co.'s first mortgage land grant 7 per cent bonds, No. 2245 for \$1,000, embraced in the nineteenth call, and upon which interest ceased to accrue March 13th, 1896. The amount necessary to redeem this bond is in the hands of the trustees of the mortgage.

The Montana Central Railway Company issued during the year \$600,000 of its first mortgage 5 per cent bonds to cover cost of additional equipment purchased, property acquired and extensions built in this and prior years.

In order to provide funds for the construction of its new line between Duluth and Fosston, Minnesota, the Eastern Railway Company of Minnesota issued as of April 1st, 1898, \$5,000,000 of its Northern Division first mortgage, fifty year Gold bonds, bearing interest at the rate of four per cent per annum, payable on the first day of April and October in each year. The principal and interest of these bonds is guaranteed by both the Great Northern and St. Paul, Minneapolis & Manitoba Railway Companies.

By the purchase of the property of the Duluth, Superior & Western Railway Company, which is hereinafter referred to at length, the Eastern Railway Company of Minnesota acquired 600 ore cars, built by the Michigan Peninsular Car Company, in 1896, for handling the iron ore traffic of the Duluth & Winnipeg Railroad, and in the interest of that road, to be paid for under a Car Trust agreement. As nearly one-third of the cost of these cars had been paid prior to the purchase of the property by the Eastern Railway, that Company has assumed the balance of payments due under the Car Trust agreement, amounting to \$234,989.92, which appears as a liability on the balance sheet published herein. This amount will be paid as rapidly as the Car Trust agreement will permit.

The item of "Bills Payable," \$1,100,000, shown in last year's balance sheet, for account of purchase of preferred stock of the Oregon Railroad & Navigation Company, as explained upon page 6 of last year's report, was paid and canceled during the year from the Company's current receipts.

On May 21st, 1898, the Board of Directors of this Company passed a resolution calling for redemption on September 1st, 1898, under the terms of the mortgage of September 1st, 1892, the entire issue, \$15,000,000, of this Company's collateral trust four per cent bonds. Due notice of this call was given by public advertisement. The bonds ceased to draw interest on September 1st, 1898. At this writing, \$13,763,000 of bonds have been redeemed and the balance will be redeemed upon presentation at the Company's office in New York. These are the only bonds ever issued by the Company. Their redemption will return to the Company's treasury £3,000,000 of the St. Paul, Minneapolis & Manitoba Railway Company's Pacific Extension bonds.

Under date of June 10th, 1898, a circular was issued to the shareholders of this Company proposing to increase the preferred capital stock of the Company 250,000 shares and giving the shareholders the right to subscribe for such shares at par, pro rata to their holdings at the close of business July 1st, 1898. The shareholders of the outstanding shares having assented to the proposed increase, the same was by resolution of the Board of Directors declared effective July 22d, 1898.

As explained in the circular to shareholders issued by the Board of Directors May 25th, 1898, this Company has from time to time advanced to the Seattle & Montana Railroad Company to assist in the construction and acquisition of the property owned by that Company, sums which, with interest, amounted on March 1st, 1898, to..... \$11,286,489.54  
Of this amount the interest amounting to..... 4,287,869.87  
while charged to the Seattle & Montana Railroad Company, had not been included in this Company's income account. In consideration of the issuance of the entire capital stock of the Seattle & Montana Railroad Company pro rata to the shareholders of this Company, the entire account had been written off, the balance of..... \$6,998,619.67  
being charged to "Profit and Loss."

The decrease of \$4,550,139.06 in "Cost of Properties and Securities Owned by Great Northern Railway Company," as shown in general balance sheet on page 28, as compared with the same item

in last year's balance sheet, represents the amount so charged off, less the cost of the securities and properties in connection with its railway acquired by the Company during the year.

Expenditures were made during the year on the capital accounts of proprietary companies as follows:

Eastern Railway Company of Minnesota.....	\$4,844,842.45
Montana Central Railway Company.....	176,620.61
Willmar & Sioux Falls Railway Company.....	9,423.94
Duluth, Watertown & Pacific Railway Company.....	304.34
Duluth Terminal Railway Company.....	17,263.49
Minneapolis Union Railway Company.....	411.72
Minneapolis Western Railway Company..... (credit)	88.47

The amount shown for the Eastern Railway Company of Minnesota includes the purchase price of the Duluth, Superior & Western's railway and equipment and the amounts advanced contractors on account of construction of the new Northern Division to date of June 30th, 1898.

The amount expended by the Great Northern Railway Company for improvements, including expenditures on account of Cascade Tunnel, etc., referred to below, appears on the balance sheet, page 28, under the item: "Cost of Additions and Improvements made by the Great Northern Railway Company to property leased from the St. P., M. & M. R'y Co, and paid for from 'Fund for Permanent Improvements and Renewals.'" *The company is not carrying on its books as an asset the cost of any additions and improvements.*

As shown on page 25, there was appropriated out of the net revenue for the year \$1,500,000 for the "Fund for Permanent Improvements and Renewals."

The Company has been carrying its own insurance for the past three years, with a saving of \$71,255.81, which amount stands on its books as a credit to "Insurance Fund." To strengthen this fund, \$250,000 have been transferred to it, making it abundantly strong to meet any loss and to prevent any extraordinary charge for fire loss to operating expenses.

Out of the net revenue for the year, \$750,000 were appropriated towards cost of the tunnel now being built through the Cascade Mountains, work on which was begun in February, 1897.

This amount has been deducted from "Revenue Account," on page 25, and is included in the amount of \$1,489,533.06 shown on balance sheet, page 28, as "Cost of Additions and Improvements made by the Great Northern Railway Company to property leased from the St. P., M. & M. R'y Co. and paid for from 'Fund for Permanent Improvements and Renewals.'"

#### NEW LINES.

The St. Paul, Minneapolis & Manitoba Railway Company has, during the year and under the provisions of the lease to this Company, completed an extension of the Langdon branch from Langdon to Hannah, North Dakota, 21.06 miles, which was opened for traffic September 9th, 1897. Also an extension of the Cavalier branch from Cavalier to Walhalla, North Dakota, 16.13 miles, which was open for traffic August 27th, 1897.

The line between Carlisle and Elizabeth, Minnesota, 3.52 miles, having been abandoned, the tracks and structures were removed during the year.

The building of a direct line from Fosston, Minnesota, to Duluth or West Superior, has been under consideration for some years, during which period numerous surveys have been made. An excellent line was obtained and active construction work was begun last fall by the Eastern Railway Company of Minnesota. At this writing, the line has been opened for traffic and is practically completed. As a portion of the new line, the Eastern Railway purchased the line of the Duluth, Superior & Western Railway, from the St. Louis river to Deer River, Minnesota, 99.94 miles, paying for same, including equipment, material, etc., \$3,385,400. From the St. Louis river to Saunders, Wis., 6.18 miles of leased track is at present used. In order to provide its own line and to avoid the heavy grades on the D., S. & W. R'y, a line has been built from Cloquet, Minnesota, to a junction with the main line of the Eastern Railway at Nemadji river, thirteen miles south of West Superior. The second, or double track, is now being extended to Nemadji Junction.

The line purchased from the D., S. & W. R'y Co. is being improved to the highest standard. Wooden structures in the track

are being replaced by stone culverts and solid embankments, or with new steel bridges; seventy-five pound rail is being laid in place of the former sixty pound rail; existing passing tracks are being lengthened and additional ones built to provide for the heavy business which will pass over this line; coal and water stations are being erected at convenient points.

From Deer River to Fosston, 99.66 miles, a new line has been built. The distance from Fosston to Nemadji Junction is 212.49 miles; is very heavy work, and is built in the most substantial and permanent manner. The maximum grade is four-tenths of one per cent, equated for curvature. The track is laid with seventy-five pound steel rails and is fully ballasted. Passing tracks alternately 3,000 feet long and 6,000 feet long average about six miles apart. The necessary depots, coal and water stations, and other buildings, have been erected. A division point has been established at Cass Lake, 105.03 miles from Carman and 169.49 miles from West Superior, with brick round house, turn-table, coal and water stations, etc., and over five miles of yard tracks.

The line between Fosston and Cass Lake has been leased to the Great Northern Railway and will be operated as a portion of its Dakota Division. The line between Cass Lake and Nemadji Junction will be operated by the Eastern Railway Company of Minnesota as its Northern Division.

This new line, in addition to materially shortening the line from all points west of Crookston to Duluth, will develop a large local business. The road runs through the largest body of standing pine east of the Rocky Mountains and a heavy lumber traffic may be expected. It also runs through a portion of the Iron Ore region of Minnesota, and a considerable ore traffic is now being handled, which will increase.

A number of Directors and large shareholders of the Company have recently made a careful inspection of this new property and are confirmed in their opinion of the wisdom of its construction.

Under arrangements made with this Company, the Park Rapids & Leech Lake Railway Company began during the year the construction of a line from Park Rapids to Cass Lake, Minnesota, about 49 miles. The track has been laid from Park Rapids to Akeley, 18 miles, and will be completed to Cass Lake before winter.

All of these new lines are shown upon the map attached hereto.

Since the close of the fiscal year, the Company has secured almost the entire stocks and bonds of the Spokane Falls & Northern Railway Company, Nelson & Fort Sheppard Railroad Company, Red Mountain Railroad Company and Columbia and Red Mountain Railroad Company, the four railroads composing what is known as the Spokane Falls & Northern System. This consists of about 217 miles of road from Spokane Falls, Wash., to Nelson, B. C., on the Kootenai River, with a branch from Northport, Wash., to Rossland, B. C., and handles large ore shipments from the Trail Creek, Rossland and Slocan camps.

#### EQUIPMENT PURCHASED.

By the purchase of the Duluth, Superior & Western Railway, before referred to, the Eastern Railway Company of Minnesota acquired the following equipment:

- 6 locomotives, 2 passenger coaches.
- 2 combination passenger and baggage cars.
- 10 box cars, 50 flat and coal cars.
- 600 ore cars, 4 caboose cars and 2 boarding cars.

This equipment has been carefully inspected and appraised and taken into equipment account at its appraised value.

There were purchased during the year, largely to equip the Eastern Railway's new Northern Division, 45 locomotives, 16 tourist sleeping cars, 10 baggage, mail and express cars, and 3,500 freight service cars, of which the following equipment had been received and taken to account at the close of the year:

- 8 ten-wheel passenger engines, with cylinders 20''x30'', drivers 63'' outside diameter, weight on drivers 127,000 pounds; tenders have a capacity for eight tons of coal and 4,500 gals. of water.
- 15 mogul freight engines, with cylinders 19''x28'', weighing on drivers 114,000 pounds; tenders have a capacity for eight tons of coal and 4,000 gals. of water. One of these locomotives was purchased to replace a vacant number.
- 12 12-wheel freight engines, with cylinders 19''x32'', weighing on drivers 142,000 pounds; tenders have a capacity of eight tons of coal and 4,500 gals. of water.

- 2 12-wheel freight engines, with cylinders 21''x34'', weighing on drivers 172,000 pounds; tenders have a capacity of nine tons of coal and 5,000 gals. of water. These two engines are used on the Montana Central Railway, between Clancy and Woodville, for hauling trains over the mountain grade of 116 feet to the mile.
- 3 light locomotives were taken out of service during the year, two being sold.
- 16 tourist sleeping cars, 62 feet long, 14 sections, upholstered in leather, equipped with standard steel platforms and couplers, air brakes, air signals, vestibules, etc.
- 10 baggage, mail and express cars, 65 feet long, equipped with standard steel platforms and couplers, air brakes, etc.
- 5 business cars—one, 50 feet long; one, 38 feet long, and three, 34 feet long, for Superintendents, built in the Company's shops.
- 700 36-feet, 60,000 pounds capacity box cars, with hopper bottoms, to enable coal to be economically handled one way and grain or merchandise to be handled in the other direction; equipped with air brakes and automatic couplers.
- 500 36-feet, 60,000 pounds capacity, standard box cars, equipped with air brakes and automatic couplers.
- 50 36-feet, 60,000 pounds capacity, refrigerator cars, equipped with air brakes and automatic couplers; four to replace destroyed cars and 46 for additional equipment.
- 500 40-feet, 60,000 pounds capacity "Sand" cars, also adapted for use as coal or flat cars, equipped with air brakes and automatic couplers.
- 15 4-wheel caboose cars were built in the Company's shops for additional equipment and one 8-wheel caboose to fill vacant number.
- 29 cinder cars were built in the Company's shops during the year.
- 5 heavy steam shovels, with 2½-yard dipper, four for additional equipment and one to fill vacant number, were purchased.
- 7 Lidgerwood unloaders were purchased during the year and mounted upon flat cars, for use in ballasting, bridge filling, bank widening, etc.
- 1 poling car was fitted up for use in breaking up and sorting freight trains.

Some changes were made in other equipment.

The equipment with air brakes and automatic couplers of freight cars has been actively carried forward, so that about eighty per cent of the cars belonging to the System are now so fitted as to conform to the acts of Congress relating thereto, and the remainder will be equipped during the coming year.

During the year, the cars used on passenger trains running through to the Pacific Coast have been equipped with vestibules the full width of the car.

As equipment is destroyed or taken out of service, operating expense is charged and "Fund for Replacement of Equipment" is credited with the cost of replacing the same. When equipment for replacements is purchased, the cost of the same is charged to the account last mentioned.

#### ADDITIONS.

##### ST. P., M. & M. RY.'S LEASED LINES.

The new brick freight and passenger station at Fergus Falls, Minnesota, referred to in last year's report, has been completed, the old depot removed and the yard at that station rearranged and enlarged.

A new brick depot has been built at Morris, the yard being moved and rearranged so that there will be less interference with the movements of trains and fewer street crossings to protect.

The building of additional stock yards to handle increasing stock shipments, referred to in last year's report, has been continued, many having been built during the year, including new feeding yard 240'x564', at Larimore, North Dakota.

New depot buildings have been built at the following stations: Russell and Bertha, Minnesota; York, Omemee and Mayville, North Dakota (the last one of brick); Poplar, Harlem and Malta, Montana.

An express and eating house of stone, similar in design to the passenger station, has been built at Grand Forks, North Dakota.

Large grain warehouses for the purpose of handling wheat from that portion of eastern Washington tributary to this line, have been built at Edwall, Moscow, Harrington, Coal Creek, Lamona and Wenatchee.

A 66-foot steel turn-table, with cover to protect the same and tracks from snow, has been put in at Madison, Wash.

In order both to cheapen the cost of handling locomotive fuel and to save the loss of time to trains and expenses of engines incident to coaling as heretofore, the Company has built during the year 24 coaling stations of special and improved design, at the following points: St. Cloud, Willmar, Breckenridge, Barnesville, Smith Lake, Evansville, Morris and Crookston, Minnesota; Cas-

selton, Rugby Junction, Stanley, Devils Lake, Minot and Williston, North Dakota; Great Falls, Glasgow, Havre, Blackfoot, Teton, Poplar, Wagner, Concord and Atlanta, Montana, and Sand Point, Idaho.

These coaling stations are operated by engines, which, in a number of cases, also operate the water supply plant. At each station it was necessary to rearrange existing tracks and lay special tracks for the coaling stations.

The improvement in the water supply is being continued. Power pumping plants were put in at Ada, Ground House and Fergus Falls, Minnesota; Minot, North Dakota, and Glasgow, Montana, at all of which stations the water tanks were renewed and improved.

A new freight yard is in process of construction at St. Anthony Park, midway between St. Paul and Minneapolis, that will give approximately 64,215 feet of additional track room, or space for about 1,500 cars, and which will allow business of St. Paul, Minneapolis and Minnesota Transfer to be centralized at one point, from which it can be conveniently handled to and from the points named by transfer engines. Nearly sixteen acres of ground were purchased for this yard this year in addition to the 7.38 acres purchased last year. To permit the construction of this yard, it has been necessary to rebuild 6,750 lineal feet of four track main line, or 27,000 lineal feet of main track.

Additional passing tracks have been built or old tracks have been lengthened at Doran, Campbell, Herman, Donnelly, Kerkhoven, Benson, Clontarf, Breckenridge, Clara City and Cottonwood, Minnesota; Reynolds, Ojata, Arvilla, Church's Ferry, Leeds, Towner, Bartlett, Grand Harbor, Galchutt, Hunter, Hatton, Mayville and Omemee, North Dakota; Teton, Durham, Lucerne, Bear Creek, Athens and Columbia Falls, Montana, and Madison and Everett, Wash. Much of this kind of work is in progress at this writing. The Company's standard passing track on lines east of the Rocky Mountains is 3,000 feet long. Additional tracks for local industries have also been laid during the year, the total net increase in sidetrack mileage being 19.55 miles.

Relaying of the main tracks with 75-pound steel rails is being continued, the following having been relaid within the year: In

place of 68-pound rail from Leeds, North Dakota, west five miles; in place of 60-pound rail from two miles east of Des Lacs to Williston, North Dakota, of which 68.8 miles has been completed; in place of 56-pound rail from Carman to Fosston, Minnesota, 44 miles; from Minot, North Dakota, west 5.4 miles. The 60 and 56-pound rails removed have been used to replace lighter iron and steel rails on branch lines and in construction of passing, yard and industry tracks.

EASTERN RAILWAY OF MINNESOTA.

The widening and bringing to grade of embankments during the year from West Superior to Sandstone, 60 miles, has been completed. Relaying the track between West Superior and Nickerson is now in progress, where the line is also receiving a full depth of ballast.

Increased business has made necessary the building of additional yards at West Superior and Saunders.

An inter-locking plant has been put in at South Superior, protecting the crossings over the Northern Pacific Railway Company's tracks.

There have been built at West Superior during the year a 34-stall round house, machine shop 150'x175', car shop 90'x385', engine and boiler house 49'x75', oil house 20'x47', and store house 40'x146', all of brick. Also a 20-pocket coaling station and an additional water tank. The new shops have been equipped with the best modern machinery and the necessary shop yard tracks laid. The capacity of the new shops is the general repairing of one hundred locomotives per annum, besides car work.

During the winter, the warehouses on the West Superior merchandise dock were removed, the dock extended about 1,500 feet and the old dock rebuilt. Upon this new foundation there has been built a two-story ironclad warehouse, 125'x1,540'. Tracks from the yard run into both stories of this warehouse.

The new building was completed by the opening of navigation this spring. Cargo to or from three to four lake steamers can now be handled at the same time.

Numerous additional tracks for local industries have been built, the net increase in side track mileage during the year, including the new yards above mentioned, but not the sidings on the Duluth, Superior & Western Railway, being 8.36 miles.

## MONTANA CENTRAL RAILWAY.

A new line, the Cottonwood Branch, has been built from Lewis Junction, a point on the Sand Coulee Branch, about five miles west of Sand Coulee, to Stockett, 4.95 miles, to reach the mines of the Cottonwood Coal Company, which this Company has been developing.

Section houses have been built at Mountain Junction, Lewis Junction and Wayne; a 10-pocket coaling station built at Wolf Creek; the coaling station at Clancy remodeled and enlarged and the turntable at that station replaced with a 66-foot steel table.

Power pumping plants have been put in to operate the water supply at Ulm and Allen, and similar changes are now being made at other stations on the road.

Passing tracks have been laid at Moxon and Wilder, and numerous tracks laid for local industries. Several such tracks that had become unnecessary were removed. The net increase in side track mileage being 1.05 miles.

Embankments have been widened and additional ballast placed where necessary on the main line and branches.

Twenty and one-half miles of right-of-way fencing have been built from Great Falls south, and more work of this kind is now under way.

## GENERAL WORK.

Right-of-way fencing on all lines has been actively followed, 247 miles of fence having been built on the Montana and Kalispell Divisions alone, and the work is still in progress.

The Company has continued the policy, as heretofore, of keeping its railway and equipment in the highest state of efficiency, as will appear by reference to the chief items of expenditure for additions, replacements, improvements and reconstruction, as shown in this report. Only such amounts as were paid for actual additions to the property have been charged to "Additions and Improvements." All replacements and renewals have been charged to operating expenses.

The practice of replacing all necessary bridges and trestles with steel, making permanent waterways and filling or replacing wooden structures with solid embankments wherever possible, has been followed, the record for the year being :

Length of Steel Bridges built—	
Great Northern R'y.....	889 feet
Montana Central R'y.....	1,202 "
Willmar & Sioux Falls R'y.....	96 "
Total.....	2,187 "
Lineal feet of bridges filled—	
Great Northern R'y.....	4,432 "
Eastern Railway of Minnesota.....	4,195 "
Montana Central R'y.....	7,964 "
Willmar & Sioux Falls R'y.....	640 "
Total .....	17,231 "

To provide the necessary waterways in place of bridges filled as above, there were put in 89 iron pipe culverts, 7 stone arch culverts, 4 brick arch culverts, 17 stone culverts with steel I beams and 6 box culverts. Other culverts were built in place of bridges that had not been filled at the close of the year.

So much work of this nature has been done in previous years that the amount to be done each year is fast decreasing. It will be noted that the amount done this year was considerably less than the year before.

The value of this permanent work is beginning to be reflected in the accounts. The saving in cost of maintenance on account of the permanent work done in previous years has resulted in a decrease in the cost of Maintenance of Road and Structures this year as compared with last. Very heavy permanent work on the road-bed and track is now in progress, and it is hoped by the close of the season of 1899 the entire line from St. Paul and Lake Superior to the Pacific Coast will be so thoroughly improved and all structures made permanent that the cost of operation will be materially lower than heretofore.

A number of grain loading platforms have been put in at stations on the Northern and Dakota Divisions and the cost charged to operating expenses.

The widening and raising of embankments and the reduction of grades, followed by thorough ballasting, was during the year completed on over 400 miles of Great Northern track. This work is being continued with a heavier force than ever before; that now under way will fully equal the amount done last year.

To avoid delay and expense from snow blockades, the Company has graded out practically all the snow cuts between the Red River Valley and the Rocky Mountains. A large amount of work is being done during the present season between Salmon River and Index. The location of the line on the Skykomish river and between Jennings and Fisher River has been changed for an aggregate of about  $6\frac{1}{2}$  miles. In order to secure the line against trouble from high water in mountain streams, miles of heavy masonry slope walls have been laid to protect the embankments.

To secure a maximum grade of four-tenths of one per cent between the Red River Valley and Lake Superior, about  $12\frac{3}{4}$  miles of the line between Burwell and Dugdale, on the Fosston branch, have been changed and rebuilt, reducing both grades and curvature and bringing this portion of the old line to the standard of the Northern Division of the Eastern Railway of Minnesota.

The location of about nine miles of line west of Minot, at Gassman Coulee, is being changed, reducing both the grade and curvature. This work is quite heavy and will require during the season the removal of 500,000 cubic yards of earth. The Gassman Coulee wooden trestle, 1,600' long and 115' high, is now being replaced with a strong steel structure.

#### VOLUME OF TRAFFIC AND RATES.

During the year the amount of wheat carried east-bound increased about 4,000,000 bushels, or 120,000 tons, as compared with the previous year. The amount of wheat carried from Eastern Washington to Puget Sound increased, as compared with the previous year, about 856,000 bushels, or 25,700 tons. Taking the entire wheat business, there was an increase in the tonnage moved of 145,700 tons, while the increase in the total revenue tonnage hauled was 617,700 tons. There was, therefore, an increase during

the year in tonnage hauled other than wheat of 472,000 tons. While there has been an increase in business over the entire line due to improved business conditions, the larger portion of this increase comes from the more recently built western lines, as is apparent from the fact that while the tons hauled increased 617,700 tons, or 8.267 per cent, the tonnage hauled one mile increased 280,732,169 tons, or 16.94 per cent.

The average rate received per ton per mile has been reduced more than two and one-half per cent, equivalent to a reduction in revenue of \$465,100. On account of the completion of the new line between Fosston and Duluth and the consequent decrease in distance between the wheat fields and the head of the lakes, heavy reductions have been made in wheat rates since the close of the year, and a still further decrease in the average revenue per ton per mile may be looked for in the next annual report. It is estimated that this reduction in rates will amount to about \$1,000,000 during the coming year.

The earnings from passenger trains show an increase during the year of twenty-seven per cent, or \$897,662.56. Some of this is due to the Alaska gold excitement and to the heavy travel to the Pacific Coast, encouraged by the extremely low rates in effect during the last half of the fiscal year.

The average revenue received per passenger mile has decreased from 2.591 cents to 2.222 cents, about fourteen and one-quarter per cent, equivalent to a reduction in revenue of about \$550,000.

The table on page 30 shows the results of both the value of the permanent work that has been done and the improved transportation methods employed. There has been an increase of but 1.81 per cent in freight train mileage, a decrease of nearly one-half of one per cent in the mileage of empty freight cars, with an increase of 12.45 per cent in loaded freight car mileage, and an increase of nearly seventeen per cent in tons one mile.

The result is an increase of over 35 tons (12.5192 per cent) in the tons hauled per freight train mile, bringing the average to over 316 tons of revenue freight hauled in each train.

A careful examination of the statements in this report confirms the views expressed in our report of last year as to the gradual and permanent reduction in the rates paid by the public, and this

necessitates the greatest economy in the operation of the railway. Your Board of Directors confidently expects that the permanent character of the improvements made and the better methods used in operation, together with the development of the new country served by the Company's lines and the consequent increase of traffic, will enable the Company to continue the gradual reduction in rates of transportation which has characterized its policy from the beginning. The country along the Company's lines is on the whole prosperous, and the increase of new settlers will tend to advance the general prosperity.

In view of the important and extensive improvements of the permanent way now about to be finished, the Board of Directors have made this report cover these matters more in detail than has been their custom in former reports.

The Board respectfully calls the attention of the shareholders to the report of the Comptroller, with the customary balance sheet and statistical tables, and the report of the Land Commissioner.

JAMES J. HILL,

*President.*

## COMPTROLLER'S REPORT.

*Mr. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ending June 30th, 1898.

These statements are made in exactly the same form, and on the same basis, as those submitted with last year's report.

The statements on the page's next following, 22 and 23, show the Earnings, Operating Expenses, Taxes, etc., of the Railway System. The statement on page 24 shows the divisions of those amounts between the several railways. On pages 25 and 26, are given the Revenue and Income Accounts of the Great Northern Railway Company.

The results of operating the line purchased from the Duluth, Superior & Western Ry. Co. for eight days in June are included in the proper tables, the Eastern Railway Company of Minnesota having acquired possession of the line on June 23d, 1898.

The Balance Sheet given this year shows, the same as last year's, the financial condition of the *Railway System*. The finances of the companies that are omitted, that is, the Northern Steamship Company, Sand Coulee Coal Company and Great Northern Express Company, are kept separate and distinct from those of the railway system.

R. I. FARRINGTON,  
*Comptroller.*

**GROSS EARNINGS, OPERATING EXPENSES, TAXES AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDING JUNE 30, 1898, COMPARED WITH PREVIOUS FISCAL YEAR.**

**GROSS EARNINGS.**

PER CENT.	1898.		1897.	PER CENT.
79.9735	\$18,058,046.88	.....Freight .....	\$15,841,330.90	81.5048
14.6667	3,311,380.58	.....Passenger.....	2,527,109.17	13.0022
1.9881	448,856.73	.....Mail.....	437,681.08	2.2519
.9135	206,256.41	.....Express.....	179,958.16	.9259
2.4582	555,003.59	.....Miscellaneous.....	449,981.26	2.3152
	\$22,577,544.19	.....Total.....	\$19,436,060.57	

**OPERATING EXPENSES.**

PER CENT.	1898.		1897.	PER CENT.
49.9243	\$5,419,137.42	Conducting Transportation	\$5,292,864.50	49.4574
13.6514	1,481,820.34	Maintenance of Equipment	1,285,253.53	12.0096
26.7763	2,906,486.43	{ Maintenance of Road and Structures..... }	3,133,293.39	29.2780
9.6480	1,047,261.44	.....General Expenses.....	990,459.98	9.2550
	\$10,854,705.63	.....Total.....	\$10,701,871.40	

## SUMMARY OF EARNINGS AND EXPENSES.

1898.		1897.
\$22,577,544.19	.....Gross Earnings.....	\$19,436,060.57
10,854,705.63	.....Operating Expenses.....	10,701,871.40
\$11,722,838.56	.....Net Earnings.....	\$8,734,189.17
700,941.28	.....Taxes.....	602,648.69
\$11,021,897.28	.....Income from Operation.....	\$8,131,540.48
	Operating Expenses, per cent of Gross	
48.08	.....Earnings.....	55.06
	Operating Expenses and Taxes, per cent	
51.18	..... of Gross Earnings.....	58.16
\$5,055.43	Gross Traffic Earnings per mile of Road	\$4,402.52
2,430.52	...Operating Expenses per mile of Road...	2,424.11
\$2,624.91	.....Net Earnings per mile of Road.....	\$1,978.41
4,466.00	Average miles of Road under Operation	4,414.76

STATEMENT SHOWING THE REVENUE FOR THE YEAR ENDING JUNE 30, 1898, OF THE GREAT NORTHERN RY. CO., AND ALL PROPRIETARY COMPANIES.

COMPANIES.	Gross Earnings.	Operating Expenses.	Taxes.	Income from Operation.	Miscellaneous Income Received.	Total.
Great Northern Ry. (Lines leased from St. P. M. & M. Ry.)	\$17,689,770.07	\$8,310,219.80	\$586,384.15	\$8,787,106.12	\$1,356,465.86	\$10,089,631.98
RAILWAYS.						
Eastern Ry. of Minnesota	2,018,031.50	1,095,402.41	57,251.00	865,377.49	121,081.30	986,458.79
Montana Central Railway	2,126,342.49	1,150,942.41	91,224.89	944,075.19	11,990.88	956,066.07
Willmar & Sioux Falls Ry.	740,160.27	260,457.57	19,884.14	459,808.46	694.24	460,502.70
Duluth Watertown & Pacific Ry.	53,289.86	81,683.84	6,086.50	15,470.02	124.00	15,594.02
Total Railway System Proper	\$22,577,544.19	\$10,854,705.68	\$700,941.28	\$11,021,897.28	\$1,490,956.28	\$12,512,258.56
OTHER COMPANIES.						
Minneapolis Union Railway	227,420.37	42,496.05	2,611.22	182,313.10	19.54	182,332.64
Minneapolis Western Railway*	66,489.25	27,616.40	1,327.68	37,545.22	8,643.81	46,189.08
Duluth Terminal Railway	36,164.05	22,664.05	.....	13,500.00	.....	13,500.00
Northern Steamship Company*	814,944.18	789,977.20	.....	24,966.98	.....	24,966.98
Great Northern Express Company	548,245.82	423,009.57	3,136.86	117,098.89	.....	117,098.89
Sand Coulee Coal Company	755,386.89	598,945.16	1,282.05	154,859.68	24,696.05	179,555.73
Total for System	\$25,021,194.25	\$12,759,414.06	\$709,598.54	\$11,552,181.65	\$1,523,715.68	\$13,075,897.33

\*For the fiscal year ended December 31, 1897.

EXPLANATORY NOTE.

The surplus earnings of the Duluth, Watertown & Pacific Ry. Co. and the Northern Steamship Company above shown, have been applied to the repayment of the advances made by the Great Northern Railway on account of deficits in previous years.

Dividends:—Out of the Net Income for the year of the Companies named the following dividends have been declared:

Eastern Ry. Co. of Minnesota	.....	\$500,000.00
Montana Central Ry. Co.	.....	300,000.00
Willmar & Sioux Falls Ry. Co.	.....	15,000.00
Duluth Watertown & Pacific Ry. Co.	.....	25,000.00
Sand Coulee Coal Co.	.....	150,000.00
<b>Total</b>	.....	<b>\$1,125,000.00</b>

which amount is not included in the "Miscellaneous Income" of the Great Northern Ry. as given by the above table but is added to that "Miscellaneous Income" in the Income Statement of the Great Northern Ry. Co.

DULUTH TERMINAL RY. CO.—This Company is the owner of the railways used by the Eastern Ry. of Minnesota to secure entrance into Duluth and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Ry. Under the franchise of the Duluth Terminal Ry., its earnings derived from trackage are limited to six per cent on its stock and bonds, the interest and dividends paid, amounting to \$12,500.00, are not included in the "Miscellaneous Income" of the Eastern Railway as above shown.

GREAT NORTHERN EXPRESS CO.—The amount under "Operating Expenses" includes the amount paid Railway Companies for transportation. SAND COULEE COAL CO.—Included in the amount shown under "Operating Expenses" in addition to the cost of mining and marketing coal, is a charge of ten cents per ton to provide a Sinking Fund against the ultimate exhaustion of the property. A portion of the rental received from buildings is likewise set aside for their replacement. These Sinking Funds now amount to \$300,212.16.

## REVENUE ACCOUNT.

## GREAT NORTHERN RAILWAY COMPANY.

## EARNINGS FROM OPERATION OF ST. P., M. &amp; M. RY.'S LEASED LINES.

FOR YEAR ENDING JUNE 30, 1898.

## EARNINGS:

Freight.....	\$13,774,831.74	
Passenger.....	2,785,601.59	
Mail.....	403,823.16	
Express.....	179,085.73	
Miscellaneous.....	496,827.85	
	<hr/>	
Gross Earnings.....		\$17,639,770.07

## OPERATING EXPENSES:

Conducting Transportation.....	\$4,094,292.16
Maintenance of Equipment.....	1,156,331.64
Maintenance of Road and Structures.....	2,222,818.04
General Expenses.....	842,777.96
	<hr/>
Total Operating Expenses.....	\$8,316,219.80

TAXES.....	586,384.15	8,902,603.95
	<hr/>	
Income from Operation.....		\$8,737,166.12

From which have been paid—

## RENTALS:

To St. P., M. &amp; M. Ry. Co.:

Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued.....	\$3,499,940.12
(For details see page 31.)	
Guaranteed Dividends of 6 per cent on Capital Stock of St. P., M. & M. Ry. Co. (See page 31).....	1,200,000.00
Interest on Great Northern Ry. Collateral Trust Bonds, secured by St. P., M. & M. Ry. Pacific Extension Bonds.....	600,000.00
Maintenance of Organization of St. P., M. & M. Ry. Co. ....	6,773.15
Other Rentals.....	90,150.00
	<hr/>
Total.....	\$5,396,863.27

Amount transferred to—

Fund for Permanent Improvements and Renewals.....	1,500,000.00
Fund for Construction of Cascade Tun- nel, etc.....	750,000.00
	<hr/>
	7,646,863.27

Balance transferred to Income Account.....		\$1,090,302.85
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**INCOME ACCOUNT,  
GREAT NORTHERN RAILWAY COMPANY.**

YEAR ENDING JUNE 30, 1898.

Balance Transferred from Revenue Account	\$1,080,302.85
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**OTHER INCOME:**

Interest on Bonds Owned.....	\$89,418.50	
Dividends on Stocks Owned .....	1,259,357.00	
Rental of Lines Leased .....	164,416.13	
Bills Receivable (Land Notes).....	15,918.91	
General Interest.....	164,359.47	
Rental of Equipment and Car Service.....	58,056.80	
Profits on Treasury Securities sold during the year.....	419,844.50	
Income from Other Sources — ground rents, miscellaneous items, etc.....	330,094.55	2,481,465.86
Total Income.....		<u>\$3,571,768.71</u>

From which have been paid Dividends as follows:

August 2, 1897, 1½ per cent.....	\$375,000.00	
November 1, 1897, 1½ per cent.....	375,000.00	
February 2, 1898, 1½ per cent.....	375,000.00	
May 2, 1898, 1½ per cent.....	375,000.00	1,500,000.00
Balance Transferred to Profit and Loss.....		<u><u>\$2,071,768.71</u></u>

**DETAILS OF OTHER INCOME.**

**INTEREST ON BONDS OWNED:**

Todd County Bonds.....	\$575.00
County of Pipestone Bonds .....	1,800.00
Town of Wadena Bonds.....	210.00
Town of Sandness Bonds.....	120.00
Town of Leaf River Bonds.....	120.00
Town of Hutchinson Bonds.....	640.00
Town of Breckenridge Bonds.....	444.00
Town of Minnesota Falls Bonds.....	120.00
Minnesota Transfer Ry. Co. Bonds.....	944.50
Willmar & Sioux Falls Ry. Co. Bonds.....	1,050.00
Butte, Anaconda & Pacific Ry. Co. Bonds.....	50,000.00
Wenatchee Water Power Co. Bonds.....	450.00
St. P., M. & M. Ry. Co. Consolidated Mtg. Bonds	8,865.00
St. P., M. & M. Ry. Co. Montana Extension Bonds.....	4,080.00
<b>Total .....</b>	<b>\$89,418.50</b>

**DIVIDENDS ON STOCKS OWNED:**

St. Paul Foundry Co. Stock.....	\$6,000.00
Great Northern Ry. Co. Stock.....	354.00
Montana Central Ry. Co. Stock.....	300,000.00
Minneapolis Union Ry. Co. Stock.....	25,000.00
St. Paul Union Depot Co. Stock .....	2,625.00
Sand Coulee Coal Co. Stock.....	150,000.00
Willmar & Sioux Falls Ry. Co. Stock.....	150,000.00
Eastern Ry. Co. of Minnesota Stock.....	500,000.00
Butte, Anaconda & Pacific Ry. Co. Stock.....	29,400.00
St. Paul, Minneapolis & Manitoba Ry. Co. Stock	336.00
Oregon, Railroad & Navigation Co., Prfd Stock	95,642.00
<b>Total .....</b>	<b>\$1,259,357.00</b>

## CONDENSED GENERAL BAL

BEING A CONSOLIDATION OF THE GENERAL

GREAT NORTHERN RY. CO., EASTERN RY. CO. OF MINNESOTA, MON  
WATERTOWN & PACIFIC RY. CO., MINNEAPOLIS  
AND DULUTH*Dr.*

<i>To</i> Cost of Properties and Securities Owned by Great Northern Ry. Co.....	\$29,387,116.04	
<i>Less</i> Capital Stock and Bonds of Proprietary Companies Owned by Great Northern Ry. Co. and not shown contra.....	14,355,000.00	\$15,032,116.04
St. P., M. & M. Ry. Pacific Extension Bonds in hands of Trustee as Security for Great Northern Ry. Co. Collateral Trust Bonds.....		15,000,000.00
Cost of the following Properties controlled by the Great Northern Ry. Co. through ownership of their entire Share Capital:		
Eastern Railway of Minnesota— Railway, Equipment, Elevators, Etc.....	\$14,938,775.51	
Montana Central Ry.—Railway and Equipment.....	14,310,950.53	
Willmar & Sioux Falls Ry.—Railway and Real Estate.....	5,420,898.75	
Duluth, Watertown & Pacific Ry.....	2,205,118.16	
Minneapolis Union Ry.—Union Depot, Railway, Etc.....	3,290,199.33	
Minneapolis Western Ry.....	740,483.34	
	\$40,906,425.62	
Cost of Duluth Terminal Ry., the Entire Share Capital and Bonds of which are owned by Eastern Ry. Co. of Minnesota, and not shown contra.....	334,043.12	41,240,468.74
Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from St. P., M. & M. Ry. Co., and paid for from "Fund for Permanent Improvements and Renewals".....		1,489,533.06
Stocks and Bonds of the Eastern Ry. Co. of Minnesota in addition to those of Duluth Terminal Ry. Co.....		142,695.78
CURRENT ASSETS.		
Cash in St. Paul Office.....	\$260,162.09	
Cash in New York Office.....	2,164,981.11	
Cash in London Office.....	298,331.24	
Due from Agents.....	496,720.10	
Due from U. S. Post Office Department.....	112,722.11	
Due from U. S. Transportation.....	25,719.54	
Advanced Charges.....	16,730.70	
Bills Receivable.....	98,275.22	
Due from Other Companies and Individuals.....	793,533.80	
Advances in Current Account to Other Proprietary Companies.....	251,067.07	
		4,522,242.98
Value of Material and Fuel on hand .....		1,316,352.34

\$78,743,408.94

## ANCE SHEET JUNE, 30, 1898.

BALANCE SHEETS FOR THAT DATE OF THE

TANA CENTRAL RY. CO., WILLMAR & SIOUX FALLS RY. CO., DULUTH,  
UNION RY. CO., MINNEAPOLIS WESTERN RY. CO.,  
TERMINAL RY. CO.

Cr.

By Capital Stock Great Northern Ry. Co..... \$25,000,000.00

## FUNDED DEBT IN HANDS OF PUBLIC.

Great Northern Ry. Co. Collateral Trust Bonds, 4 per cent.....	\$15,000,000.00	
Eastern Railway Co. of Minnesota, First Division, First Mortgage Bonds, 5 per cent.....	4,700,000.00	
Eastern Railway Co. of Minnesota, Northern Division, First Mortgage Bonds, 4 per cent.....	5,000,000.00	
Montana Central Ry. Co., First Mortgage Bonds, 6 per cent.....	6,000,000.00	
Montana Central Ry. Co., First Mortgage Bonds, 5 per cent.....	3,300,000.00	
Willmar & Sioux Falls Ry. Co., First Mortgage Bonds, 5 per cent.....	3,646,000.00	
Minneapolis Union Ry. Co., First Mortgage Bonds, 6 per cent.....	2,150,000.00	
Minneapolis Union Ry. Co., First Mortgage Bonds, 5 per cent.....	650,000.00	
Minneapolis Western Ry. Co., First Mortgage Bonds, 5 per cent.....	500,000.00	
		40,946,000.00

## CAR TRUST OBLIGATIONS.

Car Trust Notes Assumed by Eastern Ry. Co. of Minnesota upon purchase of Duluth, Superior and Western Ry.—due in February and August in each year until February 1, 1906.....		234,989.92
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## CURRENT LIABILITIES.

Audited Vouchers Unpaid.....	\$922,826.73	
Unpaid Pay Rolls.....	950,704.18	
Unpaid Coupons, including those due July 1, 1898....	1,601,825.36	
Unpaid Dividends on St. P., M. & M. Ry. Stock.....	138.00	
Unpaid Dividends on G. N. Ry. Stock.....	513.00	
Due to Other Companies and Individuals.....	200,915.88	
		-3,676,923.13

## DEFERRED LIABILITIES.

Accrued Taxes, not due.....	\$357,048.07	
Bond Interest Accrued, not due.....	325,691.66	
Rental of St. P., M. & M. Ry. Accrued, not due.....	403,116.67	
		1,085,856.40

## CONTINGENT LIABILITIES.

Cost of Additions and Improvements made by Great Northern Ry. Co., to Property leased from St. P., M. & M. Ry. Co. and paid for from "Fund for Permanent Improvements and Renewals".....	\$1,489,533.06	
Unexpended Balance of Fund for Permanent Improvements and Renewals.....	1,736,631.73	
Fund for Replacement of Equipment.....	343,785.35	
Total Amount deducted from Income to provide for future Improvements and Renewals.....	\$3,569,950.14	
Insurance Fund.....	321,255.81	
Surplus Funds of Sand Coulee Coal Co. and Great Northern Express Co. deposited with G. N. Ry. Co.	932,893.83	
		4,824,099.78
Balance—Profit and Loss.....		2,975,539.71
		\$78,743,403.94

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON ENTIRE SYSTEM FOR THE YEAR ENDING JUNE 30, 1898, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION.	1898.	1897.	INCREASE.	
			Amount.	Per Cent.
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	5,541,497	5,442,659	98,838	1.8160
Mileage of Mixed Trains.....	585,687	452,901	132,786	29.8190
<hr/>				
Mileage of Loaded Freight Cars.	131,814,092	116,801,076	14,543,616	12.4516
Mileage of Empty Freight Cars..	36,825,887	36,482,666	Decrease. 343,221	Decrease. .9297
Total Car Mileage.....	167,670,570	153,283,742	Increase. 14,386,837	Increase. 9.3858
<hr/>				
Tons of Freight Carried, Revenue Company	8,089,593	7,471,894	617,699	8.2670
	1,220,417	1,169,799	50,618	4.3271
Total.....	9,810,010	8,641,693	668,317	7.7386
<hr/>				
Tons of Revenue Freight Carried one Mile.....	1,937,955,894	1,657,228,725	280,727,169	16.9699
Earnings from Freight Traffic...	\$16,344,387.81	\$16,096,509.97	\$2,247,877.44	13.9650
<b>AVERAGES.</b>				
All Cars hauled per Freight Train Mile.....	27.37	26.00	1.37	5.2692
Tons Revenue Freight hauled per Train.....	316.288	281.097	35.191	12.5192
Tons Revenue Freight hauled per loaded Car.....	14.755	14.188	.567	3.9963
Earnings per Freight Train Mile	\$2.99	\$2.73	\$0.26	9.5238
Earnings per Ton per Mile.....	Cents. .952	Cents. .956	Cents. .024	Decrease. 2.5105
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains ....	3,851,746	3,205,238	Increase. 646,508	Increase. 4.5708
Passengers Carried.....	1,715,664	1,498,310	217,354	14.5066
Passengers Carried One Mile.....	149,041,826	97,543,778	51,497,553	52.7948
Earnings from Passenger Trains	\$4,212,499.27	\$3,314,836.71	\$897,662.56	27.0601
<b>AVERAGES.</b>				
Earnings per Passenger Train Mile.....	\$1.2568	\$1.0842	\$0.2226	21.5239
Earnings per Passenger per Mile	Cents. 2.222	Cents. 2.591	Cents. .369	Decrease. 14.2416
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	9,478,980	9,100,798	Increase. 378,182	Increase. 4.1549
Earnings from Freight and Passenger Trains.....	\$22,556,886.58	\$19,411,346.58	\$3,145,540.00	16.2046
Earnings per Train per Mile ....	2.38	2.13	.25	11.7371
Expenses per Train per Mile ....	1.14	1.17	Decrease. .03	Decrease. 2.5641
Net Traffic Earnings per Train per Mile.....	1.24	.96	Increase. .28	Increase. 29.1667

**STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE  
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTH-  
ERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR  
UNDER GUARANTEE.**

Outstanding July 1, 1897.	BONDS.	Outstanding July 1, 1898.	Annual Charges Paid 1897-'98.
\$61,400.00	St. P., M. & M. Ry.—		
8,000,000.00	First Mortgage (Called), 7 per cent	\$1,000.00	
5,676,000.00	Second Mortgage, 6 per cent.....	8,000,000.00	\$480,000.00
13,344,000.00	Dakota Extension, 6 per cent.....	5,676,000.00	340,560.00
21,262,000.00	Consolidated Mortgage, 6 per cent	13,344,000.00	800,640.00
7,907,000.00	Consolidated Mortgage, 4½ per ct.	22,250,000.00	980,641.94
14,545,454.54	Montana Extension, 4 per cent.....	7,907,000.00	316,280.00
	Pacific Extension, 4 per cent.....	*14,545,454.54	581,818.18
	Total Shown on Page 25.....		\$3,499,940.12
15,000,000.00	GREAT NORTHERN RY.—		
	Collateral Trust, 4 per cent.....	\$15,000,000.00	\$600,000.00
4,700,000.00	EASTERN RY. OF MINNESOTA.—		
	First Div., First Mt'ge, 5 per cent.	4,700,000.00	235,000.00
	Northern Div., First Mt'ge, 4 p. ct.	5,000,000.00	
6,000,000.00	MONTANA CENTRAL RY.—		
2,700,000.00	First Mortgage, 6 per cent.....	6,000,000.00	360,000.00
	First Mortgage, 5 per cent.....	3,300,000.00	150,000.00
3,646,000.00	WILLMAR & SIOUX FALLS RY.—		
	First Mortgage, 5 per cent.....	3,646,000.00	182,300.00
2,150,000.00	MINNEAPOLIS UNION RY.—		
650,000.00	First Mortgage, 6 per cent.....	2,150,000.00	129,000.00
	First Mortgage, 5 per cent.....	650,000.00	32,500.00
500,000.00	MINNEAPOLIS WESTERN RY.—		
	First Mortgage, 5 per cent.....	500,000.00	25,000.00
\$106,141,854.54	.....Total.....	\$112,669,454.54	\$5,213,740.12
	STOCK.		
\$20,000,000.00	St. P., M. & M. Ry., 6 per ct. Guar'nt'd	\$20,000,000.00	\$1,200,000.00
\$126,141,854.54	.....Total.....	\$132,669,454.54	\$6,413,740.12
\$25,000,000.00	Great Northern Railway Company..	\$25,000,000.00	\$1,500,000.00

Mileage of Main Track in system, including second, third, fourth, fifth and sixth tracks, as shown on page 82..... 4,747.69

LESS MILEAGE OF—

Pacific Coast Lines.....	159.10	
Duluth, Watertown & Pacific Ry., bonds on which are all owned by the Great Northern Ry. Co.....	69.84	
Duluth Terminal Ry, bonds on which are all owned by the Eastern Ry. Co. of Minnesota.....	1.78	280.72

Mileage of Main Tracks covered by bonds in hands of the public..... 4,516.97

Bonded Debt per mtle of Main Track.....	\$24,943.59
Capital Stock, St. P., M. & M. Ry., per mile of Main Track (8,864.75 Miles).....	5,174.98
Interest Charges and Guaranteed Dividend on Stock of St. P., M. & M. Ry., per mile of Road Operated.....	1,486.13

\* Does not include £1,000,000 St. P., M. & M. Ry. Pacific Extension Bonds underlying the Great Northern Railway Company's Collateral Trust Bonds, the latter only being shown.  
; Bonds bear date of April, 1893; no interest paid to June 30, 1898.

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES LEASED FROM ST. P., M. & M. RY. CO.:		<i>Main Track, Miles.</i>	<i>Total Miles.</i>
Terminals Division.....		20.25	
Fergus Falls Division.....		567.39	
Breckenridge Division.....		567.59	
Northern Division.....		634.60	
Dakota Division.....		642.15	
Montana Division.....		714.01	
Kalispell Division.....		860.81	
Cascade Division.....		307.60	
Total First Main Track.....		3,818.90	3,818.90
Second Track.....	<i>Miles.</i>	28.52	
Third Track.....		9.28	
Fourth, Fifth and Sixth Tracks.....		13.05	50.85
Total Main Tracks covered, leased.....			3,864.75
Side Tracks.....			528.11
Total Tracks covered by the Bonded Debt of the St. P., M. & M. Ry., as shown by statement on page 81.			4,387.86
<b>OTHER TRACKS LEASED BY GREAT NORTHERN RY.:</b>			
Oregon R. R. & Nav Co, Union Depot Co., and Spokane & Seattle Ry. in Spokane, Washington.....	4.80		
Everett & Monte Cristo Ry., Everett, Washington.....	5.25	10.05	10.05
Main Line operated by Great Northern Railway Co.....		3,828.95	
<b>PROPRIETARY COMPANIES:</b>			
	<i>Side Track Miles.</i>	<i>Main Track Miles.</i>	
Eastern Ry. of Minnesota.....	65.90	172.38	
Second Track.....	6.00		
Duluth Terminal Ry.....	3.57	1.78	
Montana Central Ry.....	46.57	261.69	
Willmar & Sioux Falls Ry.....	16.10	205.25	
Duluth, Watertown & Pacific Ry.....	4.08	69.84	
Minneapolis Union Ry.....	4.65	2.63	
Second Track.....	2.63		
Pacific Coast Lines.....	21.87	159.10	
Minneapolis Western Ry.....	4.00	1.69	
Total First Main Track, Proprietary Lines.....		874.31	874.31
Total Second Main Tracks and Side Tracks, Proprietary Lines.....	174.87		174.87
Total Miles of Road in System.....		4,698.26	
Total Miles of Tracks, all kinds, in System.....			5,447.09
Total Main Tracks St. P., M. & M. Ry.....		3,864.75	
First Main Track, Proprietary Companies.....		874.31	
Second Main Track, Proprietary Companies.....		8.63	
Total Miles of Main Tracks.....			4,747.69
<b>NOTE.—Total Miles of Road in System, June 30, 1898, as shown above.....</b>			
Total Miles of Road in System, June 30, 1897, per report that year.....		4,698.26	
Increase in Mileage.....		4,550.34	138.92
This increase is made up as follows:			
Langdon to Hannah, constructed.....	21.06		
Cavaller to Walhalla, constructed.....	16.13		
Changes in line at Salmon and Fisher River, and extensions at St. Cloud and Larimore.....	.36		
	37.55		
Removed, Carlisle to Elizabeth.....	3.52	34.03	
Eastern Ry. of Minnesota, Line of D. S. & W. Ry. purchased.....		99.94	
Montana Central Ry., Cottonwood Branch, constructed.....		4.95	
Increase in Mileage.....			138.92

**EQUIPMENT OF GREAT NORTHERN RAILWAY AND  
PROPRIETARY LINES.**

FOR YEAR ENDING JUNE 30, 1898, COMPARED WITH YEAR ENDING  
JUNE 30, 1897.

CLASS.	1898.	1897.
Locomotives.....	482	443
<b>PASSENGER EQUIPMENT—</b>		
Sleeping Cars.....	42	42
Parlor Cars.....	3	3
Dining Cars.....	12	12
Buffet Smokers.....	8	8
Coaches.....	143	137
Tourist Cars.....	24	8
Passenger and Baggage.....	32	30
Baggage, Mail and Express.....	98	87
Business Cars.....	10	5
<b>Total Passenger Equipment.....</b>	<b>372</b>	<b>332</b>
<b>FREIGHT EQUIPMENT—</b>		
Box Cars.....	10,855	9,654
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Express Freight Cars.....	6	6
Refrigerator Cars.....	153	107
Stock Cars.....	527	527
Flat and Coal Cars.....	2,678	2,671
Sand Cars.....	500	.....
Ore Cars.....	700	100
Ballast Cars.....	764	764
Caboose Cars.....	246	227
Cinder Cars.....	51	22
Boarding Cars.....	49	47
Derrick and Tool Cars.....	41	41
Steam Shovels.....	16	12
Lidgerwood Dirt Unloaders.....	8	1
Ditching Cars.....	1	1
Pile Drivers.....	7	7
Rotary Snow Plows.....	6	6
Snow Dozers.....	13	3
Flangers.....	1	1
Other Work Equipment.....	70	69
<b>Total Freight and Work Equipment.....</b>	<b>17,850</b>	<b>15,424</b>

## LAND COMMISSIONER'S REPORT.

*Mr. JAMES J. HILL, President:*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30, 1898:

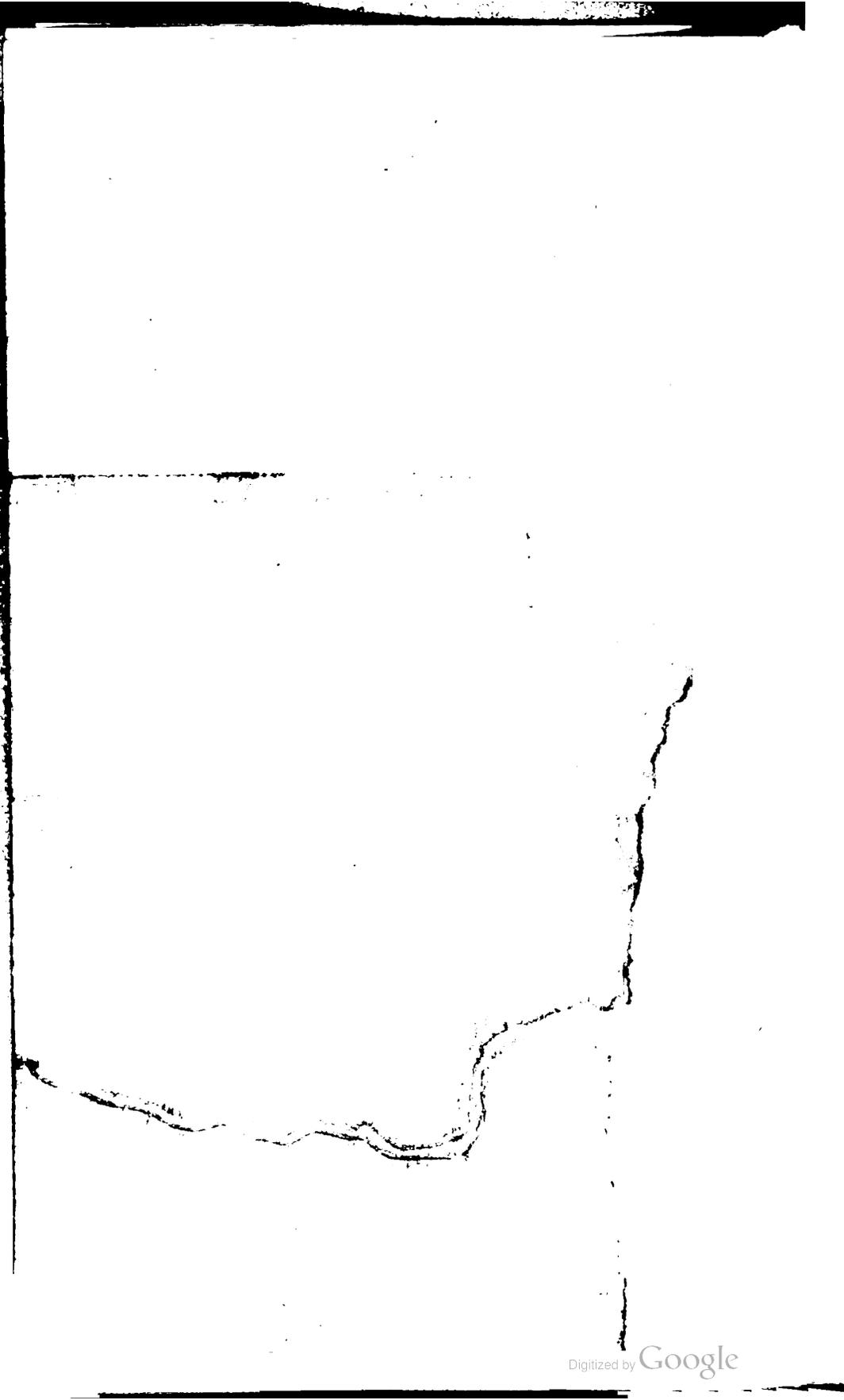
	ACRES.	ACRES.
Amount of Grant, Hinckley Branch.....	425,864.00	
Amount of Grant, Willmar Branch.....	51,200.00	
		476,864.00
Total acreage selected to date.....	169,501.38	
Total acreage deeded to Company.....	138,546.62	
Total acreage sold prior to June 30, 1898.....		71,168.47½
Value of same.....	\$237,649.10	
Average price per acre.....	3.34	
Remaining Unsold June 30th, 1898.....		405,695.52½

## OPERATIONS DURING THE YEAR.

Sales, acres.....	2,830.74
Amount sold for.....	\$19,532.45
Average price per acre.....	6.90
Disbursements of Land Department.....	7,786.40
Amount of Deferred Payments due Company, which are bearing interest at six and seven per cent.....	54,739.50

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*





TENTH ANNUAL REPORT

OF THE

# GREAT NORTHERN

*Railway Company.*

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FISCAL YEAR ENDING

JUNE 30, 1899.



TENTH ANNUAL REPORT

OF THE

GREAT NORTHERN

*Railway Company.*

---

FISCAL YEAR ENDING

JUNE 30, 1899.



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES J. HILL (term expires 1899)	ST. PAUL.
W. P. CLOUGH (term expires 1899)	ST. PAUL.
SAMUEL HILL (term expires 1899)	MINNEAPOLIS.
J. KENNEDY TOD (term expires 1900)	NEW YORK.
EDWARD SAWYER (term expires 1900)	ST. PAUL.
M. D. GROVER (term expires 1900)	ST. PAUL.
JAMES N. HILL (term expires 1901)	ST. PAUL.
JACOB H. SCHIFF (term expires 1901)	NEW YORK.
HENRY W. CANNON (term expires 1901)	NEW YORK.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL.
D. MILLER,	SECOND VICE PRESIDENT,	ST. PAUL.
J. N. HILL,	THIRD VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
F. E. WARD,	GENERAL SUPERINTENDENT,	ST. PAUL.
F. B. CLARKE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
J. F. STEVENS,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.



TENTH ANNUAL REPORT  
OF THE  
GREAT NORTHERN RAILWAY  
COMPANY.

---

*To the Stockholders:*

The President and Directors submit the following report for the year ended June 30th, 1899.

FINANCIAL.

During the year covered by this report the share capital of the Company has been increased 650,000 shares (\$65,000,000), of which 642,266  $\frac{1}{8}$  shares have been issued as follows:

250,000 shares (\$25,000,000), August 1st, 1898, in accordance with terms set forth in a circular to shareholders, dated June 10th, 1898.

Of the proceeds of this issue, \$15,000,000 were used for the redemption of this Company's Collateral Trust four per cent Bonds dated September 1st, 1892, and due September 1st, 1902.

The remaining \$10,000,000 were used to acquire the capital stock, \$12,500,000, of the Seattle and Montana Railroad Company, which was acquired August 1st, 1898, since which

date the line of the Seattle and Montana Railroad Company has been operated as part of the Great Northern Railway.

To June 30th, 1899, there had been redeemed \$14,964,000 of the Collateral Trust Bonds, leaving \$36,000 outstanding, as shown on the General Balance Sheet, page 29.

Since the close of the fiscal year, \$21,000 additional Bonds have been redeemed leaving \$15,000 now outstanding, which will be redeemed upon presentation at the Company's office in New York. Interest upon these bonds ceased to accrue September 1st, 1898.

250,000 shares (\$25,000,000) were authorized by a resolution of the Board of Directors, adopted October 19th, 1898, for the purpose of acquiring the stock of the St. Paul, Minneapolis and Manitoba Railway Company, as outlined in a circular dated November 7th, 1898, addressed to the shareholders of that Company. There have been exchanged 194,952 shares of Manitoba stock for which have been issued 243,690 shares of Great Northern stock. The remaining 6,310 shares of Great Northern stock are held in the treasury of this Company.

150,000 shares (\$15,000,000) were authorized by a resolution of the Board of Directors, adopted April 15th, 1899. A circular was issued to the shareholders of the Company April 20th, 1899, offering these shares for subscription by them at par. Of this stock 148,576 $\frac{1}{10}$  shares have been issued, and there remain in the treasury of the Company 1,423 $\frac{9}{10}$  shares. Of the \$14,857,610 realized from above issue, \$7,500,000 were used to subscribe and pay for 75,000 shares of the capital stock of the Eastern Railway of Minnesota, which is referred to later on in this report, the balance remaining in the Company's treasury, a part of which has since been used in acquiring the stock and bonds of the Spokane Falls and Northern Railway System as outlined in the circular referred to.

Total amount authorized . . . . .	\$65,000,000
Of which has been issued . . . . .	\$64,226,610

The item "Cost of Properties and Securities owned by the Great Northern Railway Company" as shown in the General

Balance Sheet on page 28, shows an increase of \$58,173,062.79 upon comparison with the same item in last year's Balance Sheet, which is accounted for as follows:

St. P. M. & M. Ry. Co.'s Pacific Extension Bonds previously held by Trustee as security for Great Northern Railway Company's Collateral Trust Bonds returned to treasury of the Company through the redemption of the Collateral Trust Bonds.....	\$15,000,000.00
(These bonds were shown as a special item on balance sheet for last and previous years.)	
Cost of Stock of the Seattle and Montana Railroad Company.....	9,999,640.00
Cost of 194,952 shares of the Capital Stock of the St. Paul, Minneapolis and Manitoba Railway Company..	24,369,000.00
Cost of 75,000 shares of additional Capital Stock of the Eastern Railway Company of Minnesota.....	7,500,000.00
Net cost of sundry other properties and securities acquired.....	1,304,422.79
Total.....	<u>\$58,173,062.79</u>

The Stockholders and Board of Directors of the Eastern Railway Company of Minnesota adopted resolutions on April 15th, 1899, authorizing an increase of \$7,500,000 of that Company's share capital for the following purposes:

To acquire the railway, etc., of the Duluth, Mississippi River and Northern Railroad Company;

To obtain the means for constructing and equipping a line of railway from Sandstone to Fridley Station, near Minneapolis;

To pay for the completion and equipment of the line between Lake Superior and Fosston;

To pay for additional equipment and additional facilities at the Lake Superior terminals and elsewhere on its system;

To acquire the following securities:

- \$500,000. Bonds of the Duluth, Superior and Western Terminal Company,
- 500,000. Stock of the Park Rapids and Leech Lake Railway Company,
- 500,000. Bonds of the Park Rapids and Leech Lake Railway Company.

The Great Northern Railway Company subscribed for the entire 75,000 shares and paid \$7,500,000 for same as mentioned above.

The increase of \$1,423,005.22 in "Stocks and Bonds owned by the Eastern Railway Company of Minnesota in addition to those of the Duluth Terminal Railway Company," as shown in the General Balance Sheet on page 28, as compared with the same item in last year's Balance Sheet, represents the cost of the new securities above mentioned, \$1,500,000, less amount charged off to Eastern Railway Company's income for the year for reduction in book values of other securities owned by that Company.

There were no changes during the year in the bonded debt of the Eastern Railway Company of Minnesota, or in the bonded debt or share capital of any of the other proprietary Companies.

The reduction in the bonded debt of the St. Paul, Minneapolis and Manitoba Railway Company, shown in table on page 31 of this Report, and fully explained in that Company's Annual Report, was caused by the operation of the Sinking Fund, of \$466,000 Consolidated Mortgage 4½ per cent bonds redeemed.

There was outstanding June 30th, 1899, St. Paul, Minneapolis and Manitoba Railway Company's First Mortgage Land Grant Seven per cent Bond No. 2245 for \$1,000, embraced in the nineteenth call, and upon which interest ceased to accrue March 13th, 1896. This bond was presented to the Trustees of the mortgage September 15th, 1899, and redeemed by them out of funds in their hands for that purpose. This completes the retirement of these bonds.

Expenditures were made during the year on the capital accounts of proprietary Companies as follows:

Eastern Railway Company of Minnesota.....	\$6,396,710.85
Montana Central Railway Company.....	223,535.71
Willmar and Sioux Falls Railway Company.....	7,844.61
Duluth, Watertown and Pacific Railway Company....	1,808.25
Duluth Terminal Railway Company.....	55,310.81
Minneapolis Union Railway Company.....	11,988.35
Minneapolis Western Railway Company.....	3,013.92
Total.....	\$6,700,212.50

The amount shown for the Eastern Railway Company of Minnesota includes the purchase price of the Duluth, Missis-

sippi River and Northern's Railroad and equipment, amounts expended on account of completion and equipment of the Northern Division from Lake Superior to Fosston, cost of new equipment, etc., and expenditures to June 30th, 1899, on account of new line from Sandstone to Fridley, a portion of the funds to pay all of which items were obtained through the issue of \$7,500,000 additional stock above referred to.

As shown on page 25, there was appropriated out of the net revenue for the year \$1,200,000 for the "Fund for Permanent Improvements and Renewals."

There was also appropriated out of the net revenue for the year \$600,000 towards the cost of the tunnel now being built through the Cascade Mountains. This amount has been deducted from "Revenue Account" on page 25, and is included in the amount of \$3,073,924.42, shown on balance sheet, page 28, as "Cost of Additions and Improvements made by the Great Northern Railway Company to property leased from the St. Paul, Minneapolis and Manitoba Railway Company and paid for from 'Fund for Permanent Improvements and Renewals.'"

#### NEW LINES.

The St. Paul, Minneapolis and Manitoba Railway Company has built no branch or new lines during the year, under the provisions of the lease to this Company.

As hereinbefore stated, the line of the Seattle and Montana Railroad Company, from Seattle, Washington, to South Westminster, British Columbia, 159.10 miles, was operated from and after August 1st, 1898, as a part of the line of this Company.

The last Annual Report referred at length to the new line of the Eastern Railway of Minnesota, from the head of Lake Superior to Fosston, Minnesota. This line was opened for business September 25th, 1898, and the earnings and expenses on and after that date are included in the tables submitted as a portion of the Comptroller's Report. That portion of the line between Cass Lake and Fosston, Minnesota, has been leased to and is operated by the Great Northern Railway Company.

The line east of Cass Lake, Minnesota, is operated by the Eastern Railway Company of Minnesota.

The work of completing this line and of rebuilding the line purchased from the Duluth, Superior and Western Railway Company, referred to in the last Annual Report, in the most substantial manner, has been actively carried on during the year.

On May 1st, 1899, the Great Northern Railway Company began the operation, under lease, of the line of the Park Rapids and Leech Lake Railway Company, from Park Rapids to Cass Lake, Minnesota, 49.04 miles, and the earnings and expenses of the same from and after that date are included in those of the Great Northern Railway Company, as given in the Comptroller's tables herewith submitted. Reference to this line was made upon page 10 of the last Annual Report.

The Eastern Railway Company of Minnesota came into possession by purchase, on May 1st, 1899, of the line of railway, equipment, etc., of the Duluth, Mississippi River and Northern Railroad Company, and has since operated it as a portion of its Northern Division. The line extends from a point on the Mississippi River to beyond Hibbing, Minnesota, 49.47 miles, crossing the main line of the Eastern Railway's Northern Division at Swan River. By the acquisition of this line, the Eastern Railway gains entrance to the Messabe Iron Range and develops a large iron ore traffic, which, for the shipping season of 1899, will amount to over 800,000 tons. In addition, an extensive lumbering and other business is done over the line.

During the year the Eastern Railway Company of Minnesota began the construction of a line from Sandstone to Fridley, Minnesota. The line will connect with the Eastern Railway's present main line at Sandstone, running parallel with the Great Northern's line to Brook Park, about 18 miles, forming a double track between those points. From Brook Park the line runs to a direct connection with the Great Northern's main line at Fridley; its entire length is 64.72 miles. By the use of this new line the distance between St. Paul and Duluth will be reduced to 159.30 miles, a saving of 24.54 miles over the present distance

via Elk River and Milaca. The line is being built in the most substantial manner, and laid with steel rails weighing  $77\frac{1}{2}$  pounds to the yard; the curvature is very light, and the maximum grade four-tenths of one per cent. The line is being heavily ballasted with gravel before being put into service. Traffic trains will be operated over the new line about November 1st, 1899.

Reference was made in last year's report to the acquisition by this Company of the stocks and bonds of the several Companies forming the Spokane Falls and Northern Railway System. This company came into possession of these securities July 1st, 1899. During the year under review, the Spokane Falls and Northern System was operated separately.

#### EQUIPMENT.

There were added to the equipment list through the taking over of the Seattle and Montana Railroad, August 1st, 1898:

- 6 locomotives, 7 passenger coaches,
- 3 baggage, mail and express cars,
- 15 box cars, 64 flat and coal cars,
- 100 logging trucks, 3 caboose cars,
- 1 pile driver and 1 tool car.

By the purchase of the Duluth, Mississippi River and Northern Railroad, before referred to, the Eastern Railway Company of Minnesota acquired the following equipment:

- 9 locomotives, 1 passenger coach,
- 1 combination passenger and baggage car,
- 2 box cars, 30 flat cars, 2 caboose cars,
- 1 boarding car and 1 steam shovel.

This equipment has been carefully inspected and appraised, and taken into equipment account at its appraised value.

The report for last year stated that there had been purchased during the year 45 locomotives and 3,500 freight service cars, of which but 37 locomotives and 1,750 freight service cars had been received and taken to account at the close of the year.

During the year under review orders were placed for 48 locomotives and 2,500 freight service cars.

Of the total new equipment undelivered at the close of last year and ordered this year, the following had been received and taken to account at the close of this year:

- 10 ten-wheel passenger engines, with cylinders 18''x26'', drivers 73'' outside diameter, weight on drivers 102,000 pounds; tenders have a capacity for eight tons of coal and 4,500 gallons of water. Of these locomotives, six were purchased to replace three light locomotives taken out of service last year and three taken out of service this year.
- 8 twelve-wheel freight engines, with cylinders 19''x32'', weighing on drivers 142,000 pounds; tenders have a capacity of eight tons of coal and 4,500 gallons of water.
- 18 twelve-wheel freight engines, with cylinders 19''x32'', weighing on drivers 148,000 pounds; tenders have a capacity of eight tons of coal and 5,000 gallons of water.
- 6 twelve-wheel freight engines, with cylinders 21''x34'', weighing on drivers 172,000 pounds; tenders have a capacity of nine tons of coal and 5,000 gallons of water. These are similar to the two engines referred to in last year's report as for use on the mountain grade of the Montana Central Railway.
- 2 six-wheel switching engines, with cylinders 19''x26'', weighing 114,000 pounds without tender.
- 3 six-wheel switching engines, with cylinders 19''x26'', weighing 137,000 pounds without tender.

The remaining nine locomotives ordered but not received at the close of the year or taken to account above, have since been received and are now in service.

- 1 passenger coach was purchased for the Montana Central Railway.
- 6 Superintendents' cars, one 38 feet long, and five 34 feet long each, were built in the Company's shops, and
- 1 Superintendent's car was changed from a passenger coach.
- 250 thirty-six-feet, 60,000 pounds capacity, box cars, with hopper bottoms, equipped with air brakes and automatic couplers.
- 750 thirty-six-feet, 60,000 pounds capacity, standard box cars, equipped with air brakes and automatic couplers; 28 to replace destroyed cars and 722 for additional equipment.
- 50 fifty-eight-feet, 60,000 pounds capacity, box cars, equipped with air brakes and automatic couplers, for use in transferring shipments from freight stations at St. Paul and Minneapolis to transfer station at Hamline, where shipments are consolidated in regular cars and forwarded. (Built at Company's shops.)
- 750 forty-four-feet, 60,000 pounds capacity, combination cars, equipped with air brakes and automatic couplers.

250 forty-feet, 60,000 pounds capacity, flat cars, equipped with air brakes and automatic couplers; to replace destroyed cars. Fourteen flat cars were taken out of the equipment list during the year.

(The balance of the freight service equipment purchased, 2,250 cars, had not been delivered at the close of the year, but is now being received.)

32 four-wheel caboose cars were built in the Company's shops, 30 for additional equipment and 2 to replace destroyed cars.

2 four-wheel caboose cars were purchased for additional equipment.

2 heavy steam shovels were purchased for additional equipment.

Some transfers between classes and changes were made in other equipment.

#### Total equipment added to Inventory during the year:

Locomotives.....	59	Superintendents' cars....	7
Passenger Coaches.....	10	Steam shovels.....	3
Baggage cars.....	3	Pile drivers.....	1
Freight service cars.....	1,865	Tool cars.....	2
Caboose cars.....	37	Boarding cars.....	1
Logging trucks.....	100	Other work cars.....	2

The equipment with air brakes and automatic couplers of freight cars has been actively carried forward, so that about 92 per cent of the cars belonging to the System are now so fitted as to conform to the Acts of Congress relating thereto, and the remainder will be equipped during the coming year.

As equipment is destroyed or taken out of service, Operating Expense is charged, and "Fund for Replacement of Equipment" is credited with the cost of replacing the same. When equipment for replacements is purchased, the cost of the same is charged to the account last mentioned.

#### ADDITIONS.

##### ST. P., M. & M. RY.'S LEASED LINES.

The new freight yard at St. Anthony Park, 13.5 miles, referred to in last year's Report as being under construction, has been completed and put into use.

An interlocking plant, controlling the entrance to this yard and connections with the main line and tracks of the Minnesota Transfer Railway Company, is now being built.

A new yard has been put in at Hamline Transfer, midway between St. Paul and Minneapolis, and a transfer warehouse, 16'x800', built, where all shipments less than carload offered at St. Paul, Minneapolis, Minneapolis Junction and Minnesota Transfer, are consolidated before being forwarded. This has materially reduced the number of cars handled over the line and increased the tonnage per car, equivalent to increasing the equipment to that extent.

At Carman, Minnesota, the yard has been enlarged and entirely rearranged, new brick 20-stall round house, turntable, 20-pocket coaling station, and new water supply built, to properly handle the business moving via the Fosston Line.

The old round house and buildings connected therewith at St. Cloud have been removed and the yard has been rearranged. The Osseo and the St. Cloud and Willmar lines have been extended, making a double track from the Junction to the St. Cloud yard. A large and complete granite passenger station has been built at St. Cloud; also a new water supply.

New depots have been built at Clear Lake, Bisbee, Galchutt, Vienna, Danvers, Index, Wellington, Cascade Tunnel, Skykomish, Edwall, Foley, Teton and Big Sandy. The brick station and Superintendent's office building at Larimore has been enlarged, and freight shed built at Long Lake, Minnesota.

Standard section houses have been built at Teton, Laredo and Buxton, and ninety-seven 3-room section houses on the Montana, Kalispell and Cascade Divisions, to provide for track laborers.

A 14-pocket coaling station has been built at Kalispell, in place of 10-pocket station burned, and a 16-pocket station at Larimore in place of a 10-pocket station burned. These stations are equipped with lifting engines.

A new 80-ton track scale has been put in at Great Falls, Montana, in place of a 50-ton scale, and heavy scales are now being put in at other stations.

Important improvements in the water supply are being continued. Power pumping plants were put in at Rugby Junction,

Leavenworth, Wilson Creek, Midvale, Wayzata, Fisher, Troy, Coram, York, Emerado, McIntosh, Dugdale, Milaca and Sultan. Numerous other improvements in water stations have been made with a view to equipping the entire line with an ample supply of good water.

Many additional stock yards have been built along the line of the road during the year to handle increasing stock shipments, being a continuation of the work referred to in reports for the last and previous years.

On the main lines, standard passing tracks 3,000 feet long have been laid this year, or old tracks have been lengthened to standard, and many additional tracks for local industries have been built, the total net increase in side track mileage being 44.41 miles.

During the year the relaying of 29 miles of track between Palermo and Williston with 75-pound steel rails in place of 60-pound, and of 5.6 miles between Coram and Columbia Falls with 75-pound steel rails in place of 68-pound, was completed.

Other relaying was authorized, and is in progress at the close of the year, but not completed.

The 60-pound rail removed in these cases is used to replace lighter iron and steel rail on branch lines, and 56-pound rail in the construction of passing, yard and other tracks.

#### EASTERN RAILWAY OF MINNESOTA.

The relaying of the track between West Superior and Nickerson, referred to in last year's Report, has been completed. There has also been relaid 15.17 miles between Cloquet and Deer River with 75-pound steel in place of 60-pound. The relaying of 55.6 miles with 77½-pound rail in place of lighter rail was authorized early in the season. The work, though well under way, was not entirely completed at the close of the year.

The widening and bringing to grade of the embankments between Hinckley and Nickerson, 30.7 miles, is about completed, and that portion of the line is also receiving full gravel ballast.

Many miles of ditches have been put in on the line between Cloquet and Deer River for the purpose of draining swamps and improving the roadbed. The work already done is very satisfactory. This work is still under way, and will be completed by the close of the year ending June 30th, 1900.

Interlocking plants have been built at Carlton and State Line, and a new section house at Nickerson.

A new electrical power house, 57'x77', and boiler and engine house, 81'x43', have been built to properly handle the business of the Company's elevators at West Superior.

The double track has been extended for 2½ miles south from Saunders Station, making the total double track 8½ miles from West Superior south.

The net increase in side track mileage during the year, not including mileage of side tracks on new lines taken over or operated for the first year, was 24.58 miles.

#### MONTANA CENTRAL RAILWAY.

So much new work has been done on this line during the past few years that but little was required this year beyond the filling of some wooden trestles, which will be completed the coming fall.

Heavy riprapping and slope walls have been placed along the Boulder River near Bernice and on the Missouri River near Riverdale, to protect the roadbed from high water. Banks have been widened and restored to grade between Cascade and Craig, and track ballasted.

Tracks have been relaid as follows:

With 75-pound steel in place of 60-pound steel, between Hardy and Wolf Creek, and east of Johns, 23.48 miles.

With 77½-pound steel in place of 75-pound steel, between Clancy and Portal and Bernice and Elk Park, 19.07 miles.

The relaying of 45.83 miles with 77½-pound steel and 3.31 miles with 75-pound steel was authorized during the year, but was not entirely completed on June 30th.

There was a net increase of 4.052 miles in mileage of side tracks during the year.

## GENERAL WORK.

The fencing of the right of way has been actively followed.

There were built on the

Great Northern Railway.....	385.44 miles
Eastern Railway of Minnesota.....	2.60 "
Montana Central Railway.....	104.79 "
Willmar and Sioux Falls Railway.....	8.04 "
Duluth, Watertown and Pacific Railway...	1.92 "

Total..... 502.79 miles

The practice of replacing bridges and trestles with steel, making permanent water ways and filling or replacing wooden structures with solid embankments wherever possible has been continued, the record of the year being:

Length of steel bridges built—

Great Northern Railway.....	4,590 feet
Eastern Railway of Minnesota.....	574 "
Duluth Terminal Railway (portion of elevated track in Duluth).....	2,132 "
Montana Central Railway.....	648 "
Willmar and Sioux Falls Railway.....	36 "

Total..... 7,980 feet

Lineal feet of bridges filled—

Great Northern Railway.....	14,996 feet
Eastern Railway of Minnesota.....	1,544 "
Montana Central Railway.....	3,971 "
Willmar and Sioux Falls Railway.....	955 "

Total..... 21,466 feet

To provide the necessary waterways in place of bridges filled as above, there were put in 84 stone culverts, 1 brick culvert, 198 pipe culverts and 6 box culverts.

The widening of banks, restoring of grade and ballasting with gravel on the Great Northern Railway, was completed during the year from:

Carman to Fosston.....	30.66 miles
Larimore to York.....	97.50 "
Wallace to Williston.....	88.65 "
Williston to Calais.....	67.00 "

The banks were widened and restored to grade between—  
Pacific Junction and Verona..... 37.00 miles

Similar work is now in progress, and it is expected the close of the present fiscal year will see the widening of banks and ballasting completed from Calais to Blackfoot, about 400 miles.

The change of line at Gassman Coulee, near Minot, referred to in last year's report, has been completed, with the steel trestle also mentioned. The cost of this improvement to date is \$248,463.93.

As an indication of the amount of work done during the year in improvement of tracks, the following closely approximated quantities of material moved are given:

In changes of line for purpose of reducing grades and curvature . . . .	1,549,541	cubic yards
In widening embankments, taking out sags and generally restoring banks . . . . .	1,775,667	“ “
For filling bridges . . . . .	557,929	“ “
For ballasting (gravel) . . . . .	825,983	“ “
Total . . . . .	4,709,120	cubic yards

As has been stated in former reports, only such amounts as were paid for actual additions to the property have been charged to "Additions and Improvements" and the entire amount charged to that account during the year on account of the line leased by the Great Northern Railway Company from the St. Paul, Minneapolis and Manitoba Railway Company, amounting to \$984,391.36, has been transferred to "Fund for Permanent Improvements and Renewals" (created by appropriations from Income) so that the Great Northern Railway Company is not carrying on its books as an asset the cost of any additions and improvements.

All replacements, renewals, etc., have been charged to Operating Expenses. The amount included in "Maintenance of Road and Structures" this year for extraordinary improvements, etc., is \$833,228.48.

#### VOLUME OF TRAFFIC AND RATES.

During the year the amount of wheat carried increased about 16,000,000 bushels, practically all East bound, or 480,000 tons as compared with the previous year. The increase in the total

revenue tonnage was 1,913,000 tons; there was, therefore, an increase during the year in tonnage hauled other than wheat of 1,433,000 tons. A large portion of this was short haul merchandise, due to the general improved business conditions in the country served by this Company.

This accounts for the seemingly small reduction in the average revenue per ton per mile of .16 mills or 1.72 per cent.

In the report for last year it was estimated that the reduction in wheat rates made on account of the opening of the line between Fosston and Duluth would reduce the Company's revenue by about \$1,000,000. The year's statistics show a reduction in the average revenue received for transporting a bushel of wheat of 1.3 cents, equivalent to about \$875,000.

The earnings from passenger trains show an increase during the year of 17 per cent, or \$721,660.35. Of this, there was contributed from Mails and Express, \$273,680.03, and from strictly passenger sources, including Sleeping Cars, etc., \$447,980.32. There is probably no better illustration of the growth of the Western country than the increase in mail earnings. The United States Postoffice Department pays for transportation of mails upon the basis of the weight carried, as ascertained by an official weighing once every four years. The mails carried west of the Minnesota-North Dakota state line were weighed during the spring of 1898 and compensation on basis of weights then ascertained began to accrue from July 1st, 1898. Therefore, practically the entire increase of \$229,088.28, or 51.04 per cent, in mail earnings comes from the increase in mail matter carried to and from the Pacific Coast. It should also be remembered, that as the weight of mail increases the rate of pay per pound decreases, and in consequence the weight actually transported is probably 75 per cent more than it was four years ago.

The average revenue received per passenger mile has decreased from 2.222 cents to 2.208 cents.

The tons one mile have increased 11.36 per cent, the car miles 6.24 per cent and the freight train mileage 4.84 per cent, increasing the average load of 316 tons per train nearly twenty tons (6.29 per cent) to 336.172 tons.

In last year's report reference was made to the value of permanent improvements on the line, covering reductions in grade and curvature, and the general condition of the roadbed, which, with better methods in conducting transportation, is shown in the increased average load and revenue per train mile.

During the period covered by this report, thorough examinations and surveys have been made over important portions of the line, particularly between Havre and the Pacific Coast and on the Montana Central, which show that existing grades can be greatly reduced and the line improved to an extent which will increase the train load, and give the entire transcontinental line lower grades than can be had over any other route.

A large part of this work is now under way and will be completed during the current year, and it is expected that the entire work will be completed within 18 months.

The Cascade Tunnel is well advanced and will be ready for trains in the Fall of 1900, at which time all the improvements on the entire transcontinental line should be finished.

At Spokane the Company has secured favorable locations for passenger and freight facilities upon which new passenger and freight stations, with convenient and extensive yards, will be built.

The Board of Directors, after due consideration, has thought the better way to provide capital required for future extensions or purchases of new lines would be by the issue of additional shares of stock, giving the shareholders the opportunity to subscribe for the same at par in proportion to their respective holdings. This policy will rapidly reduce the annual interest charge and strengthen the Company's position in every way.

The Board respectfully calls the attention of the Shareholders to the Report of the Comptroller, with the customary Balance Sheet and statistical tables, and the Report of the Land Commissioner.

JAMES J. HILL, *President.*

## COMPTROLLER'S REPORT.

*Mr. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ended June 30th, 1899.

These statements are made in exactly the same form, and on the same basis, as those submitted with last year's report.

The statements on the pages next following, 22 and 23, show the Earnings, Operating Expenses, Taxes, etc., of the Railway System. The statement on page 24 shows the division of those amounts between the several railways. On pages 25 and 26, are given the Revenue and Income Accounts of the Great Northern Railway Company.

The results of operating the following lines, from dates given, being those upon which they were acquired, are included in the proper tables:

IN GREAT NORTHERN RAILWAY COMPANY:

From August 1st, 1898, Seattle and Montana Railroad, from Seattle to South Westminister, B. C., 159.10 miles.

From September 25th, 1898, line between Fosston and Cass Lake, Minnesota, leased from the Eastern Railway Company of Minnesota.

From May 1st, 1899, line between Park Rapids and Cass Lake, Minnesota, 49.04 miles, leased from Park Rapids and Leech Lake Railway Company.

IN EASTERN RAILWAY COMPANY OF MINNESOTA:

From September 25th, 1898, line between Deer River and Cass Lake and between Nemadji River and Cloquet, constructed.

From May 1st, 1899, line purchased from Duluth, Mississippi River and Northern Railroad Company, 49.47 miles.

The Balance Sheet given this year shows, the same as last year's, the financial condition of the *Railway System*.

The finances of the Northern Steamship Company, Sand Coulee Coal Company and Great Northern Express Company are omitted, as in former years, as they are kept separate and distinct from those of the railway system.

R. I. FARRINGTON,  
*Comptroller.*

GROSS EARNINGS, OPERATING EXPENSES, TAXES, AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED FOR THE FISCAL YEAR ENDED JUNE 30th, 1899, COMPARED WITH THE PREVIOUS FISCAL YEAR.

## GROSS EARNINGS.

PER CENT	1899		1898	PER CENT
79.0602	\$19,779,209.29	..... Freight.....	\$18,056,046.88	79.9735
14.9907	3,750,338.57	..... Passenger.....	3,311,380.58	14.6667
2.7098	677,945.01	..... Mail.....	448,856.73	1.9881
1.0027	250,848.16	..... Express.....	206,256.41	.9135
2.2366	559,562.63	... Miscellaneous...	555,003.59	2.4582
	\$25,017,903.66	..... Total.....	\$22,577,544.19	

## OPERATING EXPENSES.

PER CENT	1899		1898	PER CENT
49.2356	\$5,989,017.75	Conducting Transportation	\$5,419,137.42	49.9243
13.1140	1,595,188.15	Maintenance of Equipment	1,481,820.34	13.6514
28.6002	3,478,925.04	{ Maintenance of Road and Structures..... }	2,906,486.43	26.7763
9.0502	1,100,870.85	..... General Expenses.....	1,047,261.44	9.6480
	\$12,164,001.79	..... Total.....	\$10,854,705.63	

## SUMMARY OF EARNINGS AND EXPENSES.

1899		1898
\$25,017,903.66	.....Gross Earnings.....	\$22,577,544.19
12,164,001.79	.....Operating Expenses.....	10,854,705.63
\$12,853,901.87	.....Net Earnings.....	\$11,722,838.56
927,359.43	.....Taxes.....	700,941.28
\$11,926,542.44	.....Income from Operation.....	\$11,021,897.28
	Operating Expenses, per cent of Gross	
48.62	.....Earnings.....	48.08
	Operating Expenses and Taxes, per cent	
52.33	.....of Gross Earnings.....	51.18
\$5,226.92	..Gross Traffic Earnings per Mile of Road..	\$5,055.43
2,541.39	... Operating Expenses per Mile of Road...	2,430.52
\$2,685.53	.....Net Earnings per Mile of Road.....	\$2,624.91
4,786.36	..Average Miles of Road Under Operation..	4,466.00

STATEMENT SHOWING THE REVENUES FOR THE YEAR ENDED JUNE 30th, 1899, OF THE GREAT NORTHERN RAILWAY COMPANY AND ALL PROPRIETARY COMPANIES.

COMPANIES	GROSS EARNINGS	OPERATING EXPENSES	TAXES	INCOME FROM OPERATION	Miscellaneous Income Received	TOTAL
Great Northern Railway.....	\$19,057,813.96	\$9,990,647.55	\$758,941.50	\$8,902,224.91	\$673,825.15	\$9,576,050.06
RAILWAYS:						
Eastern Ry. of Minnesota.....	3,049,481.83	1,318,511.82	99,330.88	1,631,640.18	252,861.02	1,884,590.20
Montana Central Railway.....	1,006,083.53	1,126,190.86	36,318.53	743,645.11	22,529.88	766,174.99
Willmar & Sioux Falls Ry.....	919,428.93	264,073.24	27,645.01	606,809.73	975.56	607,785.34
Duluth, Watertown & Pacific Railway.....	83,015.41	35,680.20	5,132.00	42,213.46	158.00	42,371.46
Total Railway System Proper.....	\$25,017,403.66	\$12,164,001.79	\$927,359.43	\$11,928,542.44	\$950,419.61	\$12,878,962.05
OTHER COMPANIES:						
Minneapolis Union Ry.....	281,501.02	48,186.04	1,983.21	181,320.87	31.29	181,352.16
Minneapolis Western Ry.*.....	100,121.50	47,647.41	2,106.89	50,972.20	Dr. 17.26	50,954.92
Duluth Terminal Ry.....	38,704.07	20,204.67	.....	13,500.00	.....	13,500.00
Northern Steamship Co.....	1,002,448.45	748,834.86	.....	253,613.59	.....	253,613.59
Great Northern Express Company.....	488,766.15	580,036.05	10,410.40	149,319.10	.....	149,319.10
Sand Coulee Coal Co.....	514,121.74	348,373.51	2,952.80	162,735.43	2,997.27	165,732.70
Total for System.....	\$27,568,572.19	\$13,916,285.83	\$944,822.73	\$12,737,465.63	\$952,900.89	\$13,690,366.52

\*For eighteen months ended June 30, 1898.

EXPLANATORY NOTE.

The surplus earnings of the Duluth, Watertown and Pacific Railway Company, above shown, have been applied to the repayment of the advances made by the Great Northern Railway Company on account of deficits in previous years.

NORTHERN STEAMSHIP COMPANY:—From the surplus earnings above shown, there has been repaid to the Great Northern Railway Company the balance of the amount advanced on account of the deficits in previous years, and out of the remainder has been paid the dividend of \$150,000, below mentioned.

DIVIDENDS:—Out of the net income of the Companies named the following dividends have been declared:

Eastern Railway Company of Minnesota.....	\$1,250,000.00
Montana Central Railway Company.....	250,000.00
Willmar and Sioux Falls Railway Company.....	300,000.00
Minneapolis Union Railway Company.....	25,000.00
Minneapolis Western Railway Company.....	25,000.00
Northern Steamship Company.....	150,000.00
Total.....	\$2,000,000.00

Total. "Miscellaneous Income" of the Great Northern Railway as given by the above table, but is added to that "Miscellaneous Income" in the Income Account on page 26.

DULUTH TERMINAL RY. CO.:—This Company is the owner of the railroads used by the Eastern Railway of Minnesota, to secure entrance into Duluth, and of extensive yards in and about Duluth, and is controlled by the Eastern Railway. Under the terms of the Duluth Terminal Railway the earnings derived from the yards are to be divided equally between the Eastern Railway and the Duluth Terminal Railway. The earnings of the Duluth Terminal Railway are not included in the "Miscellaneous Income" of the Eastern Railway as above shown.

GREAT NORTHERN EXPRESS CO.:—The amount under "Operating Expenses" includes the amounts paid railway companies for transportation.

SAND COULEE COAL CO.:—Included in the amount shown under "Operating Expenses" in addition to the cost of mining and marketing coal, is a charge of ten cents per ton to provide a sinking fund against the ultimate exhaustion of the property. A portion of the rental received from buildings is likewise set aside for their replacement. These Sinking Funds now amount to \$13,470.82.

## REVENUE ACCOUNT.

## GREAT NORTHERN RAILWAY COMPANY.

EARNINGS FROM OPERATION OF ST. P. M. & M. RY.'S LEASED LINES AND LINE  
OF SEATTLE & MONTANA RAILROAD COMPANY.

YEAR ENDED JUNE 30th, 1899.

## EARNINGS.

Freight.....	\$14,657,484.04
Passenger.....	3,068,966.19
Mail.....	623,695.22
Express.....	215,281.39
Miscellaneous.....	492,387.12

Gross Earnings.....	\$19,057,813.96
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## OPERATING EXPENSES.

Conducting Transportation.....	\$4,553,070.71
Maintenance of Equipment.....	1,255,274.63
Maintenance of Road and Structures.....	2,701,276.79
General Expenses.....	887,025.42

Total Operating Expenses.....	\$9,396,647.55
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TAXES.....	758,941.50	10,155,589.05
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Income from Operation.....	\$8,902,224.91
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From which have been paid:

## RENTALS.

To St. P. M. & M. Ry. Co:

Guaranteed Interest on St. P. M. & M. Ry. Bonds, Paid and Accrued.....	\$3,505,045.68
(For Details see page 31.)	
Guaranteed Dividends of 6 per cent on Cap- ital Stock of St. P. M. & M. Ry. Co.....	1,200,000.00
Maintenance of Organization of St. P. M. & M. Ry. Co.....	6,686.47
Other rentals.....	123,566.67

Total Rentals.....	\$4,835,298.82
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Interest on Great Northern Ry. Collateral Trust Bonds to Sept. 1, 1898, when interest ceased to accrue under call for redemption of bonds..	81,211.52
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Total Charges.....	\$4,916,510.34
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From which deduct amount received by the Great Northern Ry. Co. as dividends paid and accrued on stock of the St. P. M. & M. Ry. Co. obtained by it in exchange for stock of Great Northern Ry. Co.	778,686.00
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Net Amount.....	\$4,137,824.34
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Amount transferred to—

Fund for Permanent Improvements and Renewals.	1,200,000.00	
Fund for construction of Cascade Tunnel, etc.....	600,000.00	5,937,824.34

Balance transferred to Income Account.....	\$2,964,400.57
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INCOME ACCOUNT,  
GREAT NORTHERN RAILWAY COMPANY.

YEAR ENDED JUNE 30th, 1899.

Balance Transferred from Revenue Account. . . . .		\$2,964,400.57
OTHER INCOME:		
Interest on Bonds Owned. . . . .	\$105,017.49	
Dividends on Stocks Owned. . . . .	2,134,620.00	
Rental of Lines Leased. . . . .	166,317.69	
Bills Receivable (Land Notes). . . . .	3,615.54	
General Interest. . . . .	56,493.83	
Rental of Equipment and Car Service. . . . .	86,339.87	
Profit on Treasury Securities sold during the year. . . . .	68,152.50	
Income from Other Sources, ground rents, miscellaneous items, etc. . . . .	<u>53,268.23</u>	2,673,825.15
Total Income. . . . .		<u>\$5,638,225.72</u>
From which have been paid Dividends as follows:		
August 1, 1898, 1½ per cent on \$25,000,000	\$375,000.00	
November 1, 1898, 1¾ per cent on 50,000,000	875,000.00	
February 1, 1899, 1¾ per cent on 74,261,500	1,299,576.26	
May 1, 1899, 1¾ per cent on . . . 74,369,000	<u>1,301,457.50</u>	3,851,033.76
Balance transferred to Profit and Loss. . .		<u>\$1,787,191.96</u>

## DETAILS OF OTHER INCOME.

## INTEREST ON BONDS OWNED:

Todd County Bonds .....	\$75.00	
County of Pipestone Bonds.....	1,800.00	
Town of Wadena Bonds.....	390.00	
Town of Sandness Bonds.....	120.00	
Town of Leaf River Bonds.....	120.00	
Town of Hutchinson Bonds.....	510.00	
Town of Minnesota Falls Bonds.....	120.00	
Montana Central Ry. Co. Bonds.....	30,000.00	
Minnesota Transfer Ry. Co. Bonds.....	1,189.99	
Willmar & Sioux Falls Ry. Co. Bonds.....	1,050.00	
Butte, Anaconda & Pacific Ry. Co. Bonds...	50,000.00	
St. P. M. & M. Ry. Co. Consolidated Mortgage Bonds.....	<u>19,642.50</u>	
Total .....		\$105,017.49

## DIVIDENDS ON STOCKS OWNED:

St. Paul Foundry Co. Stock.....	\$6,000.00	
Northern Steamship Co. Stock.....	150,000.00	
Great Northern Ry. Co. Stock.....	953.00	
St. Paul Union Depot Co. Stock.....	2,625.00	
Montana Central Ry. Co. Stock.....	250,000.00	
Minneapolis Union Ry. Co. Stock.....	25,000.00	
Eastern Ry. Co. of Minnesota Stock.....	1,250,000.00	
Minneapolis Western Ry. Co. Stock.....	25,000.00	
Willmar & Sioux Falls Ry. Co. Stock.....	300,000.00	
Butte, Anaconda & Pacific Ry. Co. Stock...	29,400.00	
Oregon Railroad & Navigation Co. Prfd Stock	<u>95,642.00</u>	
Total.....		\$2,134,620.00

GREAT NORTHERN RY. CO., EASTERN RY. CO. OF MINNESOTA, MON  
WATERTOWN & PACIFIC RY. CO., MINNEAPOLIS  
AND DULUTH

*Dr.*

<i>To</i> Cost of Properties and Securities Owned by Great Northern Ry. Co. ....	\$87,560,178.83	
<i>Less</i> Capital Stock and Bonds of Proprietary Companies Owned by Great Northern Ry. Co. and not shown contra. ....	21,855,000.00	\$65,705,178.83
Cost of the following Properties controlled by Great Northern Ry. Co. through ownership of their entire Share Capital:		
Eastern Railway of Minnesota—Railway, Equipment, Elevators, etc. ....	\$21,335,486.36	
Montana Central Ry.—Railway and Equipment. ....	14,534,486.24	
Willmar & Sioux Falls Ry.—Railway and Real Estate. ....	5,428,743.36	
Duluth, Watertown and Pacific Ry. ....	2,206,926.41	
Minneapolis Union Ry.—Union Depot, Railway, Etc. .	3,302,187.68	
Minneapolis Western Ry—.....	743,497.26	
	<u>\$47,551,327.31</u>	
Cost of Duluth Terminal Ry. the Entire Share Capital and Bonds of which are owned by the Eastern Ry. Co. of Minnesota and not shown contra. ....	389,353.93	47,940,681.24
Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from St. P., M. & M. Ry. Co. and paid for from "Fund for Permanent Improvements and Renewals".....		3,073,924.42
Stocks and Bonds owned by Eastern Ry. Co. of Minnesota in addition to those of Duluth Terminal Ry. Co. ....		1,565,701.00
CURRENT ASSETS.		
Cash in St. Paul Office. ....	\$423,114.92	
Cash in New York Office. ....	8,859,125.80	
Cash in London Office. ....	299,065.31	
Due from Agents. ....	837,594.26	
Due from U. S. Post Office Department. ....	170,994.53	
Due from Canadian Post Office Department. ....	74.88	
Due from U. S. Transportation. ....	39,306.36	
Advanced Charges. ....	19,236.00	
Bills Receivable. ....	2,143,464.21	
Due from other Companies and Individuals. ....	833,390.44	
Advances in Current Account to Other Proprietary Companies. ....	236,339.93	
	<u>13,867,706.64</u>	
Value of Material and Fuel on Hand. ....		1,632,253.99

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 8133,785,446.15

ANCE SHEET, JUNE 30th, 1899.

BALANCE SHEETS FOR THAT DATE OF THE

TANA CENTRAL RY. CO., WILLMAR & SIOUX FALLS RY. CO., DULUTH,  
UNION RY. CO., MINNEAPOLIS WESTERN RY., CO.,  
TERMINAL RY. CO.

*Cr.*

By Capital Stock .....	\$90,000,000.00	
Less Amount held in Treasury of Company pending further exchange of Stock of St. P., M. & M. Ry. Co. ....	773,390.00	
Stock Issued and Outstanding .....		889,226,610.00
FUNDED DEBT IN HANDS OF PUBLIC.		
Great Northern Ry. Co., Collateral Trust Bonds, <i>Called</i> .....	\$36,000.00	
Eastern Ry. Co. of Minnesota, First Division, First Mortgage Bonds, 5 per cent. ....	4 700,000.00	
Eastern Ry. Co. of Minnesota, Northern Division, First Mortgage Bonds, 4 per cent. ....	5,000,000.00	
Montana Central Ry. Co., First Mortgage Bonds, 6 per cent. ....	6,000,000.00	
Montana Central Ry. Co., First Mortgage Bonds, 5 per cent. ....	3,300,000.00	
Willmar & Sioux Falls Ry. Co., First Mortgage Bonds, 5 per cent. ....	3,646,000.00	
Minneapolis Union Ry. Co., First Mortgage Bonds, 6 per cent. ....	2,150,000.00	
Minneapolis Union Ry. Co., First Mortgage Bonds, 5 per cent. ....	650,000.00	
Minneapolis Western Ry. Co., First Mortgage Bonds, 5 per cent. ....	500,000.00	
		25,982,000.00
CAR TRUST OBLIGATIONS.		
Car Trust Notes Assumed by Eastern Ry. Co. of Minnesota upon purchase of Duluth, Superior and Western Ry.—Due in February and August of each year until February 1, 1906. ....		205,616.18
CURRENT LIABILITIES.		
Audited Vouchers Unpaid .....	\$1,831,896.45	
Unpaid Pay Rolls .....	1,170,972.66	
Unpaid Coupons, including those due July 1, 1899. .	1,574,614.00	
Unpaid Dividends on G. N. Ry. Stock .....	9.64	
Unpaid Dividends on St. P., M. & M. Ry. Stock. . .	79.50	
Due to Other Companies and Individuals. ....	861,154.63	
		5,438,726.88
DEFERRED LIABILITIES.		
Accrued Taxes, not due. ....	\$449,375.81	
Bond Interest Accrued, not due. ....	125,691.66	
Rental of St. P., M. & M. Ry. Accrued, not due, less Accrued Dividends on St. P. M. & M. Ry. Stock owned by G. N. Ry. Co. ....	208,164.67	
		783,232.14
CONTINGENT LIABILITIES.		
Cost of Additions and Improvements made by Great Northern Ry. Co., to Property leased from St. P., M. & M. Ry. Co. and paid for from "Fund for Per- manent Improvements and Renewals" .....	\$3,073,924.42	
Unexpended Balance of Fund for Permanent Im- provements and Renewals. ....	1,995,768.35	
Fund for Replacement of Equipment. ....	335,136.08	
Total amount deducted from Income to provide for future Improvements and Renewals. ....	85,404,828.85	
Insurance Fund. ....	323,683.04	
Surplus Funds of Proprietary Companies, Deposited with Great Northern Ry. Co. ....	1,567,769.31	
		7,296 281.20
Balance—Profit and Loss .....		4,852,979.72
		<u>\$133,785,446.12</u>

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON ENTIRE SYSTEM FOR THE YEAR ENDED JUNE 30th, 1899, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION.	1899.	1898.	INCREASE.	
			Amount.	Per Cent.
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	5,809,782	5,541,497	268,285	4.8410
Mileage of Mixed Trains.....	610,202	585,687	24,515	4.1857
<hr/>				
Mileage of Loaded Freight Cars.....	196,894,961	181,844,692	5,550,269	4.2257
Mileage of Empty Freight Cars.....	41,236,920	36,825,887	4,911,033	13.5194
Total Car Mileage.....	178,181,901	167,670,579	10,461,322	6.2892
<hr/>				
Tons of Freight Carried, Revenue..	10,002,810	8,086,598	1,918,217	28.6503
Company.....	1,818,078	1,220,417	87,659	8.0021
Total.....	11,820,888	9,310,010	2,010,876	21.5991
<hr/>				
Tons of Revenue Freight Carried One Mile.....	2,158,212.794	1,987,955.894	220,256.900	11.8654
Earnings from Freight Traffic.....	\$20,064,812.47	\$18,344,867.81	\$1,720,425.16	9.3785
<b>AVERAGES.</b>				
All Cars hauled per Freight Train Mile.....	27.75	27.37	.38	1.3884
Tons Revenue Freight hauled per Train.....	396.172	316.288	19.884	6.2867
Tons Revenue Freight hauled per loaded Car.....	15.765	14.755	1.010	6.8451
Earnings per Freight Train Mile.....	\$3.13	\$2.99	\$0.14	4.6823
Earnings per Ton per Mile.....	Cents. .916	Cents. .932	Decrease. Cents. .016	Decrease. 1.7167
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	3,757,818	3,351,746	406,072	12.1152
Passengers Carried.....	2,024,243	1,715,664	308,629	17.9889
Passengers Carried One Mile.....	169,882.867	149,041.326	20,841.541	13.9437
Earnings from Passenger Trains.....	\$4,984,159.62	\$4,212,409.27	\$721,600.35	17.1314
<b>AVERAGES.</b>				
Earnings per Passenger Train Mile..	\$1.3130	\$1.2598	\$0.0562	4.4717
Earnings per Passenger per Mile....	Cents. 2.208	Cents. 2.222	Decrease. Cents. .014	Decrease. .6301
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	10,177,782	9,478,930	698,852	7.3727
Earnings from Freight and Passenger Trains.....	\$24,908,972.09	\$22,556,886.58	\$2,442,085.51	10.8263
Earnings per Train per Mile.....	2.46	2.38	.08	3.3613
Expenses per Train per Mile.....	1.20	1.14	.06	5.2632
Net Traffic Earnings per Train per Mile.....	1.26	1.24	.02	1.6129

**STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE  
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTH-  
ERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR  
UNDER GUARANTEE.**

Outstanding July 1, 1898.	BONDS.	Outstanding July 1, 1899.	Annual Charges Paid 1898-99.
	<b>ST. P., M. &amp; M. RY.—</b>		
\$1,000.00	First Mortgage (Called), 7 per cent..	\$1,000.00	
8,000,000.00	Second Mortgage, 6 per cent.....	8,000,000.00	\$480,000.00
5,676,000.00	Dakota Extension, 6 per cent.....	5,676,000.00	340,560.00
13,344,000.00	Consolidated Mortgage, 6 per cent..	13,344,000.00	800,640.00
22,250,000.00	Consolidated Mortgage, 4½ per cent	21,784,000.00	985,747.50
7,907,000.00	Montana Extension, 4 per cent.....	7,907,000.00	316,280.00
14,545,454.54	Pacific Extension, 4 per cent.....	*14,545,454.54	581,818.18
	Total Shown on Page 25.....		\$8,505,045.68
	<b>GREAT NORTHERN RY.—</b>		
15,000,000.00	Collateral Trust (Called), 4 per cent	\$86,000.00	\$81,211.52
	<b>EASTERN RY. OF MINNESOTA.—</b>		
4,700,000.00	First Division, First Mt'ge, 5 per cent	4,700,000.00	235,000.00
5,000,000.00	Northern Div., First Mt'ge, 4 per cent	5,000,000.00	200,000.00
	<b>MONTANA CENTRAL RY.—</b>		
6,000,000.00	First Mortgage, 6 per cent.....	6,000,000.00	360,000.00
3,300,000.00	First Mortgage, 5 per cent.....	3,300,000.00	165,000.00
	<b>WILLMAR &amp; SIOUX FALLS RY.—</b>		
3,646,000.00	First Mortgage, 5 per cent.....	3,646,000.00	182,300.00
	<b>MINNEAPOLIS UNION RY.—</b>		
2,150,000.00	First Mortgage, 6 per cent.....	2,150,000.00	129,000.00
650,000.00	First Mortgage, 5 per cent.....	650,000.00	32,500.00
	<b>MINNEAPOLIS WESTERN RY.—</b>		
500,000.00	First Mortgage, 5 per cent.....	500,000.00	25,000.00
\$112,669,454.54	..... Total .....	\$97,239,454.54	\$4,915,057.20
	<b>STOCK.</b>		
\$20,000,000.00	St. P., M. & M. Ry.—6 per cent, Guar- anteed, unexchanged.....	\$504,800.00	†Net \$421,314.00
\$132,669,454.54	..... Total .....	\$97,744,254.54	\$5,336,371.20
\$25,000,000.00	Great Northern Railway Company, outstanding .....	\$89,226,610.00	\$3,851,033.76

Bonds Outstanding as above.....	\$97,239,454.54
Less Bonds called, not yet redeemed.....	37,000.00
Bonds Outstanding account of Mortgages yet in force.....	\$97,202,454.54
Authorized Capital Stock of Great Northern Ry. Co.....	90,000,000.00
Total Capitalization of System.....	\$187,202,454.54
Mileage of Track in system, including second, third, fourth, fifth and sixth tracks, as shown on page 33.....	5,041.71
Add Main Track mileage of Spokane Falls & Northern Ry. system, the bonds and stock on which were acquired by G. N. Ry. Co., July 1, 1899.....	217.20
Total Mileage of Main Tracks covered by the above capitalization.....	5,258.91

Stock and Bonds per mile of main track.....	\$35,597.20
Mileage of Main Tracks covered by bonds in hands of public.....	4,997.28
Bonded Debt Outstanding per mile of Main Track covered thereby.....	\$20,968.57

\*Not including \$3,000,000 St. P. M. & M. Ry. Co. Pacific Extension Bonds in Treasury of Great Northern Railway Company.

†Difference between amount of rental accrued under lease and dividends received or accrued on St. P. M. & M. Ry. stock owned by G. N. Ry. Co.



## TRACK STATEMENT—Continued.

	<i>Main Track Miles.</i>	<i>Total Miles.</i>
Total Main Tracks St. P. M. & M. Ry.....	3,866.33	
First Main Track Seattle & Montana R. R.....	150.10	
First Main Track Proprietary Companies.....	1,005.10	
Second Main Track Proprietary Companies.....	11.18	
Total Main Tracks.....	<u>5,041.71</u>	<u>5,041.71</u>
<hr/>		
NOTE.—Total Mileage of Road in System, June 30th, 1899, as shown on page 32.....	4,966.24	
Total Mileage of Road in System, June 30th, 1898, per report for that year.....	4,668.26	
Increase in Mileage.....		<u>297.98</u>
This increase is made up as follows:		
<b>ST. P. M. &amp; M. RY.</b>		
Extension of "Y" at St. Cloud.....	.12	
New "Y" Tracks at Carman.....	.98	
Extension of St. Cloud & Willmar Line at St. Cloud.....	.65	
Extension of line at Burwell, Minn.....	.68	
	<u>2.43</u>	
Less change of line at Des Lacs Hill, North Dakota.....	.21	2.22
<b>EASTERN RY. OF MINNESOTA:</b>		
Correction of Mileage reported in 1898, for line purchased from D. S. & W. Ry.....	.28	
Line of D. M. R. & N. R. R., purchased.....	49.47	
Completed. Deer River to Fosston.....	98.50	
Nemadji Junction to Cloquet.....	27.53	
Hinckley to Fridley (nearly completed.).....	64.72	
	<u>240.50</u>	
Leased. Superior Belt Line & Terminal Ry., St. Louis River Bridge to Saunders.....	5.67	246.46
<b>MONTANA CENTRAL RY.:</b>		
Extension Cottonwood Branch.....		.26
<b>PARK RAPIDS &amp; LEECH LAKE RY.</b> (Leased by Great Northern Ry. Co.)..		49.04
Increase in Mileage.....		<u>297.98</u>

NOTE.—The Lines of the Spokane Falls & Northern Ry. System, 217.20 miles, were taken into the Great Northern Ry. System, on July 1st, 1899, the bonds and stock covering those lines having been acquired by the Great Northern Ry. Co. on that date.

## EQUIPMENT OF GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

FOR YEAR ENDING JUNE 30th, 1900, COMPARED WITH YEAR ENDING JUNE 30th, 1898.

CLASS	1899	1898
Locomotives .....	541	482
<b>PASSENGER EQUIPMENT.</b>		
Sleeping Cars.....	42	42
Parlor Cars.....	3	3
Dining Cars.....	12	12
Buffet Smokers.....	8	8
Coaches.....	152	143
Tourist Cars.....	24	24
Passenger and Baggage.....	33	32
Baggage, Mail and Express.....	101	98
Business Cars.....	17	10
Total Passenger Equipment.....	392	372
<b>FREIGHT EQUIPMENT.</b>		
Box Cars.....	11,843	10,855
Combination Box and Stock Cars.....	750	.....
Transfer Freight Cars.....	50	.....
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Express Freight Cars.....	.....	6
Refrigerator Cars.....	159	153
Stock Cars.....	527	527
Flat and Coal Cars.....	2,755	2,678
Sand Cars.....	500	500
Ore Cars.....	700	700
Ballast Cars.....	764	764
Caboose Cars.....	283	246
Cinder Cars.....	51	51
Boarding Cars.....	50	49
Derrick and Tool Cars.....	43	41
Steam Shovels.....	19	16
Lidgerwood Unloaders.....	8	8
Ditching Cars.....	1	1
Pile Drivers.....	8	7
Rotary Snow Plows.....	6	6
Snow Dozers.....	13	13
Flangers.....	1	1
Logging Trucks.....	100	.....
Other Work Equipment.....	72	70
Total Freight and Work Equipment.....	19,861	17,850

## LAND COMMISSIONER'S REPORT.

*JAMES J. HILL, Esq., President:*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30th, 1899:

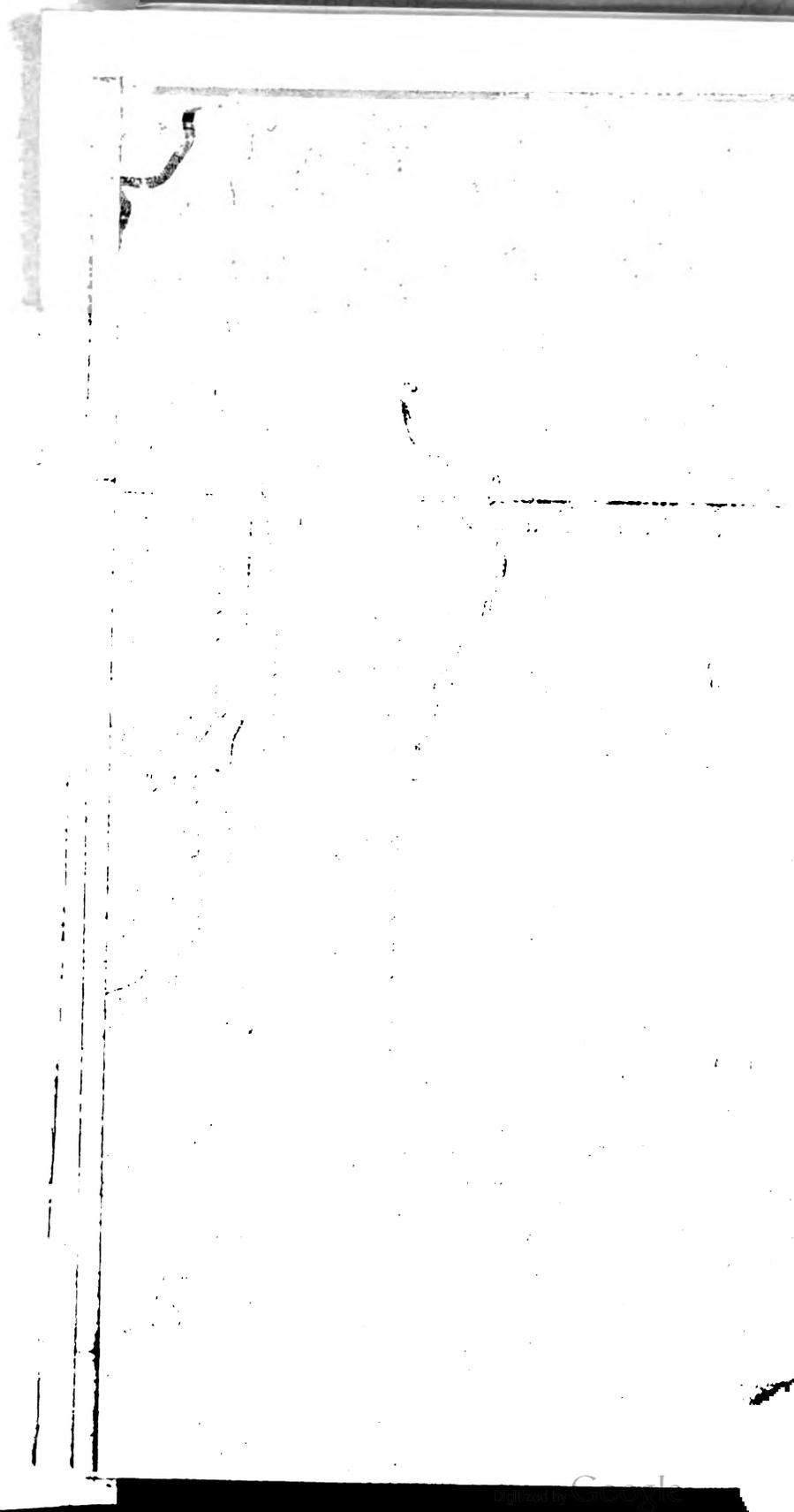
	ACRES.	ACRES.
Amount of Grant, Hinckley Branch.....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	476,864.00
Total Acreage selected to date.....	169,501.38	
Total Acreage deeded to Company.....	154,815.32	
Total acreage sold prior to June 30th, 1899.....		79,133.90
Value of same.....	\$276,131.92	
Average price per acre.....	3.49	
Remaining unsold June 30th, 1899.....		397,730.10

## OPERATIONS DURING THE YEAR.

Sales, acres.....	7,965.42 $\frac{1}{2}$
Amount sold for.....	\$38,482.82
Average price per acre.....	4.83
Disbursements of Land Department.....	12,783.18
Amount of Deferred Payments due Company, which are bearing interest at six and seven per cent..	71,361.87

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*







PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT

NOT TO BE LOANED OR TAKEN FROM OFFICE.

ELEVENTH ANNUAL REPORT

OF THE

GREAT NORTHERN

*Railway Company.*

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FISCAL YEAR ENDED

JUNE 30, 1900.



**ELEVENTH ANNUAL REPORT**

OF THE

**GREAT NORTHERN**

**Railway Company.**

**FISCAL YEAR ENDED**

**JUNE 30, 1900.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

J. KENNEDY TOD (term expires 1900)	NEW YORK.
EDWARD SAWYER (term expires 1900)	ST. PAUL.
M. D. GROVER (term expires 1900)	ST. PAUL.
JAMES N. HILL (term expires 1901)	ST. PAUL.
JACOB H. SCHIFF (term expires 1901)	NEW YORK.
HENRY W. CANNON (term expires 1901)	NEW YORK.
JAMES J. HILL (term expires 1902)	ST. PAUL.
W. P. CLOUGH (term expires 1902)	ST. PAUL.
SAMUEL HILL (term expires 1902)	MINNEAPOLIS.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE-PRESIDENT,	ST. PAUL.
D. MILLER,	SECOND VICE-PRESIDENT,	ST. PAUL.
J. N. HILL,	THIRD VICE-PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS,	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
F. E. WARD,	GENERAL SUPERINTENDENT,	ST. PAUL.
F. B. CLARKE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
J. F. STEVENS,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.
W. P. LUSK,	TRANSFER AGENT,	NEW YORK.



ELEVENTH ANNUAL REPORT  
 OF THE  
 GREAT NORTHERN RAILWAY  
 COMPANY.

*To the Stockholders:*

The President and Directors submit the following report for the year ended June 30th, 1900.

**FINANCIAL.**

CAPITAL STOCK.

	<i>Authorized.</i>	<i>Issued.</i>
The present authorized share capital of the Great Northern Railway Company is . . . . .	\$99,000,000.00	
Of which there has been issued . . . . .		\$98,413,500.00
The share capital authorized and issued June 30th, 1899, was, as per balance sheet on pages 28 and 29 of last year's Report .	90,000,000.00	89,226,610.00
Increase in Share Capital authorized this year . . . . .	\$9,000,000.00	
Issued . . . . .		\$9,186,890.00

445 shares (\$44,500) were issued in exchange for 356 shares of the St. Paul, Minneapolis and Manitoba Railway Company, making the total number of shares of Manitoba Company held by the Great Northern Company 195,308 (\$19,530,800).

5,865 shares of Great Northern are held in the treasury of the Company (not used in acquiring the outstanding 4,692 shares of Manitoba stock).

1,423 $\frac{9}{10}$  shares (\$142,390) were issued under the resolution adopted by the Board of Directors April 15th, 1899, and as explained in circular issued to the Shareholders of the Company dated April 20th, 1899. This completed the issue of 150,000 shares (\$15,000,000) authorized by the said resolution. 90,000 shares (\$9,000,000) were authorized by a resolution of the Board of Directors, adopted December 27th, 1899. A circular was issued to the shareholders of the Company, dated January 2nd, 1900, offering these shares for subscription at par. The full number of shares authorized has been issued. Of the \$9,000,000 realized from this issue, \$3,500,000 were used to subscribe and pay for 35,000 shares of the capital stock of the Eastern Railway Company of Minnesota, and \$5,500,000 to subscribe and pay for 55,000 shares of the capital stock of the Willmar and Sioux Falls Railway Company. These issues are referred to later on in this Report.

Total amount issued during this fiscal year.....	\$9,186,890.00
Of which there was authorized this year.....	9,000,000.00
And during year ended June 30, 1899.....	186,890.00

The item "Cost of Properties and Securities owned by the Great Northern Railway Company," as shown in the General Balance Sheet on page 39, shows an increase of \$15,672,307.67 upon comparison with the same item in last year's Balance Sheet, which is accounted for as follows:—

Cost of 55,000 shares of additional Capital Stock of the Willmar & Sioux Falls Railway Company.....	\$5,500,000.00
Cost of 35,000 shares of additional Capital Stock of the Eastern Railway Company of Minnesota.....	3,500,000.00
Cost of securities of the Spokane Falls & Northern Railway System, less debentures and bonds redeemed.....	6,822,853.57
Cost of 356 shares of the Capital Stock of the St. Paul, Minneapolis & Manitoba Railway Company.....	44,500.00
	<u>\$15,867,353.57</u>
Less the net difference between the cost of Oregon Railroad & Navigation Company's Preferred Stock sold and cost of securities transferred to the Lake Superior Company. Limited (as explained on page 11), and the cost of other properties and securities acquired during the year,	195,045.90
Net increase.....	<u>\$15,672,307.67</u>

In order to give the Company's old and faithful employes an opportunity to invest their savings in a manner which would allow them to participate in the Company's prosperity and make a provision for their later years, the "Great Northern Employes' Investment Company, Limited," has been formed for the purpose of holding shares of the Great Northern Railway Company's stock, issuing to qualified employes who have subscribed therefor its Investment Certificates, upon which are paid the dividends received on Great Northern Railway shares held by the Investment Company.

The Board of Directors, at a meeting held on April 20th, 1900, resolved, subject to the approval of the shareholders as stated below, to increase the authorized capital of the Company by 10,000 shares (\$1,000,000), such additional shares to be issued only to the Great Northern Employes' Investment Company, Limited, from time to time, as subscribed for, under the conditions set forth in the resolution authorizing the issue of such shares.

Approval of the shareholders of the foregoing resolution will be asked for at the Annual Meeting to be held on October 11th, 1900. Pending such assent, the Company has transferred to the "Investment Company" from the Great Northern Railway Company shares carried in its Treasury, the number of shares subscribed and paid for by the Investment Company.

The Board of Directors is gratified to see from the monthly subscriptions by employes a steady increase in the habit of regularly saving a portion of their wages.

The Stockholders and Board of Directors of the Willmar and Sioux Falls Railway Company adopted resolutions on December 29th, 1899, authorizing an increase of \$5,500,000 in that Company's share capital, for the purpose of acquiring the property of the Sioux City and Northern Railroad Company, extending from Garretson, South Dakota, to Sioux City, Iowa; the property of the Sioux City and Western Railway Company, extending from South Sioux City to O'Neill, Nebraska; and the property of the Sioux Falls Terminal Railroad Company, in Minnehaha County, South Dakota.

The Great Northern Railway Company subscribed for the entire 55,000 shares and paid \$5,500,000 for same, as mentioned above.

The Willmar and Sioux Falls Railway Company acquired by deed the property, free of any bonded debt, formerly owned by the Sioux City and Northern Railroad Company, took possession and began operating the same January 1st, 1900. It also acquired the entire capital stock of the Sioux City and Western Railway Company (which company has no bonded debt) and assumed the operation of that Company's road on the same date. On April 1st, 1900, the Willmar and Sioux Falls Railway Company acquired title by deed to the property of the Sioux Falls Terminal Railroad Company. The cost of these several properties is included in the expenditures made during the year on Capital account, given further on in this Report.

The Stockholders and Board of Directors of the Eastern Railway Company of Minnesota adopted resolutions on February 8th, 1900, authorizing an increase of \$3,500,000 in that Company's share capital for the following purposes:

Constructing, purchasing or acquiring a bridge across the St. Louis River between Duluth, Minnesota, and West Superior, Wisconsin.

Acquiring or constructing extensions of its existing lines of railway in the states of Wisconsin and Minnesota.

Constructing a steel grain elevator, plant and appurtenances at West Superior, Wisconsin.

Making additions to and improvements of its existing roadways and their appurtenances; and

Acquiring additional equipment for its railways.

The Great Northern Railway Company subscribed for the entire 35,000 shares and paid \$3,500,000 for same as above mentioned.

The disbursements made by the Eastern Railway Company during the year, out of this increase in capital, are included in the expenditures made on Capital Account given on page 9.

There were no changes during the year in the share capital of any of the other Proprietary Companies.

## BONDED DEBT.

No bonds were issued during the year by the Great Northern Railway Company or any of the Companies in the System. Bonds have been retired as follows:

As shown by the Balance Sheet published in last year's Report, there were outstanding June 30th, 1899, \$36,000.00 of Great Northern Railway Collateral Trust Bonds. Of these, \$21,000.00 had been redeemed at the date of last Report, leaving then outstanding \$15,000.00, as stated on page 6 of that Report. These bonds have been redeemed during the year.

As stated on page 8 of last year's Report, the one St. Paul, Minneapolis and Manitoba Railway Company's First Mortgage Land Grant Bond outstanding June 30th, 1899, was redeemed by the Land Grant Trustees on September 15th, 1899, completing the retirement of the bonds issued under that Mortgage.

The Trustee of the St. Paul, Minneapolis and Manitoba Railway Company's Consolidated Mortgage redeemed during the year through the operation of the sinking fund, \$625,000.00 St. Paul, Minneapolis and Manitoba Railway Consolidated Mortgage  $4\frac{1}{2}$  per cent bonds. As no report will be published this year by the St. Paul, Minneapolis and Manitoba Railway Company, there has been included in this Report (pages 44 to 47) as a matter of information, a statement of that Company's Sinking Fund accounts and a report of the operation of its Land Department.

## GENERAL.

Expenditures were made during the year on the Capital accounts of Proprietary Companies, on work completed or under construction, as follows:

Eastern Railway Company of Minnesota.....	\$1,775,691.66
Montana Central Railway Company .....	385,633.74
Willmar and Sioux Falls Railway Company.....	3,070,834.92
Duluth, Watertown and Pacific Railway Company.....	895.01
Seattle and Montana Railroad Company.....	206,302.60
Duluth Terminal Railway Company.....	3,612.59
Minneapolis Union Railway Company (Credit).....	145,134.29
Total.....	\$5,297,836.23

The credit in the account of the Minneapolis Union Railway Company represents the difference between proceeds from sale to the Wisconsin Central Railway Company of some of its real estate not used for railway purposes, and expenditures made during the year on capital account. In payment for the property sold, the Wisconsin Central Railway Company delivered its Minneapolis Terminal  $3\frac{1}{2}$  per cent 50 year bonds.

The amount charged to capital account of the Willmar and Sioux Falls Railway Company does not include cost of stock of Sioux City and Western Railway Company, which is taken up on the Balance Sheet (page 39) as a separate item.

As shown on page 33, there was appropriated out of the net revenue for the year \$1,200,000.00 for the "Fund for Permanent Improvements and Renewals;" and there was charged against that fund \$2,020,527.11, the cost of improvements which have not been charged to Operation, made during the year to the property leased from the St. Paul, Minneapolis and Manitoba Railway Company.

There was also appropriated out of the net revenue for the year \$600,000.00 towards the cost of the tunnel now being built through the Cascade Mountains. This amount has been deducted from "Revenue Account" on page 33, and is included in the amount of \$5,694,451.53 shown on the balance sheet, page 39, as "Cost of Additions and Improvements made by the Great Northern Railway Company to property leased from the St. Paul, Minneapolis and Manitoba Railway Company and paid for from 'Fund for Permanent Improvements and Renewals.'" The building of the Cascade Tunnel has been so far advanced since the close of the fiscal year, that it will be finished and put into general use by December 1st, 1900.

This Company has from time to time become interested in properties or Companies not strictly a part of the Railway System but of direct or indirect benefit to it, such as coal mines, iron mines, elevators, docks at Buffalo, N. Y., etc. It is considered that these properties can be handled to better advantage by a separate Company. To this end, the Lake Superior Com-

pany, Limited, has been organized and there has been transferred to it during the year all of the Great Northern's interest in the Great Northern Express Company, Great Northern Elevator Company, Sand Coulee Coal Company, and other outside Companies. The income from these properties or securities, unless re-invested, will belong to the Great Northern's shareholders. The title to these securities, etc., having by this transfer passed from the Great Northern Railway Company to the Lake Superior Company, Trustee, the sum of \$1,851,364.92 has been charged against "Profits and Loss" as shown by table on page 34 on account of part of their cost. This will also explain why the earnings, expenses, etc., of the Great Northern Express Company and Sand Coulee Coal Company have not this year been included in the Revenue table printed on page 32, as has been the practice in former years.

#### NEW LINES.

The St. Paul, Minneapolis and Manitoba Railway Company has completed no branch or new lines during the year, under the provisions of the lease to this Company. It began last fall, however, the building of an extension of its Lake Minnetonka Line from its present terminus, Spring Park, to a connection with the Hutchinson Branch, near St. Bonifacius, Minnesota, a distance of 8.22 miles.

The laying of the main track of this extension was completed June 30th, 1900, and the sidings and ballasting during July, the line being opened for traffic on August 1st, 1900.

The building of this extension shortens the distance between Minneapolis and Hutchinson, Minnesota, by 1.37 miles; reduces the maximum grade to six-tenths of one per cent, and cuts out a great deal of curvature. It will also afford the suburban travel around Lake Minnetonka better train service during the entire year.

Since the completion of the line to the Pacific Coast, the Company has leased terminal facilities and running rights over 4.80 miles of track at Spokane, Washington, and running rights over 5.25 miles of track between Lowell and Everett

Junction, Washington. During the year the Company has begun the construction of its own line at these two points. The line through the city of Spokane will be five miles in length, of which  $1\frac{1}{4}$  miles will be double track, and will carry the road through the central part of the city. The grade has been practically finished and the steel bridging and track work will be completed so that the line may be opened for traffic by February 1st, 1901. In connection with this work there will be built yards at Spokane containing 10,000 feet of track, a brick freight station 50'x600', and a brick passenger station 50'x316', with offices for the operating officials of the Western District. Of the entire distance of five miles, two thousand feet is double track steel bridge construction.

The line being built between Lowell and Everett is 3.78 miles in length, of which 2,358 feet is tunnel. A local yard is to be built at Everett which will contain ultimately 25,000 feet of track. There are also to be erected passenger and freight stations. The passenger station will provide offices for the staff of the Cascade Division. The line will be completed and put into operation during October, 1900.

The lines acquired by the Willmar and Sioux Falls Railway Company January 1st, 1900, and already referred to, comprise 96 miles from Garretson, South Dakota, to center of Division Street, Sioux City; and 129.16 miles from South Sioux City to O'Neill, Nebraska.

These two lines were turned over to the Willmar and Sioux Falls Railway Company in good physical condition.

In addition to handling a good local traffic, these lines contribute largely to main line earnings and the investment has proven a very satisfactory one.

The line acquired from the Sioux Falls Terminal Railroad Company in April, 1900, consisted of 6.944 miles of main track and 1.074 miles of side tracks between Sioux Falls and South Sioux Falls, South Dakota. Of the main track, 3.025 miles between end of line from Willmar and beginning of line to Yankton had been used by the Willmar and Sioux Falls Railway Company since the opening of the line to Yankton

in fall of 1893. There was received with this line some equipment too light to handle the present traffic, which has not been taken into equipment account, but is being disposed of to the best advantage: the proceeds being applied in reduction of the cost of the property.

The Eastern Railway Company's new line from Sandstone to Fridley, referred to at length on page 10 of last year's Report, was completed between Hinckley and Fridley, and opened for operation on November 12, 1899.

On March 27, 1900, the Eastern Railway Company of Minnesota acquired title by deed to the 5.87 miles of line between Saunders, Wisconsin, and the St. Louis River, theretofore operated under a lease from the Superior Belt Line and Terminal Railway Company.

During the year, the Swan River Logging Company, Limited, has built a line from Barclay Junction, a point on the Eastern Railway Company's line three and one-half miles north of Hibbing, Minnesota, to Virginia, Minnesota, 18.73 miles. This line is being used by the Eastern Railway Company under an agreement to purchase, and gives that Company access to the mines in the vicinity of Virginia, from which it is expected to haul 500,000 tons of iron ore during the current ore shipping season.

In order to develop the iron ore business, the Eastern Railway has graded this year a spur 3.31 miles long from a point about four miles south of Hibbing to the Stevenson mine, and one 3,200 feet long from near Barclay Junction to the Clarke mine. The tracks are laid to both of these mines, which are now being opened, and about 150,000 tons of iron ore will be hauled during the season.

Late this spring the Eastern Railway Company began the construction of a line from near Stony Brook, on its Northern Division, running north to a connection with the line built by and to be purchased from the Swan River Logging Company, Limited. This line will be about 50 miles long, and will materially shorten the haul from the Virginia iron district, besides giving a grade of 16 feet per mile. This line will be finished early next season.

Of the line purchased from the Duluth, Superior, and Western Railway Company in 1897, 10.28 miles between Cloquet and Brace Junction has been taken up, being no longer needed.

#### EQUIPMENT.

By the purchase of the Sioux City and Northern Railroad and the taking over for operation of the Sioux City and Western Railway, both before referred to, the Willmar and Sioux Falls Railway Company acquired the following equipment:

17 locomotives, 8 passenger coaches,  
4 combination passenger and baggage cars, 3 baggage cars,  
50 refrigerator cars, 467 box cars,  
100 stock cars, 197 flat cars,  
7 caboose cars 1 steam shovel and  
1 pile driver.

This equipment has been carefully inspected and appraised, and taken into equipment account at its appraised value.

The following equipment has been sold or taken out of service during the year:

21 light Great Northern Railway locomotives,  
2 light locomotives acquired by the Eastern Railway in 1898 in purchase of Duluth, Superior and Western Railway; and  
8 light locomotives,  
2 box cars,  
2 caboose cars and  
1 boarding car, acquired by the Eastern Railway in 1899 in purchase of Duluth, Mississippi River and Northern Railroad.

The report for last year stated that of the equipment ordered, 9 locomotives and 2,250 freight service cars had not been received and taken into account at the end of that year.

During the year under review, orders were placed for 40 locomotives, 33 passenger service cars, and 1,500 freight service cars.

Of the total new equipment undelivered at the close of last year and ordered this year, the following had been received and taken to account at the close of this year:

- 19 twelve-wheel freight engines, 19" x 32" cylinders, weighing 148,000 pounds on drivers.  
 2 six-wheel switch engines, 18" x 26" cylinders, weighing 109,400 pounds on drivers  
 2 six-wheel switch engines 19" x 26" cylinders, weighing 137,000 pounds on drivers.

The remaining 26 locomotives ordered but not received at the close of the year or taken to account above, have since been received and are now in service.

- 8 first-class sleeping cars, with fourteen sections and state room.  
 2 parlor and cafe cars, 72' 9" long.  
 14 first-class passenger coaches, 69' long. Of these, ten were to take the place of old cars taken out of service, and four were additional equipment.  
 8 postal cars, 62' long; two to replace cars destroyed, and six for additional equipment.

One official car has been received and put into service since the close of the fiscal year.

- 2,250 thirty-six feet, 60,000 pounds capacity box cars, equipped with air brakes and automatic couplers; of these, 266 were to replace destroyed cars, 289 the equipment of the Park Rapids and Leech Lake Railway used under lease from that Company, and 1,695 additional equipment.  
 250 steel, hopper bottom, 100,000 pounds capacity ore cars, equipped with air brakes and automatic couplers.

The remaining 1,250 freight service cars are now being delivered.

There were also purchased during the year:

- 1 fifty ton capacity steam wrecking crane, and  
 1 extension, self propelling steam pile driver.

There were built at the Company's shops for additional equipment:

- 14 four-wheel caboose cars,  
 2 cinder cars,  
 2 extra strong cars for Lidgerwood unloaders, and  
 1 poling car for use in St. Anthony Park freight yards.

Some transfers between classes and changes were made in other equipment.

Total equipment added to Inventory during the year:

Locomotives.....	9	Flat and Coal cars.....	194
Sleeping cars.....	8	Steel Ore cars.....	250
Parlor cars.....	2	Caboose cars.....	19
Passenger Coaches.....	12	Cinder cars.....	2
Passenger and		Boarding cars.....	1
Baggage cars ... ..	4	Derrick and Tool cars.....	2
Baggage, Mail and		Steam Shovels.....	1
Express cars.....	9	Lidgerwood Unloaders ...	2
Box cars.....	2,418	Pile Drivers.....	2
Refrigerator cars.....	50	Snow Dozers.....	1
Stock cars.....	100	Other Work cars.....	1

There was expended during the year for equipment \$2,021,443.22, of which amount \$1,518,411.08 was charged to "Equipment Account."

The equipment with air brakes and automatic couplers of freight cars has been continued during the year, so that substantially the entire equipment was so fitted on August 1, 1900, when the law requiring cars engaged in interstate traffic to be equipped with these appliances became operative.

As equipment is destroyed or taken out of service, Operating Expense is charged, and "Fund for Replacement of Equipment" is credited with the cost of replacing same. When equipment for replacements is purchased, the cost of the same is charged to the account last mentioned.

#### ADDITIONS.

##### ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY'S LEASED LINES.

The interlocking plant, controlling the entrance to new freight yard at St. Anthony Park and connection with tracks of Minnesota Transfer Railway Company, referred to in last year's Report, has been completed and put into use.

Interlocking plants have also been put in at crossings of the Northern Pacific Railway Company's tracks near Dugdale and Wadena, one at Coon Creek on account of crossing the Northern Pacific tracks by the Eastern Railway, and one near Paynesville on account of crossing of tracks of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company.

New yards have been put in at Minot and Williston, North Dakota, and at each point 20-stall brick round houses with steam heating plants, boiler houses, 66' steel turntables, 70' cinder pits, brick oil houses, 20-pocket coaling stations, and improved water supply plants; and, in addition, at Williston, a brick storehouse 30' x 90'.

At St. Cloud, Minnesota, there has been built a 5-stall brick round house; at Larimore, North Dakota, a 10-stall addition to the roundhouse, with brick boiler house 24' x 38', and sand house 24' x 36'; at East Spokane a lumber shed 24' x 98', and one at Minneapolis Junction 24' x 48'.

## New depots have been built at:

Addison,	Nassau,	Shelly,
Neilville,	Des Lacs,	Tagus,
Stanley,	White Earth,	Spring Brook,
Culbertson,	Wolf Point,	Milk River,
Hinsdale,	Saco,	Wagner,
Coburg,	Yantic,	Trinidad.
Gold Bar,	Monroe,	

## Freight sheds at:

Barry,	Wenatchee,	Burlington.
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A brick and stone freight depot, 40' x 200' has been built at St. Cloud in place of a wooden structure; a brick passenger and freight station at Crookston, 36' x 330' in place of a wooden one; and a brick depot 32½' x 147' at Glasgow, in place of a wooden one, burned.

## Section houses have been built at:

Rolette,	Argusville,	Perley,
Burwell,	Manitou,	Tioga.
Glasgow,		

Fifteen additional stock yards have been built during the year, and a number of others enlarged by building additional pens.

Additional ice houses have been built at Barnesville, Minot, Havre and Kalispell, while those at Larimore, Glasgow and East Spokane have been enlarged.

The turntables at Barnesville and Great Falls have been replaced with 66' steel turntables. New 50', eighty-ton capacity track scales have been put in at St. Paul (2), Minneapolis and Willmar, to replace shorter and lighter scales, and an additional 50', eighty-ton scale has been erected at Milaca.

Loading platforms, 12' x 100' have been built at 48 stations, and one 12' x 60'.

Additional ten-pocket coaling stations, equipped with lifting engines and the necessary tracks, have been built at Sebeka and Hillsboro, and the coaling station at Melrose remodeled and improved.

Improvements in the water supply are being continued. An additional reservoir, 200' x 200', was made at Tagus, and power pumping plants were put in at:

St. Anthony Park.	St. Bonifacius,	Avon,
Lester Prairie,	Osakis,	Alexandria.
Elk River,	Big Lake.	Foley,
Paynesville,	Spicer,	Wadena,
Sebeka,	Park Rapids.	Tintah,
Amenia,	Larimore,	Granville,
Des Lacs,	Palermo,	Tagus,
Stanley,	Spring Brook,	Tampico,
Hinsdale,	Saco,	Ashfield,
Malta,	Wagner,	Eureka,
Savoy,	Zurich,	Yantic.
Burnham.	Troy.	

A steel bridge, 310' long, with 40' roadway and two 10' walks, carrying Rice Street, St. Paul, over our tracks, has been erected this year in place of an old iron bridge; and a steel bridge, 160' long, with 40' roadway and two 8' walks, carrying Snelling Avenue, St. Paul, over our tracks, in place of a wooden one.

The laying of additional passing tracks 3,000' long, or the extension of old tracks to that standard length, has been continued during the year, and in addition many tracks for local industries have been laid. The net increase in side track mileage during the year, including these tracks and the new yards previously mentioned, is 52.37 miles.

During the year 72.46 miles of main line tracks have been relaid with 75 or 77½ pound steel rails and of the lighter rails removed 43.87 miles have been relaid on branch lines in place of iron rails; the balance being used in the construction of passing, yard, and other tracks.

Two stories are now being added to the General Office Building at St. Paul, and enlarged electric elevators put in. It is expected that the work will be completed by October 1.

#### EASTERN RAILWAY OF MINNESOTA.

There has been completed during the year the relaying of 25.60 miles of track between Nickerson and Sandstone with

77½ pound steel rails in place of the 75 pound, and the relaying of 31.54 miles on that portion of the Northern Division which was purchased from the D. S. & W. Ry. Co. with 77½ pound steel in place of 60 pound. This was referred to in the last annual report as having been begun during that year.

Double track has been constructed on the Northern Division from Carlton to Cloquet and from Boylston to State Line, a total distance of 12.47 miles, making the double track mileage now 21.02 miles.

A new double track line is now being built through Cloquet, which, when completed, will greatly facilitate the handling of the business for that point and over the Northern Division.

In order to take care of the large increase in the iron ore traffic, the Duluth, Superior & Western Terminal Company has acquired the line between Saunders and Allouez, 5.251 miles, formerly owned by the Superior Belt Line & Terminal Ry. Co., and has built on Allouez Bay an additional dock of 250 pockets with a capacity of 65,000 tons, which makes the total capacity of the ore docks 100,000 tons. The necessary dredging has been done to afford proper entrance to and slips for these docks. A large yard has been built at Allouez, and the line purchased from the S. B. L. & T. Ry. Co. greatly improved, bridges being strengthened, etc.

New additional depots have been built at:

Dewey,	Huson,	Nagonab.
Stony Brook,	Flint,	Congo,
Gowan,	Island,	Wawina,
Swan River,	Simpson,	

and a freight house at Foxboro. Additional section houses at Flint, Kelly Lake and Hibbing, and a bunk house at Island.

A loading platform 10' x 145' has been built at Cass Lake: a 10-pocket coaling station equipped with lifting engine, and the necessary tracks, at Kelly Lake: and the coaling station at Swan River enlarged from 10 to 20 pockets.

The water supply has been improved at West Superior and Deer River.

A 50 ft. 80 tons capacity track scale with scale track has been put in at Cass Lake.

A steel bridge 362 feet long, of 28 feet roadway and two 6 feet walks has been erected during the year to carry 21st Street, West Superior, over the freight yard.

The ditching of line between Cloquet and Deer River for the purpose of draining swamps and improving road bed, referred to in last year's report, has been continued, 75,514 yards of material having been moved during the year in that work.

A new steel grain elevator of 3,000,000 bushels capacity, is now under construction at West Superior and will probably be completed by about December of this year.

Many additional tracks have been laid during the year, the net increase in side track mileage, not including mileage of side tracks on lines taken over, etc., being 26.94 miles.

#### MONTANA CENTRAL RY.

A new depot has been built at Stockett; machine shop at Clancy; and water station with power pumping plant at Corbin.

Tracks have been relaid as follows:

Between Wolf Creek and East Helena, 24 miles with 77½ pound steel in place of 60 and 68 pound rails.

Between Woodville and Butte, 8.21 miles with 77½ pound steel in place of 60 and 75 pound rails.

Mountain View Branch, Butte, 3.32 miles with 75 pound steel in place of 60 pound rails.

There was a net increase of .94 miles in the mileage of side tracks during the year.

#### WILLMAR & SIOUX FALLS RY.

An interlocking plant is now being built at the Omaha crossing at Sioux Falls.

A new depot has been built at Mission Hill; stock yards at Cottonwood, Holland and Ihlen; 10-pocket coaling station with lifting engine and necessary tracks at Marshall; water supply station with power pumping plant at Hanley Falls.

Standard 3,000 feet passing tracks have been laid at Priam, Tweed, Russell, Ruthton and Jasper, in addition to industry tracks at various points. The net increase in side track mileage, not including mileage of tracks taken over during the year, was 3.06 miles.

The work of widening banks, taking out sags, sloping snow cuts and ballasting with an average of ten-inch lift of gravel the 127.9 miles of main track between Willmar and Garretson is well under way. There had been completed June 30th, 17 miles between Willmar and Clara City, and banks had been widened and restored to grade between Clara City and Cottonwood, 33 miles.

The balance of the work will be completed during the year.

#### GENERAL WORK.

About two years ago we began using tie plates under heavy rails. This has been continued this year, and to June 30th, 1900, about 2,654,000 were in track.

A large amount of riprapping and dry masonry protection has been done along the line on the Montana, Kalispell and Cascade Divisions, for the purpose of protecting the line against high water and to strengthen banks.

Between Larimore and Minot a great deal of ditching has been done and culverts put in to afford drainage. Rock points have been removed between Wellington and Madison, on the Cascade Division, and 11 snow sheds of an aggregate length of 1,502 feet built between the same points.

Right of way was fenced during the year as follows:

Great Northern Railway.....	56.087	miles
Eastern Railway of Minnesota.....	135.120	..
Montana Central Railway.....	105.453	..
Willmar & Sioux Falls Railway.....	7.086	..
Duluth, Watertown & Pacific Railway.....	6.324	..
Total.....	310.070	miles

The replacement of bridges and trestles with steel or filling them so as to make solid embankments, has been actively followed during the year, the record being:

Length of bridges built:	
Great Northern Railway.....	5,550 feet
Eastern Railway of Minnesota.....	508 "
Duluth Terminal Railway (portion of elevated track in Duluth).....	244 "
Montana Central Railway.....	398 "
Willmar & Sioux Falls Railway.....	180 "
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Total Railway steel bridges built during the year.	6,870 feet
Length of steel street bridges built during year..	832 "
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Total steel bridges.....	7,702 feet
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Lineal feet of bridges filled:	
Great Northern Railway.....	23,721 feet
Eastern Railway of Minnesota.....	635 "
Montana Central Railway.....	1,784 "
Willmar & Sioux Falls Railway.....	183 "
<hr/>	
Total.....	26,323 feet

To provide the necessary waterways in place of bridges filled as above, there were put in 102 stone culverts, 113 pipe culverts and 20 box culverts.

The wooden bridging on the line was still further reduced during the year by removal or relocation of lines, as follows:

Great Northern Railway:	
Removal of tracks at St. Vincent.....	1,044 lineal feet
Changes of line between Quincy and Columbia River and between Verona and Marias.....	7,144 " "
Eastern Railway of Minnesota:	
Removal of tracks between Brace Junction and Cloquet.....	1,822 " "
Seattle & Montana Railroad:	
Removal of portion of Sedro Branch....	1,247 " "
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Total.....	11,257 lineal feet
Making on the System a reduction in wooden structures in track.....	37,580 lineal feet

The widening of banks, restoring of grade and ballasting with gravel, was completed during the year as follows:—

On Great Northern Railway:

Spicer to Willmar.....	11.00 miles
Calais to Glasgow.....	89.70 "
Glasgow to Havre.....	152.73 "
Marias Junction to Teton Junction.....	4.80 "

On Eastern Railway of Minnesota:

North End to Island.....	39.40 "
Saunders to Holyoke.....	19.71 "

The banks were widened and grade restored,

On Great Northern Railway:

On Browns Valley Branch.....	13.00 miles
Verona to Verona Junction.....	1.38 "
Havre to Pacific Junction.....	4.15 "
Pacific Junction to Concord.....	54.00 "

On Eastern Railway of Minnesota:

Island to Swan River.....	11.32 "
Grand Rapids to Deer River.....	7.05 "

On Montana Central Railway:

Flood to Cascade.....	24.00 "
Mitchell to Johns.....	2.31 "

Track was ballasted with gravel on Eastern Railway of Minnesota between

Swan River and Gardner.....	1.50 miles
Kelly Lake and Hibbing.....	1.00 "
Total.....	442.05 miles

In addition to the above, similar work was done on the Willmar & Sioux Falls Railway, as described on page 21.

The grade between Hinckley and Brook Park, 8.55 miles, and between Minot and the stock yards, 3 miles, has been reduced from  $\frac{1}{10}$  of one per cent to  $\frac{1}{10}$  of one per cent; and the grade between Monroe and Lowell, Wash., 12.50 miles, has been raised to bring track above high water.

The report last year (page 20) made reference to proposed changes of line for the purposes of reducing grades and curvature. The accounts this year contain charges for these changes as follows:—

On the main line of the Montana Division .94 miles of new line in place of .99 miles of old.

Between Pacific Junction and Java 33.05 miles of new line in place of 33.45 miles of old.

Near Spokane, 1.05 miles of new line in place of an equal length of old line. Between Quincy and Columbia River, 13.44 miles of new line in place of 12.21 miles of old, throwing out eight wooden trestles containing about 5,000,000 feet of timber.

In addition there was nearly completed during the year 24.82 miles of line between Verona and Marias in place of 23.49 miles of old line.

Total new line..... 73.30 miles

At this time work is in progress on 9.12 miles of new line at Durham and Midvale, 18.70 miles at Sidney and between Teton and Tunis, and a new line into Great Falls from Huntley Coulee, 22.62 miles in length. On the Montana Central Railway a new line 9.05 miles in length is being built from the West end of the Wickes Tunnel to Boulder.

The work on all of these new lines is very heavy and they are being built in the most solid and substantial manner.

As an indication of the amount of work done during the year in improving tracks, etc., the following closely approximated quantities of material moved are given:—

In change of line and reduction of grade.....	5,573,172	cubic yards
In widening embankments, taking out sags and generally restoring banks .....	1,850,779	“ “
For filling bridges.....	790,743	“ “
Widening cuts of Eastern Railway's new line between Boylston and Cloquet.....	178,326	“ “
For ballasting (gravel).....	1,180,781	“ “
Total.....	9,573,801	cubic yards

Recapitulation of tracks relaid with heavier rails during the year, as given in detail under "Additions:"

Great Northern Railway.....	116.33	miles
Eastern Railway of Minnesota.....	57.14	"
Montana Central Railway.....	35.53	"
Total.....	209.00	miles

Following the plan of previous years, only such amounts as represented cost of actual additions to the property have been charged to "Additions and Improvements," and the entire amount charged to that account during the year on account of line leased from the St. Paul, Minneapolis and Manitoba Railway Company, amounting to \$2,020,527.11, has been transferred to "Fund for Permanent Improvements and Renewals," so that the Great Northern Railway Company is not carrying on its books, as an asset, the cost of any additions and improvements.

All replacements, renewals, etc., have been charged to Operating Expenses. The amount included in "Maintenance of Road and Structures" this year, for extraordinary improvements, etc., is \$1,861,873.76.

#### VOLUME OF TRAFFIC AND RATES.

The tonnage of revenue freight hauled during the year increased 1,526,851 tons or 15.26 per cent. The number of bushels of wheat hauled east bound decreased 1,032,643, equal to 30,980 tons. The iron ore tonnage of the Eastern Railway of Minnesota increased 733,174 tons. Taking these increases and decreases into consideration, the increase in tons hauled due to generally increased business, is 824,657. The iron ore business is short haul, shorter than the average on the Eastern Railway. It will be noticed that the number of tons of revenue freight hauled one mile increased by 16.06 per cent. Therefore, the increase of 824,657 tons hauled above mentioned, was from long haul business. Outside of the Eastern Railway's iron ore traffic, the entire increase in tons hauled one mile was on that portion of the line west of Minot, N. D.

The earnings from passenger trains increased \$1,087,279.11, or 22.0357 per cent. Of this amount \$51,959.66 came from express business, \$97,552.14 from transportation of mails and \$937,767.31 from strictly passenger sources, including sleeping cars, etc.

The increase in pay for mail transportation comes from the re-adjustment of pay on mail routes east of Minnesota-North Dakota state line, based upon weighing in the spring of 1899, the new rates of pay coming effective July 1, 1899.

The average revenue received per passenger per mile shows an increase of 1.7 mills or 7.6993 per cent. This increase comes almost entirely from the higher rates on first and second-class business to the Pacific Coast, principally second-class. The local rates in Montana, Idaho and Washington were reduced from 5 cents to 4 cents per mile November 1st, 1898, and in North Dakota from 4 cents to 3 cents per mile April 1st, 1900, which has had the effect of somewhat increasing local travel and so the average revenue per passenger per mile. Effective July 1st, 1900, the local rates in Washington were reduced from 4 cents to 3 cents per mile.

The tons one mile have increased 16.0587 per cent, the car miles 12.4467 per cent and freight and mixed train mileage 9.3549 per cent, increasing the average load of 336 tons per train 20.6 tons (6.1302 per cent) to 356.78 tons.

The immigration work for the past fiscal year exceeds in its results anything in the history of the Company. Upon a conservative basis there were settled along the Company's lines during the year 35,000 new people, who very largely came with their household effects, from the middle and western states.

The lands along the line in Montana and Washington are attracting attention, and there is a steady movement of settlers in that direction.

**GENERAL.**

The Board of Directors desires to call attention to the unusually large amount of work done in the way of permanent improvements to the property. The general plan of the improvements contemplates when finished, a first-class railway with the lowest grades of any line crossing the Continent, with terminal and division yards, and passing tracks to fully supply the wants of the rapidly growing traffic. It is expected that two more seasons will complete the work necessary to accomplish this.

The permanent work done in recent years, together with the heavy work done during the year covered by this Report, and the work being done during the current fiscal year covers most of the lines east of the Rocky Mountains.

The amount of work done this year is much larger than in any previous year. Over *eight miles* of wooden bridges have been replaced by heavy steel construction or solid earth embankments. The cubic yards of earth moved, as given on page 24, is nearly equal to the grading of 500 miles of ordinary railway.

The completion of the Cascade Tunnel will shorten the time and reduce the expense of all trains on that portion of the line.

The entire country served by your lines, while the last to be opened to settlement and industrial development has shown a wonderful growth during the past five years, and with the improved conditions under which the Company will be able to transact its business, the future growth should amply repay it for the work it is now doing. Enabling it to better serve the public, and at the same time fully protect its revenues and income, as the constant reduction in rates of traffic keeps pace with the increase of business.

The growth of the lumber and timber business from west of the Rocky Mountains begins to call for more cars than are loaded westbound. The growing Oriental trade has already reached a point where the traffic is practically limited to the

ships which can be secured to carry the commodities seeking an outlet to China and Japan. To meet these conditions and provide ample tonnage for this trade the Company has organized the Great Northern Steamship Company, which has now under construction two steamers of the largest class, with all the most modern appliances for safety and economy.

During the spring of 1900 a large acreage of grain was planted on the Company's lines in Minnesota, North and South Dakota with a promise of a large harvest. The total lack of rain during the growing months so far reduced the yield that not much more than half a crop of wheat will be marketed in the three states named. This will of course reduce the earnings, but the increase from other traffic will go so far towards replacing this reduction that the Company's income will not materially suffer.

The Board respectfully calls the attention of the shareholders to the report of the Comptroller, with the customary balance sheet and statistical tables, and the report of the Land Commissioner.

JAMES J. HILL,

President.

## COMPTROLLER'S REPORT.

*Mr. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ended June 30th, 1900.

These statements are made in the same form, and on the same basis, as those submitted with last year's report.

The statements on the pages next following, 30 and 31, show the Earnings, Operating Expenses, Taxes, etc., of the Railway SYSTEM exclusive of the Spokane Falls & Northern Railway System, which is operated separately. The statement on page 32 shows the division of those amounts between the several railways, and includes as a separate item and for the first time, the same information for the Spokane Falls & Northern Railway System. The Earnings, etc., of the Great Northern Express Company and the Sand Coulee Coal Company, which in previous years have been included in this table, are this year omitted, on account of the capital stocks of those companies having been transferred to the Lake Superior Company, Limited. On pages 33 and 34 are given the Revenue, Income and Profit and Loss Accounts of the Great Northern Railway COMPANY.

The results of operating the line from Garretson, S. D., to O'Neill, Neb., from January 1st, 1900, the date upon which it was acquired by the Willmar & Sioux Falls Railway Company, are included in the proper tables.

On account of the adoption by this company of the classification and rules suggested by the Association of American Railway Accounting Officers for the computation of train mileage, etc., some minor changes in the "1899" figures shown in the statistical table on pages 36 and 37 have been necessary, but they are fully explained in the note at the foot of page 37.

This company having acquired substantially all of the capital stock of the St. Paul, Minneapolis & Manitoba Railway Company, and as that company publishes no report this year, the balance sheet given on page 39 includes the property, assets, capital and liabilities of that company, presenting a complete statement of the property, capitalization and finances of what is known as the Great Northern Railway Line. But all items have been so entered as to readily permit comparison to be made with the balance sheets published in the reports of former years.

The finances, etc., of the Spokane Falls & Northern System and of the Northern Steamship Company are not included, those properties being operated and their finances kept separate and distinct from those of the balance of the system.

R. I. FARRINGTON,  
*Comptroller.*

GROSS EARNINGS, OPERATING EXPENSES, TAXES, AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED FOR THE FISCAL YEAR ENDED JUNE 30th, 1900, COMPARED WITH THE PREVIOUS FISCAL YEAR.

NOTE. These figures do NOT include the Spokane Falls & Northern Railway System.

GROSS EARNINGS.

PER CENT	1900	CLASS	1899	PER CENT
77.9398	\$22,533,019.93	.....Freight.....	\$19,779,209.29	79.0602
16.0912	4,652,091.16	..... Passenger .....	3,750,338.57	14.9907
2.6824	775,497.15	.....Mail.....	677,945.01	2.7098
1.0474	302,807.82	..... Express .....	250,848.16	1.0027
2.2392	647,373.20	.....Miscellaneous....	559,562.63	2.2306
	\$28,910,789.26	.....Total.....	\$25,017,903.66	

OPERATING EXPENSES.

PER CENT	1900	GENERAL ACCOUNTS	1899	PER CENT
47.8762	\$7,122,817.04	Conducting Transportation	\$5,989,017.75	49.2356
14.2120	2,114,408.41	Maintenance of Equipment	1,595,188.15	13.1140
29.1066	4,330,359.09	{ Maintenance of Road and Structures }	3,478,925.04	28.6.02
8.8052	1,309,993.38	.....General Expenses.....	1,100,870.85	9.0502
	\$14,877,577.92	.....Total.....	\$12,164,001.79	

## SUMMARY OF EARNINGS AND EXPENSES.

1900		1899
\$28,910,789.26	Gross Earnings.....	\$25,017,503.66
14,877,577.92	Operating Expenses.....	12,164,001.79
\$14,033,211.34	Net Earnings.....	\$12,853,501.87
990,798.26	Taxes.....	927,359.43
\$13,042,413.08	Income from Operation.....	\$11,926,542.44
51.46	Operating Expenses, per cent of Gross Earnings.....	48.62
54.89	Operating Expenses and Taxes, per cent of Gross Earnings.....	52.33
\$5,695.74	Gross Traffic Earnings per Mile of Road..	\$5,226.92
2,931.04	Operating Expenses per Mile of Road...	2,541.39
\$2,764.70	Net Earnings per Mile of Road.....	\$2,685.53
5,075.86	Average Miles of Road Under Operation..	4,786.36

STATEMENT SHOWING THE REVENUES FOR THE YEAR ENDED JUNE 30th, 1900, OF THE GREAT NORTHERN RAILWAY AND ALL PROPRIETARY COMPANIES.

COMPANIES	GROSS EARNINGS	OPERATING EXPENSES	TAXES	INCOME FROM OPERATION	Miscellaneous Income Received	TOTAL
Great Northern Railway.....	\$21,953,412.07	\$11,048,432.19	\$774,201.16	\$9,530,775.72	\$1,731,194.09	\$11,261,969.81
RAILWAYS:						
Eastern Ry. of Minnesota.....	3,709,076.48	1,633,048.64	120,821.27	1,946,206.57	398,641.23	2,344,847.80
Montana Central Ry.....	2,015,618.31	1,057,431.90	83,431.90	874,754.51	27,919.63	902,674.14
Willmar & Stour Falls Ry.....	1,153,614.16	504,421.49	47,460.92	604,731.75	3,245.41	607,977.16
Duluth, Watertown & Pacific Ry.....	76,088.24	34,240.64	5,860.53	36,067.04	150.00	36,217.04
Total Railway System Proper.....	\$28,910,739.26	\$14,877,577.92	\$960,738.26	\$13,042,413.06	\$2,131,150.86	\$15,173,563.44
OTHER COMPANIES:						
Spokane Falls & Northern Ry. System.....	\$82,991.28	347,173.20	21,392.61	493,922.88	70,087.74	564,010.12
Minneapolis Union Ry.....	232,590.24	52,682.96	1,019.88	178,877.40	89,218.23	268,095.69
Minneapolis Western Ry.....	64,104.60	40,116.73	1,265.57	23,692.18	22,730.14	46,422.32
Duluth Terminal Ry.....	37,441.71	23,941.71		13,500.00	57.66	13,557.66
Northern Steamship Co.*.....	991,137.16	719,021.88		272,115.73		272,115.73
Total for System.....	\$31,009,054.15	\$16,060,527.01	\$1,015,008.32	\$14,023,520.82	\$2,250,494.35	\$16,274,015.17

\*For year ended December 31, 1899.

EXPLANATORY NOTE.

The surplus earnings of the Duluth, Watertown and Pacific Railway Company, above shown, have been applied to the repayment of the advances made by the Great Northern Railway Company on account of deficits in previous years.

DIVIDENDS:—Out of the net income of the Companies named the following dividends have been declared:

Eastern Railway Company of Minnesota.....	\$1,600,000.00
Montana Central Railway Company.....	400,000.00
Willmar & Stour Falls Railway Company.....	420,000.00
Spokane Falls and Northern Railway System:	
Columbia and Red Mountain Railway Co. (for two years).....	52,890.00
Northern Railway Co. (for two years).....	73,200.00
Minnesota Union Railway Company.....	100,000.00
Northern Steamship Company.....	225,000.00
<b>Total.....</b>	<b>\$2,874,120.00</b>

which amount is not included in the "Miscellaneous Income" of the Great Northern Railway as given by the above table, but is added to the "Miscellaneous Income" in the Income Account on page 84.

DULUTH TERMINAL RY. CO.:—This Company is the owner of the railway used by the Eastern Railway of Minnesota, to secure entrance into Duluth, and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Railway. Under the franchise of the Duluth Terminal Railway its earnings derived from trackage are limited to six per cent on its stock and bonds; the interest and dividend paid, amounting to \$13,300, are not included in the "Miscellaneous Income" of the Eastern Railway as above shown.

## REVENUE ACCOUNT.

## GREAT NORTHERN RAILWAY COMPANY.

EARNINGS FROM OPERATION OF ST. P. M. & M. RY.'S LEASED LINES AND LINE  
OF SEATTLE & MONTANA RAILROAD COMPANY.

YEAR ENDED JUNE 30th, 1900.

## EARNINGS.

Freight.....	\$16,645,519.35	
Passenger.....	3,795,556.53	
Mail.....	689,863.20	
Express.....	257,090.91	
Miscellaneous.....	565,382.08	
Gross Earnings.....		\$21,953,412.07

## OPERATING EXPENSES.

Conducting Transportation.....	\$5,440,708.04
Maintenance of Equipment.....	1,646,544.36
Maintenance of Road and Structures.....	3,538,121.32
General Expenses.....	1,023,058.47

Total Operating Expenses.....\$11,648,432.19

TAXES..... 774,204.16 12,422,636.35

Income from Operation.....\$9,530,775.72

From which have been paid:

## RENTALS.

To St. P. M. & M. Ry. Co.:

Guaranteed Interest on St. P. M. & M. Ry.  
Co.'s Bonds, Paid and Accrued. .... \$3,479,013.18  
(For Details see page 38.)

Guaranteed Dividends of 6 per cent on Cap-  
ital Stock of St. P. M. & M. Ry. Co.... 1,200,000.00

Maintenance of Organization of St. P. M.  
& M. Ry. Co..... 6,121.17

Other Rentals..... 196,150.00

Total Rentals.....\$4,881,284.35

From which deduct amount received by Great  
Northern Ry. Co. as dividends paid and ac-  
crued on Stock of St. P. M. & M. Ry. Co.  
obtained by it in exchange for Stock of Great  
Northern Ry. Co..... 1,171,736.00

Net Charges.....\$3,709,548.35

Amount transferred to—

Fund for Permanent Improvements and Renewals. 1,200,000.00

Fund for Construction of Cascade Tunnel, etc. . . . 600,000.00 5,509,548.35

Balance transferred to Income Account... \$4,021,227.37

INCOME ACCOUNT.  
GREAT NORTHERN RAILWAY COMPANY.

YEAR ENDED JUNE 30th, 1900.

Balance transferred from Revenue Account. . . .	\$4,021,227.37
OTHER INCOME:	
Interest on Bonds Owned. . . . .	\$350,421.67
Dividends on Stocks Owned. . . . .	2,958,854.63
General Interest. . . . .	223,086.23
Rental of Lines Leased. . . . .	166,764.80
Bills Receivable (Land Notes). . . . .	3,739.75
Rental of Equipment and Car Service. . . . .	91,836.32
Profit on O. R. & N. Co. Prfd. Stock sold during the year. . . . .	689,076.49
Income from Other Sources—ground rents, miscellaneous items, etc. . . . .	121,534.20
Total Income. . . . .	<u>\$4,605,314.09</u>
From which have been paid Dividends as follows:	
August 1, 1899, 1 $\frac{3}{4}$ per cent on 889,236.950	\$1,561,646.62
November 1, 1899, 1 $\frac{3}{4}$ per cent on 89,285.115	1,562,489.51
February 1, 1900, 1 $\frac{3}{4}$ per cent on 89,285.115	1,562,489.51
May 1, 1900, 1 $\frac{3}{4}$ per cent on 98,408.690	1,722,152.08
	<u>6,408,777.72</u>
Balance transferred to Profit and Loss. . . . .	<u>\$2,217,763.74</u>

PROFIT AND LOSS ACCOUNT.

Credit Balance July 1, 1899. . . . .	\$2,317,841.97
Amount Transferred from Income Account for year ended June 30, 1900, as above. . . . .	<u>2,217,763.74</u>
Total Credit. . . . .	<u>\$4,535,605.71</u>
Against which has been charged, on account of securities transferred to Lake Superior Co., Limited, as explained on page 11. . . . .	1,851,364.92
Leaving the Credit Balance June 30, 1900. . . . .	<u>\$2,684,240.79</u>

## DETAILS OF OTHER INCOME.

## INTEREST ON BONDS OWNED:

Town of Wadena Bonds.....	330.00	
Town of Sandness Bonds.....	120.00	
Town of Leaf River Bonds.....	60.00	
Town of Hutchinson Bonds.....	420.00	
Town of Minnesota Falls Bonds.....	120.00	
Montana Central Ry. Co. Bonds.....	30,000.00	
Willmar & Sioux Falls Ry. Co. Bonds....	1,050.00	
Butte, Anaconda & Pacific Ry. Co. Bonds...	50,000.00	
Spokane Falls & Northern Ry. Co. Bonds...	153,961.67	
Nelson & Ft. Sheppard Ry. Co. Bonds.....	83,880.00	
Columbia & Red Mountain Ry. Co. Bonds...	13,020.00	
Red Mountain Ry. Co. Bonds.....	17,460.00	
Total.....		\$350,421.67

## DIVIDENDS ON STOCKS OWNED:

Northern Steamship Co. Stock.....	8225,000.00	
Great Northern Ry. Co. Stock.....	4,888.63	
St. Paul Union Depot Co. Stock.....	2,625.00	
Montana Central Ry. Co. Stock.....	400,000.00	
Minneapolis Union Ry. Co. Stock.....	100,000.00	
Eastern Ry. Co. of Minnesota Stock.....	1,600,000.00	
Willmar & Sioux Falls Ry. Co. Stock.....	420,000.00	
Red Mountain Ry. Co. Stock (two years)....	76,240.00	
Columbia & Red M't'n Ry. Co. Stock (two years).....	52,830.00	
Butte, Anaconda & Pacific Ry. Co. Stock....	29,400.00	
Oregon R. R. & Navigation Co. Prfd Stock..	47,821.00	
Total.....		\$2,958,854.63

## STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM

(But NOT including Spokane Falls &amp; Northern Railway System)

FOR THE YEAR ENDED JUNE 30th, 1900, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION	1900	1899	INCREASE	
			Amount	Per Cent
FREIGHT TRAFFIC.				
Mileage of Freight Trains.....	6,092,628	5,809,762	282,866	4.887
Mileage of Mixed Trains.....	927,924	610,202	317,722	52.0683
Total.....	7,020,547	6,419,964	600,583	9.3549
Mileage of Locomotives employed in "helping" Freight and Mixed Trains.....	298,462	211,064	87,398	27.1899
Percentage of "helping" to Revenue Train Mileage.....	3.8288	3.2876	9.5554	
-----				
Mileage of Loaded Freight Cars.....	156,256,650	186,894,931	10,361,669	14.1434
Mileage of Empty Freight Cars.....	50,614,698	* 47,077,872	3,536,826	7.5127
Total Car Mileage.....	206,871,348	183,972,853	22,898,495	12.4467
-----				
Tons of Freight Carried, Revenue....	11,529,061	10,002,810	1,526,251	15.2642
Company.....	1,511,268	1,818,076	163,192	14.6571
Total.....	13,040,329	11,820,886	1,220,043	15.1935
-----				
Tons of Revenue Freight Carried One Mile.....	2,504,792,882	2,153,212,794	346,580,088	16.0587
Earnings from Freight Traffic.....	\$22,890,725.26	\$20,064,812.47	\$2,725,912.79	13.9344
AVERAGES.				
All Cars Hauled per Freight Train Mile.....	29.46	27.75	1.71	6.1622
Tons Revenue Freight Hauled per Train.....	356.780	336.172	20.608	6.1302
Tons Revenue Freight Hauled per Loaded Car.....	16.090	15.765	.325	1.6809
Earnings per Freight Train Mile.....	\$3.26	\$3.13	\$0.13	4.1534
Earnings per Ton per Mile.....	Cents. .899	Cents. .916	Decrease. Cents. .017	Decrease. 1.9550

## STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM

*Continued.*

DESCRIPTION	1900	1899	INCREASE	
			Amount	Per Cent
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	4,010,799	3,757,818	<i>Increase.</i> 252,981	<i>Increase.</i> 6.7321
Mileage of Locomotives Employed in "helping" Passenger Trains.....	25,417	33,256	<i>Decrease.</i> 7,839	<i>Decrease.</i> 23.5717
Percentage of "helping" to Revenue Train Mileage.....	.6337	.8350	8.0087	
Passengers Carried.....	2,489,670	2,024,233	<i>Increase.</i> 459,377	<i>Increase.</i> 22.6932
Passengers Carried One Mile.....	195,585,332	169,882,867	25,702,515	15.1296
Earnings from Passenger Trains.....	\$6,021,438.73	\$4,934,159.62	\$1,087,279.11	22.0357
<b>AVERAGES.</b>				
Earnings per Passenger Train Mile.	\$1.2192	† \$1.1296	\$0.0896	7.9320
Earnings per Passenger per Mile.....	<i>Cents.</i> 2.378	<i>Cents.</i> 2.208	<i>Cents.</i> .170	7.6908
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	11,081,346	10,177,782	853,564	8.3805
Earnings from Freight and Passenger Trains.....	\$28,882,163.90	\$24,908,972.00	\$3,883,191.90	15.5334
Earnings per Train per Mile.....	2.62	2.46	.16	6.5041
Expenses per Train per Mile.....	1.35	1.20	.15	12.5000
Net Traffic Earnings per Train per Mile.....	1.27	1.26	.01	0.7937

\* Shown in last year's report as 41,236,920; difference caused by addition of Mileage of Caboose Cars, 5,340,062. For reasons given below, Caboose Car Mileage has not heretofore been taken up in the report, either in Loaded or Empty Car Mileage.

† Shown in last year's report as \$1.3190; difference caused by using as the divisor, the sum of "Mileage of Passenger Trains" and "Mileage of Mixed Trains," as explained below.

The Train, Locomotive and Car Mileage figures given above have been compiled and all computations based upon them, made in accordance with the rules adopted by the Association of American Railway Accounting Officers in 1899. These rules were subsequently adopted by the National Convention of Railroad Commissioners at Denver, Colo., August 10, 1899, and have recently been adopted and promulgated by the Interstate Commerce Commission. Their adoption by this Company has made necessary some changes in the above table, as noted.

STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE  
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTH-  
ERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR  
UNDER GUARANTEE.

Outstanding July 1, 1899.	BONDS.	Outstanding July 1, 1900.	Annual Charges Paid 1899-1900.
	<b>ST. P. M. &amp; M. RY.—</b>		
\$1,000.00	First Mortgage (Called), 7 per cent.		
8,000,000.00	Second Mortgage, 6 per cent.	\$8,000,000.00	\$480,000.00
5,676,000.00	Dakota Extension, 6 per cent.	5,676,000.00	340,500.00
18,844,000.00	Consolidated Mortgage, 6 per cent.	18,844,000.00	800,640.00
21,784,000.00	Consolidated Mortgage, 4½ per cent.	21,159,000.00	969,715.00
7,907,000.00	Montana Extension, 4 per cent.	7,907,000.00	816,200.00
14,545,454.54	Pacific Extension, 4 per cent.	* 14,545,454.54	581,818.18
	Total shown on page 33.		\$3,479,013.18
	<b>GREAT NORTHERN RY.—</b>		
86,000.00	Collateral Trust (Called), 4 per cent.		
	<b>EASTERN RY. OF MINNESOTA.—</b>		
4,700,000.00	First Division, First Mt'ge, 5 per cent.	\$4,700,000.00	\$235,000.00
5,000,000.00	Northern Div., First Mt'ge, 4 per cent.	5,000,000.00	300,000.00
	<b>MONTANA CENTRAL RY.—</b>		
6,000,000.00	First Mortgage, 6 per cent.	6,000,000.00	380,000.00
3,300,000.00	First Mortgage, 5 per cent.	3,900,000.00	165,000.00
	<b>WILLMAR &amp; SIOUX FALLS RY.—</b>		
3,646,000.00	First Mortgage, 5 per cent.	3,646,000.00	182,300.00
	<b>MINNEAPOLIS UNION RY.—</b>		
2,150,000.00	First Mortgage, 6 per cent.	2,150,000.00	129,000.00
650,000.00	First Mortgage, 5 per cent.	650,000.00	32,500.00
	<b>MINNEAPOLIS WESTERN RY.—</b>		
500,000.00	First Mortgage, 5 per cent.	500,000.00	25,000.00
\$97,289,454.54	Total Bonds	\$96,577,454.54	\$4,807,813.18
	<b>STOCK.</b>		
\$504,800.00	St. P. M. & M. Ry.—6 per cent guaran- teed, unexchanged	\$469,200.00	†Net \$28,264.00
\$97,744,254.54	Total	\$97,046,654.54	\$4,836,077.18
\$69,226,810.00	Great Northern Railway Company, out- standing	\$68,418,500.00	\$6,408,777.72
	Bonds Outstanding as above		\$96,577,454.54
	Authorized Capital Stock of Great Northern Ry. Co.		99,000,000.00
	Total Capitalization of System		\$195,577,454.54
	Mileage of Track in System, including second, third, fourth, fifth and sixth tracks, covered by above capitalization, as shown on page 42.		5,478.06
	Stock and Bonds per mile of main track		\$85,701.95
	Mileage of Main Tracks covered by bonds in hands of public		4,746.20
	Bonded Debt Outstanding per mile of Main Track covered thereby		\$80,348.37

\*Not including \$3,000,000 St. P. M. & M. Ry. Co.'s Pacific Extension Bonds in Treasury of Great Northern Railway Company.

†Difference between amount of rental accrued under lease and dividends received or accrued on St. P. M. & M. Ry. Stock owned by G. N. Ry. Co.

CONDENSED GENERAL BALANCE SHEET, JUNE 30th, 1900.

BEING A CONSOLIDATION OF THE GENERAL BALANCE SHEETS OF THAT DATE OF THE

ST. PAUL, MINNEAPOLIS & MANITOBA RY. CO., GREAT NORTHERN RY. CO., EASTERN RY. CO. OF MINNESOTA, MONTANA CENTRAL RY. CO., WILLMAR

St. Paul, Minneapolis & Manitoba Ry. Co., to be repaid out of Consolidated Mortgage Bonds, during the year ending June 30, 1901 .....	6,674.85	Insurance Fund.....	321,192.00
of Great Northern Ry. Co. and Proprietary Co.'s above named.	26,488.87	Surplus Funds of Proprietary Companies, de- posited with Great Northern Ry. Co.....	417,938.64
Cash in St. Paul Office.....	\$334,889.60	PROFIT AND LOSS.	
Cash in New York Office.....	1,009,888.41	Balance St. Paul, Minneapolis & Manitoba Rail- way Co.....	\$1,935,686.61
Cash in London Office.....	295,508.75	Great Northern Ry. Co. and above named Pro- prietary Companies.....	5,114,824.11
Due from Agents.....	965,479.20		
Due from U. S. Post Office Department.....	198,003.59		
Due from U. S. Transportation.....	75,318.37		
Due from Canadian Post Office Department.....	74.88		
Advanced Charges.....	50,354.44		
Bills Receivable.....	1,445,478.57		
Due from Other Companies and Individuals.....	1,639,945.20		
Value of Material and Fuel on Hand.....	6,034,941.01		
	2,549,987.65		

\$224,917,130.34



## EQUIPMENT OF GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

FOR YEAR ENDED JUNE 30th, 1900, COMPARED WITH YEAR ENDED JUNE 30th, 1899.

CLASS	1900	1899
Locomotives.....	550	541
<b>PASSENGER EQUIPMENT.</b>		
Sleeping Cars.....	50	42
Parlor Cars.....	5	3
Dining Cars.....	12	12
Buffet Smokers.....	8	8
Coaches.....	164	152
Tourist Cars.....	24	24
Passenger and Baggage.....	37	33
Baggage, Mail and Express.....	110	101
Business Cars.....	17	17
<b>Total Passenger Equipment.....</b>	<b>427</b>	<b>392</b>
<b>FREIGHT EQUIPMENT.</b>		
Box Cars.....	14,291	11,843
Combination Box and Stock Cars.....	750	750
Transfer Freight Cars.....	50	50
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Refrigerator Cars.....	209	159
Stock Cars.....	627	527
Flat and Coal Cars.....	2,949	2,755
Sand Cars.....	500	500
Ore Cars (Wood).....	700	700
Ore Cars (Steel).....	250	
Ballast Cars.....	764	764
Caboose Cars.....	302	283
Cinder Cars.....	53	51
Boarding Cars.....	51	50
Derrick and Tool Cars.....	45	43
Steam Shovels.....	20	19
Lidgerwood Unloaders.....	10	8
Ditching Cars.....	1	1
Pile Drivers.....	10	8
Rotary Snow Plows.....	6	6
Snow Dozers.....	14	13
Flangers.....	1	1
Logging Trucks.....	100	100
Other Work Equipment.....	73	72
<b>Total Freight and Work Equipment.....</b>	<b>22,934</b>	<b>19,861</b>

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES LEASED FROM ST. P. M. & M. RY. CO.:		<i>Main Track,</i>	<i>Total</i>
		<i>Miles.</i>	<i>Miles.</i>
Terminals Division.....		96.28	
Fergus Falls Division (not including line leased from Park Rapids & Leech Lake Railway Co.).....		590.00	
Willmar Division.....		77.94	
Breckenridge Division.....		701.72	
Northern Division.....		562.49	
Dakota Division (not including line leased from Eastern Ry. Co. of Minn.).....		461.18	
Montana Division.....		714.00	
Kalispell Division.....		900.81	
Cascade Division (not including line of Seattle & Montana R. R. Co.).....		908.83	
Total First Main Track.....		3,814.41	3,814.41
Second Track.....	<i>Miles.</i>	27.88	
Third Track.....		9.28	
Fourth, Fifth and Sixth Tracks.....		13.05	50.21
Total Main Tracks covered by lease.....			3,864.02
Side Tracks.....			619.80
Total Tracks Covered by the Bonded debt of the St. P. M. & M. Ry. Co. as shown on page 38.....			4,484.51
OTHER TRACKS LEASED BY GREAT NORTHERN RY. CO.:			
Oregon R. R. & Nav. Co., Spokane Union Depot Co. and Spokane & Seattle Ry. in Spokane, Washington.....	<i>Miles.</i>	4.80	<i>Side Tracks, Miles.</i>
Seattle & International Ry., Lowell to Everett, Washington.....		5.25	10.05
Eastern Ry. of Minnesota—Fosston to Cass Lake		8.06	59.77
Park Rapids & Leech Lake Ry.—Park Rapids to Cass Lake.....		6.66	49.04
TRACK OPERATED BY THE GREAT NORTHERN RY. CO.:			
Seattle & Montana R. R. Co.—Seattle, Wash., to South Westmuister, B. C.....		24.55	143.10
Main Line Operated by Great Northern Ry. Co.....			4,076.37
PROPRIETARY COMPANIES:			
Eastern Ry. of Minnesota.....	<i>Side Track.</i>	138.50	<i>Main Track.</i>
Less leased to Great Northern Ry. Co.....		8.06	410.95
		190.53	59.77
Second Track.....		21.02	
Duluth Terminal Ry.....		3.62	1.78
Montana Central Ry.....		51.56	261.95
Willmar & Sioux Falls Ry.....		45.33	433.41
Leased tracks between Sioux City, Ia., and South Sioux City, Neb.....			3.32
Duluth, Watertown & Pacific Ry.....		4.08	69.84
Minneapolis Union Ry.....		4.70	2.63
Second Track.....		2.63	
Minneapolis Western Ry.....		5.04	1.00
Total First Main Track Proprietary Lines.....			1,125.80
Total Second Main Tracks and Side Tracks Proprietary Lines.....		268.51	268.51
Total Miles of Road in System as operated June 30, 1900,			5,202.17
Total Miles of Track, all kinds, in System as Operated.....			6,180.05
<i>Side Track, Miles.</i>			
ADD—Mileage of Spokane Falls & Northern Ry. System.		20.13	207.11
Mileage owned by Seattle & Montana R. R. Co., but leased to Seattle & Northern Ry. Co.....		.05	8.29
Total Miles of Road in System, including lines operated separately.....			5,417.57
Total Miles of Track, all kinds in System, including lines operated separately.....			6,416.53

## TRACK STATEMENT--Continued.

	<i>Main Track Miles.</i>	<i>Total Miles.</i>
Total Main Tracks St. P. M. & M. Ry .....	3,864.62	
First Main Track Seattle & Montana R. R. (Owned).....	161.89	
First Main Track Proprietary Companies (including S. F. & N. Ry. System) .....	1,498.40	
Second Main Track Proprietary Companies .....	28.65	
Total Main Tracks covered by Capitalization .....		<u>5,478.06</u>
<hr/>		
NOTE--Total Mileage of Road in System as operated June 30, 1900, as shown on page 41 .....	5,202.17	
Total Mileage of Road in System, June 30, 1899, as per report for that year .....	4,906.24	
Increase in Mileage .....		<u>205.68</u>
This increase is made up as follows:		
WILLMAR & SIOUX FALLS RY.:		
Garretson, S. D., to Sioux City, Ia. ....	96.00	
South Sioux City to O'Neill, Neb. ....	129.16	
Portion of line acquired from Sioux Falls Terminal R. R. ....	3.02	
	<u>228.18</u>	
Less correction of Mileage at Sioux Falls .....	.02	
Net Increase .....	228.16	
Leased, Division St., Sioux City, Ia., to South Sioux City, Neb. ....	3.32	231.48
Decreases:		
ST. P. M. & M. RY.:		
Tracks removed at St. Vincent, Minn. ....	2.94	
Portion of line between Halstad, Minn., and Alton, N. D., taken up .....	1.33	4.27
Less Increases in mileage, account changes of line:		
Between Quincy and Columbia River, Wash. ....	1.23	
Between Verona and Marias, Mont. ....	1.33	2.56
Net Decrease .....		1.71
EASTERN RY. OF MINNESOTA:		
Line between Brace Junction and Cloquet removed or transferred to side track mileage .....	11.32	
Correction of mileage reported in 1899 for line purchased from D. M. R. & N. R. R., etc. ....	.44	
Lease surrendered from S. B. L. & T. Ry. Co. ....	* 5.87	
	<u>17.63</u>	
Less following Increases:		
Line purchased from Superior Belt Line & Ter- minal Ry. Co. ....	* 5.87	
Spur to Stevenson Mine, constructed .....	8.81	
Spur to Clark Mine, constructed .....	.61	9.79
Net Decrease .....		7.84
SEATTLE & MONTANA R. R.:		
Portion of Sedro Branch removed .....	7.71	
Balance leased to Seattle & Northern Ry. Co. ....	8.29	16.00
Total Deduction .....		<u>25.55</u>
Net Increase in Mileage .....		<u>205.68</u>

## LAND COMMISSIONER'S REPORT.

*Mr. JAMES J. HILL, President:*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30th, 1900:

	ACRES.	ACRES.
Amount of Grant, Hinckley Branch. ....	425,664.00	
Amount of Grant, Willmar Branch.....	51,200.00	476,864.00
Total Acreage selected to date.....	169,501.38	
Total Acreage deeded to Company.....	154,815.32	
Total Acreage sold prior to June 30th, 1900, less sales canceled.....		*94,943.92 $\frac{1}{2}$
Value of same.....	*\$454,757.53	
Average price per acre.....	4.81	
Remaining unsold June 30th, 1900.....		381,920.07 $\frac{1}{2}$

\*Includes adjustments account previous years.

## OPERATIONS DURING THE YEAR.

Sales, acres.....	21,206.16
Amount sold for.....	\$187,596.20
Average price per acre.....	8.85
Receipts of Land Department.....	61,441.05
Disbursements of Land Department.....	15,148.21
Amount of Deferred Payments due Company, which are bearing interest at six and seven per cent.....	209,924.75

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY'S  
SINKING FUND ACCOUNTS.

SINKING FUND, FIRST MORTGAGE LAND GRANT BONDS.

July 1, 1899. <i>By</i> balance to credit of Sinking Fund, as per page 6 of Twentieth Annual Report St. P. M. & M. Ry. Co. . . . .	\$1,050.00
September 15, 1899. <i>To</i> Redemption by Trustees of Bond No. 2245 . . . . .	1,050.00
	-----
Account closed.	

SINKING FUND, CONSOLIDATED MORTGAGE BONDS.

July 1, 1899. <i>By</i> balance to credit of Sinking Fund, as per page 7 of Twentieth Annual Report St. P. M. & M. Ry. Co. . . . .	\$63,744.99
June 30, 1900. <i>By</i> credits during the year:	
From Land Department, as per Land Commissioner's Report, on page 47. . . . .	654,134.53
Revenue from Todd County Lands. . . . .	996.25
Total Credits . . . . .	\$718,875.77

*To* Bonds Purchased by Trustee:

DATE	AMOUNT	PRICE	COST	
July 6, 1899	\$10,000.00	117 $\frac{1}{2}$	\$11,750.00	
July 7, 1899	15,000.00	117 $\frac{1}{2}$	17,625.00	
July 17, 1899	10,000.00	117 $\frac{1}{8}$	11,712.50	
July 19, 1899	7,000.00	117 $\frac{1}{8}$	8,198.75	
July 25, 1899	10,000.00	117	11,700.00	
July 25, 1899	7,000.00	117 $\frac{1}{8}$	8,198.75	
August 25, 1899	10,000.00	116 $\frac{5}{8}$	11,662.50	
September 18, 1899	24,000.00	116 $\frac{1}{8}$	27,870.00	
October 5, 1899	8,000.00	115 $\frac{1}{8}$	9,210.00	
October 5, 1899	6,000.00	115	6,900.00	
October 17, 1899	4,000.00	115	4,600.00	
October 27, 1899	5,000.00	116 $\frac{1}{8}$	5,806.25	
October 27, 1899	2,000.00	115 $\frac{5}{8}$	2,312.50	
October 31, 1899	18,000.00	116 $\frac{1}{8}$	20,902.50	
November 3, 1899	18,000.00	116 $\frac{1}{8}$	20,902.50	
November 9, 1899	20,000.00	115 $\frac{7}{8}$	23,175.00	
November 20, 1899	5,000.00	115 $\frac{5}{8}$	5,781.25	
November 22, 1899	18,000.00	115 $\frac{7}{8}$	20,857.50	
December 4, 1899	10,000.00	115 $\frac{3}{8}$	11,581.25	
December 4, 1899	10,000.00	116	11,600.00	
December 5, 1899	10,000.00	116 $\frac{1}{8}$	11,606.25	
Forward . . . . .	\$227,000.00		\$263,952.50	\$718,875.77

DATE	AMOUNT	PRICE	COST	
Brought forw'd	\$227,000.00	.	\$263,952.50	\$718,875.77
December 12, 1899	10,000.00	115 $\frac{1}{2}$	11,550.00	
December 12, 1899	10,000.00	115 $\frac{5}{8}$	11,562.50	
December 18, 1899	20,000.00	115 $\frac{1}{4}$	23,137.50	
December 20, 1899	13,000.00	115 $\frac{1}{4}$	14,982.50	
December 21, 1899	9,000.00	115 $\frac{3}{8}$	10,383.75	
January 8, 1900	20,000.00	112 $\frac{7}{8}$	22,575.00	
January 25, 1900	12,000.00	113 $\frac{3}{4}$	13,650.00	
January 30, 1900	23,000.00	115	26,450.00	
January 30, 1900	5,000.00	114 $\frac{7}{8}$	5,743.75	
February 6, 1900	8,000.00	115	9,200.00	
February 10, 1900	9,000.00	116	10,440.00	
February 26, 1900	17,000.00	115 $\frac{1}{8}$	19,688.12	
March 5, 1900	17,000.00	115 $\frac{5}{8}$	19,656.25	
March 5, 1900	5,000.00	115 $\frac{1}{2}$	5,775.00	
March 21, 1900	13,000.00	115 $\frac{5}{8}$	15,063.75	
April 3, 1900	5,000.00	116 $\frac{5}{8}$	5,831.25	
April 3, 1900	5,000.00	116 $\frac{3}{4}$	5,837.50	
April 3, 1900	18,000.00	116 $\frac{7}{8}$	21,037.50	
April 9, 1900	2,000.00	116 $\frac{5}{8}$	2,332.50	
April 17, 1900	7,000.00	116 $\frac{3}{4}$	8,172.50	
April 17, 1900	16,000.00	116 $\frac{7}{8}$	18,700.00	
May 1, 1900	5,000.00	116 $\frac{7}{8}$	5,843.75	
May 2, 1900	12,000.00	116 $\frac{7}{8}$	14,025.00	
May 8, 1900	17,000.00	116 $\frac{7}{8}$	19,868.75	
May 23, 1900	2,000.00	116 $\frac{5}{8}$	2,332.50	
May 23, 1900	5,000.00	116 $\frac{7}{8}$	5,843.75	
May 23, 1900	10,000.00	116 $\frac{3}{4}$	11,675.00	
May 29, 1900	13,000.00	116 $\frac{7}{8}$	15,193.75	
June 8, 1900	2,000.00	116 $\frac{3}{4}$	2,335.00	
June 8, 1900	10,000.00	116 $\frac{7}{8}$	11,687.50	
June 11, 1900	3,000.00	116 $\frac{3}{4}$	3,502.50	
June 13, 1900	20,000.00	116 $\frac{1}{8}$	23,362.50	
June 20, 1900	16,000.00	116 $\frac{3}{4}$	18,680.00	
June 25, 1900	3,000.00	116 $\frac{3}{4}$	3,502.50	
June 26, 1900	6,000.00	116 $\frac{1}{2}$	6,990.00	
June 26, 1900	9,000.00	116 $\frac{3}{4}$	10,507.50	
June 29, 1900	5,000.00	116 $\frac{3}{8}$	5,818.75	
June 29, 1900	16,000.00	116 $\frac{5}{8}$	18,660.00	
Total.....	\$625,000.00	Costing.....	725,550.62	
Balance, being amount overdrawn by Sinking Fund and temporarily advanced from current funds, to be repaid out of land collections during the fiscal year ending June 30, 1901,				\$6,674.85

REPORT OF LAND COMMISSIONER, ST. PAUL, MINNEAPOLIS  
& MANITOBA RY. CO.

To MR. SAMUEL HILL, President

St. Paul, Minncapolis & Manitoba Ry. Co.

DEAR SIR: I respectfully submit the following report of operation of the Land Department for the year ended June 30th, 1900:

	ACRES.	ACRES.
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, 1900.....	3,212,521.52	
Less deeded to Northern Pacific R. R. Co. by Supreme Court United States, March 2, 1891.....	365,860.92	
Deeded to Northern Pacific R. R. Co. in accordance with terms of settlement of November 1, 1897....	42,865.14	
Redeeded to United States .....	3,330.02	412,056.08
Net Acreage deeded.....	2,800,465.44	
Total Acreage sold prior to June 30, 1900.....	2,621,548.66	
Less sales canceled .....	299,543.48	2,322,005.18
Remaining unsold June 30, 1900.....		1,157,606.18

Owing to sales and other disposals of land within the limits of the Grant by the United States prior to the time at which this Company's right attached, a final adjustment of the Grant by the Government, which is approaching completion, will reduce the above area by about 600,000 acres.

During the year ended June 30, 1900, 92,217.36 acres of land were sold for \$847,207.57, an average of \$9.19 per acre. There were also sold 1,484 town lots for \$28,207.51, an average price per lot of \$19.01.

The number of land sales during the year was 1,294, with an average of about 71.27 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDED  
JUNE 30th, 1900.

Cash Sales and Installments of Principal on New Land Contracts.....	\$128,465.43
Amount of Principal received on Old Contracts.....	448,696.96
Amount received for Trespass, Stumpage, Grass Sales, etc.....	5,909.59
Amount received for Interest on Old and New Contracts.....	108,527.86
Amount received for Principal and Interest on Town Lot Contracts.....	22,472.75
Amount received for Interest on Sinking Fund, etc.....	88.43
	\$714,161.02
Less Expense of Land Department and Trustee.....	60,026.49
Net Receipts.....	\$654,134.53
Amount of Deferred Payments due this Company on Land Contracts bearing Interest at 7 and 6 per cent.....	\$1,969,499.08
Amount of Deferred Payments due this Company on Town Lots bearing Interest at 7 and 6 per cent.....	21,422.93
	\$1,990,922.01

Referring to that portion of report for the year ending June 30, 1893, relating to 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 63,477.92 acres, for which the Company is authorized to locate an equivalent amount elsewhere. The Company has selected to June 30, 1900, 46,482.45 acres in lieu of a part of the above amount.

The following are the sales during the year covered by the Dakota Grant, viz:

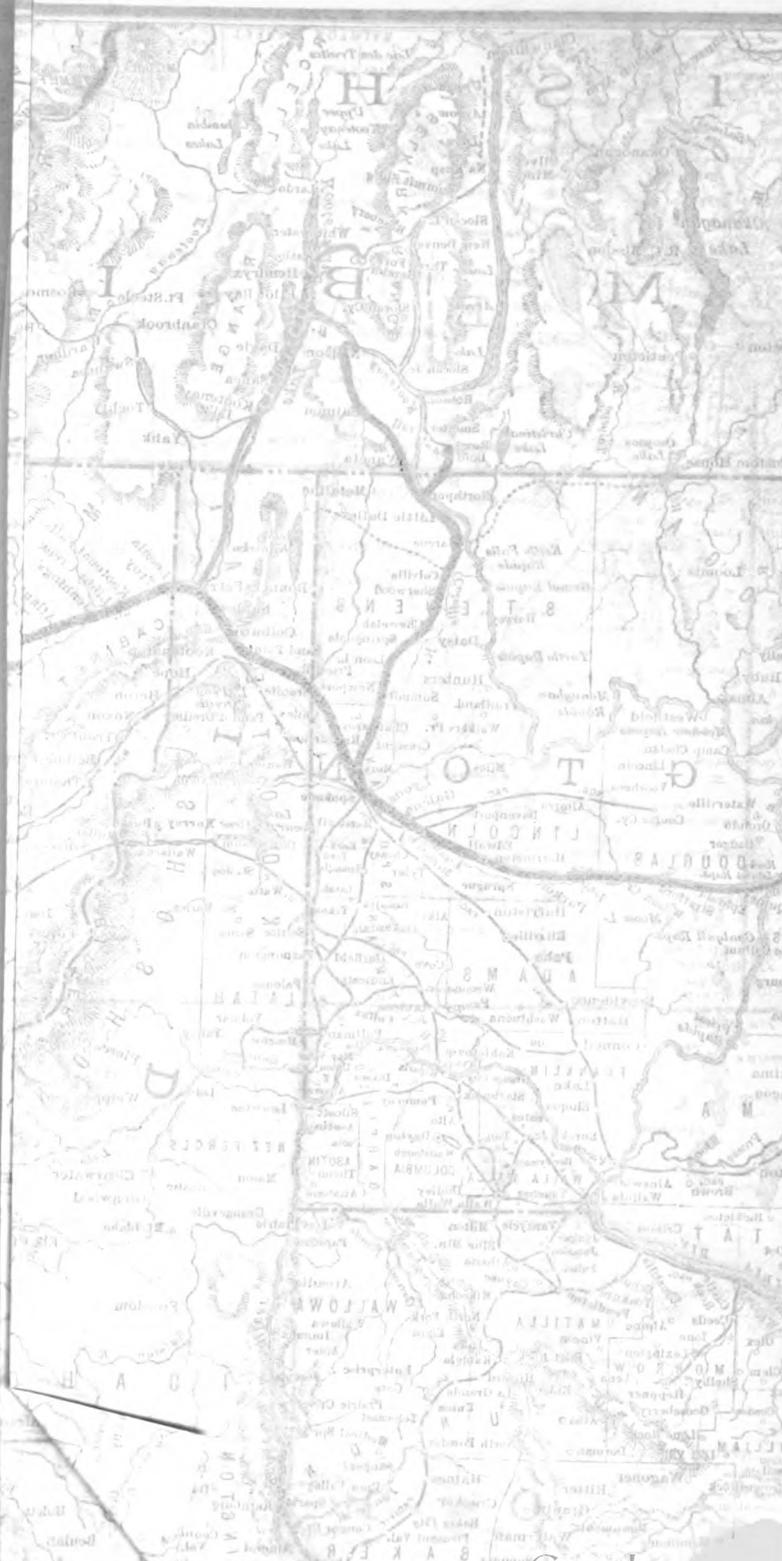
450.49 acres for \$6,024.58, an average per acre of.....	\$13.37
1 lot for \$200.00, an average per lot of.....	200.00
Receipts during the year.....	\$39,521.14
Taxes paid, Expenses of Examination and Selection of Land and other Disbursements made during the year in connection with Grant.....	3,988.00

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

CHAS. H. BABCOCK,  
*Ass't Land Commissioner.*







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711  
PROPERTY OF THE  
STATE OF MICHIGAN  
UNIVERSITY MICROFILMS  
SERIALS ACQUISITION  
300 N ZEEB RD  
ANN ARBOR MI 48106-1500

TWELFTH ANNUAL REPORT

OF THE

GREAT NORTHERN

*Railway Company.*

---

FISCAL YEAR ENDED

JUNE 30, 1901.



TWELFTH ANNUAL REPORT

OF THE

GREAT NORTHERN

*Railway Company.*

FISCAL YEAR ENDED

JUNE 30, 1901.



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES N. HILL (term expires 1901)	ST. PAUL.
JACOB H. SCHIFF (term expires 1901)	NEW YORK.
HENRY W. CANNON (term expires 1901)	NEW YORK.
JAMES J. HILL (term expires 1902)	ST. PAUL.
W. P. CLOUGH (term expires 1902)	ST. PAUL.
SAMUEL HILL (term expires 1902)	MINNEAPOLIS.
R. I. FARRINGTON (term expires 1903)	ST. PAUL.
EDWARD SAWYER (term expires 1903)	ST. PAUL.
M. D. GROVER (term expires 1903)	ST. PAUL.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE-PRESIDENT,	ST. PAUL.
D. MILLER,	SECOND VICE-PRESIDENT,	ST. PAUL.
J. N. HILL,	THIRD VICE-PRESIDENT,	ST. PAUL.
E. SAWYER.	TREASURER AND ASST. SECRETARY,	ST. PAUL.
E. T. NICHOLS.	SECRETARY AND ASST. TREASURER,	NEW YORK.
R. I. FARRINGTON,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
F. E. WARD,	GENERAL SUPERINTENDENT,	ST. PAUL.
F. B. CLARKE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
J. F. STEVENS,	CHIEF ENGINEER,	ST. PAUL.
N. TERHUNE,	TRANSFER AGENT,	NEW YORK.



**TWELFTH ANNUAL REPORT**  
 OF THE  
**GREAT NORTHERN RAILWAY**  
**COMPANY.**

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*To the Stockholders:*

The President and Directors submit the following report for the year ended June 30th, 1901.

**FINANCIAL.**

**CAPITAL STOCK.**

The authorized share capital of the Great Northern Railway Company June 30th, 1900, as shown in last year's report was.....	\$99,000,000.00
At an adjourned annual meeting, held October 16th, 1900, the Stockholders approved the action taken by the Board of Directors April 20th, 1900, and authorized an increase of.....	1,000,000.00
in the share capital, the additional shares to be issued only to the Great Northern Employees' Investment Company, Limited, in accordance with the terms of contract with said Company, and as explained on page 7 of last year's Report.	
At a meeting February 27th, 1901, the Directors adopted resolutions authorizing an increase of the capital stock by.....	25,000,000.00
"for the purpose of acquiring the several bonds or stocks, or both, to an aggregate amount of not less than \$25,000,000.00 principal, of the following named companies:	
Carried forward.....	\$125,000,000.00

Brought Forward..... \$125,000,000.00

1. St. Paul, Minneapolis & Manitoba Railway Company.
2. The Dakota and Great Northern Railway Company.
3. The Montana and Great Northern Railway Company.
4. The Kootenay Railway and Navigation Company, Limited.
5. The Washington and Great Northern Railway Company.
6. The Seattle and Northern Railway Company.
7. The Great Northern Steamship Company."

On March 18th, 1901, the President issued a circular to the Stockholders asking their assent to this proposed increase in share capital, and offering the additional shares for subscription by them at par, payments to be made as specified in the circular.

Assents having been received from the holders of more than seventy-five per cent of the stock outstanding, it was announced, on April 17th, 1901, that all subscriptions had become binding and effective, thus making the

Authorized Share Capital, June 30th, 1901..... \$125,000,000.00

Of the capital authorized there had been issued prior to June 30th, 1900 (page 5, last year's Report) ..... \$98,413,500.00

There have been issued during the year 182½ shares, amounting to..... 18,250.00

in exchange for 146 shares of the St. Paul, Minneapolis and Manitoba Railway Company, making the total number of shares of that Company now held by the Great Northern Company 195,454 (\$19,545,400).

2,800 shares, amounting to..... 280,000.00

have been transferred to the Great Northern Employees' Investment Company, Limited, under the contract mentioned.

Total outstanding June 30th, 1901..... \$98,711,750.00

Shares of the Great Northern in number 5,682½, are held in the Treasury of the Company, not used in acquiring the outstanding 4,546 shares of Manitoba stock, and

Shares in number 7,200, are also held in the Treasury to be issued only to the Investment Company as subscribed for.

The average date of payment for the 250,000 shares of stock referred to in circular of March 18th, 1901, having been August 1st, 1901, the stock has been issued as of that date, and the net cash payments received prior to July 1st, 1901, on account of same, \$8,358,708.00, are taken up on the balance sheet (page 35) as "Net Paid Subscriptions to Additional Capital Stock."

As the bonds of the St. Paul, Minneapolis and Manitoba Railway Company to be acquired in accordance with the terms of the resolution above quoted, are to be paid for by assignment of the equities of the stockholders therein, which assignment was not completed until final payment was made for the new stock, September 25th, 1901, they are not included on the balance sheet, page 35, in "Cost of Properties and Securities owned by the Great Northern Railway Company." For the same reason, the cost of the improvements covered by these bonds has not been transferred from "Cost of Additions, etc., to Property Leased from the St. Paul, Minneapolis and Manitoba Railway Company, etc.," to "Cost of Railway, Equipment and Lands owned by the St. Paul, Minneapolis and Manitoba Railway Company."

These adjustments will appear in the accounts for the year ending June 30th, 1902.

Of the securities of the Kootenay Railway and Navigation Company, Limited, there had been acquired June 30th, 1901, substantially all of the £500,000 common stock and £219,717 10s. of the £480,000 debenture stock issued. The cost of same is included in the item "Cost of Properties and Securities owned by the Great Northern Railway Company" on the balance sheet.

The properties owned by the Kootenay Company and by the Seattle and Northern Railway Company, as well as the several lines of railway now under construction, are described hereinafter under the head of "New Lines".

## BONDED DEBT.

There has been a net reduction of \$594,000 during the year, in the bonded debt of the St. Paul, Minneapolis and Manitoba Railway Company, as will be seen by reference to table on page 34, made up as follows:

<i>CONSOLIDATED MORTGAGE 4½ PER CENT BONDS</i> redeemed and canceled by the Trustee through the operation of the sinking fund, as per detail on pages 40 and 41 .....	\$718,000
Less bonds issued:—	
On account of construction of Spring Park Extension	\$123,000
On account of First Mortgage bond redeemed September 15th, 1899 .....	1,000
In exchange for St. Paul, Minneapolis and Manitoba Railway Company's Second Mortgage bonds, surrendered and canceled.....	140,000
In exchange for St. Paul, Minneapolis and Manitoba Railway Company's Dakota Extension Mortgage bonds, surrendered and canceled.....	51,000
Total issued.....	<u>\$315,000</u>
Net reduction in Consolidated Mortgage 4½ per cent bonds....	\$403,000
<i>SECOND MORTGAGE SIX PER CENT BONDS</i> , canceled as above .....	140,000
<i>DAKOTA EXTENSION MORTGAGE SIX PER CENT BONDS</i> , canceled as above.....	<u>51,000</u>
Total reduction in St. Paul, Minneapolis and Manitoba Railway Company's Bonded Debt.....	<u><u>\$594,000</u></u>

The Montana Central Railway Company issued during the year \$700,000 of its First Mortgage five per cent bonds to pay for additional equipment and facilities for and improvements of its railway. The issue of \$10,000,000 bonds authorized under this mortgage is now completed. The new bonds were turned over to the Great Northern Railway Company in part payment of advances made by that Company for the purposes mentioned, and they are now held in its Treasury.

## PURCHASE OF BURLINGTON STOCK.

The Great Northern Railway Company and the Northern Pacific Railway Company have jointly purchased 1,075,772 shares (\$107,577,200) of the capital stock of the Chicago, Burlington and Quincy Railroad Company, (being 96.79 per cent of the total authorized issue) and in payment for same have issued their Joint Collateral Trust bonds and scrip to the amount of \$215,154,400. Further bonds of the same series, up to a total of \$222,400,000, may be issued for acquiring the residue of the stock. The bonds are dated and draw interest from July 1st, 1901; they mature July 1st, 1921, but may be redeemed on the first day of any January or July after January 1st, 1906, at 105 per cent with accrued interest; and draw interest at the rate of four (4) per cent per annum, payable January 1st, and July 1st, in each year on coupon bonds, and January 1st, April 1st, July 1st, and October 1st, in each year on registered bonds.

The shares of Chicago, Burlington and Quincy Railroad stock thus acquired have been deposited with the Standard Trust Company of New York, as Trustee, under a collateral trust indenture securing the above bonds, and a contract has been entered into between the Great Northern and the Northern Pacific Companies defining the rights and responsibilities of the Companies growing out of the acquisition of the stock.

As this transaction was not completed until after the close of the fiscal year, neither this Company's interest in the Burlington stock acquired, nor its liability on the joint collateral bonds issued, are taken up in the accounts shown in this report.

The map published herewith shows the relation to each other of the lines of the Great Northern, Northern Pacific, and Burlington Systems.

The Burlington system includes 7,992.60 miles of standard gauge railroad, (on which are 423.15 miles of second track, making 8,415.75 miles of standard gauge single track) and 178.77 miles of narrow gauge railroad. It is located in the States of Illinois, Iowa, Missouri, Nebraska, Kansas, Colorado, Wyoming, South Dakota and Montana, a territory of great extent; rich in

all resources except timber; already well populated and developed and containing many large cities.

The Burlington is favorably located, with ample terminals in the important traffic centers of this territory, including Chicago, St. Louis, Peoria, Kansas City, St. Joseph, Omaha, Denver, St. Paul, Minneapolis, Burlington and Des Moines. The territory served by the Burlington produces most of the machinery and implements used on the farms, in the forests, mines and mills of the tier of states reached by the Great Northern and Northern Pacific. It also produces a large part of the iron and steel products exported to Asia via the Pacific Ocean. Chicago, Kansas City, St. Joseph and Omaha are the largest provision centers in the country. At St. Louis it connects with the chief cotton carrying lines of the south and southwest. On the other hand the Burlington territory takes for fattening the live stock raised on the northern and western farms and ranches. It consumes lumber in all shapes on a large scale.

The timber of Michigan, Wisconsin and Minnesota will soon be gone. The forests of the State of Washington must hereafter, to an increasing extent, supply the demand for lumber in the prairie states of the middle west. Those forests are now the most extensive and most available body of sawing timber standing in the United States. The Great Northern penetrates them in many places and should be in a position to reach a market and secure the haul of the vast tonnage they are capable of affording. The size and value of this traffic will constantly increase.

In addition to outstanding and authorized stock of the Burlington, averaging approximately \$13,139 per mile of track, there are outstanding in the hands of the public, after deducting sinking funds in the Treasury, bonds on the system amounting approximately to \$15,829 per mile, making the capitalization of the System approximately \$28,968 per mile of standard gauge track.

## GENERAL.

Expenditures were made during the year on the capital accounts of Proprietary Companies for work completed or under construction, as follows:

Eastern Railway Company of Minnesota.....	\$2,266,706.87
Montana Central Railway Company.....	424,879.03
Willmar & Sioux Falls Railway Company.....	517,357.33
Duluth, Watertown & Pacific Railway Company.....	1,776.60
Seattle & Montana Railroad Company.....	181,344.38
Duluth Terminal Railway Company.....(Credit)....	3,000.69
Park Rapids & Leech Lake Railway Company.....	14,924.77
Minneapolis Union Railway Company.....(Credit)....	2,331.12
Total.....	<u>\$3,401,657.17</u>

The entire balance of Income Account for the year, amounting, as per table on page 30 to \$1,689,064.28, has been transferred to "Fund for Permanent Improvements and Renewals;" and there has been charged against that fund \$1,898,878.53, the cost of improvements (other than those charged to operation) made during the year to the property leased from the St. Paul, Minneapolis & Manitoba Railway Company.

## NEW LINES.

Of the new lines referred to in last year's report as being built by the St. Paul, Minneapolis & Manitoba Railway Company, the following were completed and opened for traffic.

August 1st, 1900: Extension of Lake Minnetonka Line from Spring Park to St. Bonifacius, Minn., 8.22 miles.

October 7th, 1900: Line through Everett, Washington, 3.63 miles.

December 20, 1900: Line through Cascade Tunnel, including approaches 3.52 miles.

June 14, 1901: Line through Spokane, Washington, 5.09 miles of main track and 1.19 miles of second track.

The completion of these lines permitted the abandonment and removal of:

Line from Hopkins to St. Bonifacius, Minn., 19.66 miles, and Switch-back over Cascade Mountains, 12.66 miles. Also the surrender of trackage rights over 4.80 miles of track in Spokane, Washington and 5.25 miles between Lowell and Everett, Washington, belonging to other Companies,

The line of the Eastern Railway Company of Minnesota from Stony Brook north, also mentioned last year, is 46.49 miles in length, and was opened for traffic August 1st, 1901.

The Dakota and Great Northern Railway Company is now building a line extending about thirty miles northerly from Lakota, North Dakota, and a line extending from Bottineau, North Dakota, about twelve miles northwest. It is expected that these two lines will be completed in time to move this year's crop.

The Montana and Great Northern Railway Company is building from Jennings, Montana, northerly along the Kootenay River, about fifty-one miles, to the International Boundary, where it will connect with a line being built by the Crow's Nest Southern Railway Company to the coal fields of the Crow's Nest Pass Coal Company, at Fernie, B. C. The length of the lines from Jennings to Fernie, including spurs, will be about one hundred miles.

Crow's Nest Pass coal and coke are of a superior quality. The Coal Company's plant is being enlarged and the output increased. In addition to furnishing coal for Company use and for commercial and domestic purposes in the northwest, these mines are expected to supply the smelters at Great Falls, Butte, Anaconda, Northport and Everett, and will furnish a heavy and profitable traffic.

Since the close of the fiscal year the Montana and Great Northern Railway Company has purchased the line of the Great Falls and Canada Railway, extending from Great Falls, Mont., to Sweet Grass on the International Boundary, 134.37 miles. This line is now narrow-gauge, and, until widened to standard-gauge during the current fiscal year, it will be operated by the Great Falls and Canada Railway Company. The map published herewith shows the material reduction in length of haul on shipments between points west of Shelby Junction and south of Great Falls, resulting from the acquisition of this line.

As a portion of a projected extension, the Montana and Great Northern Railway Company has built 10.32 miles of line from Kalispell, Mont., south to Flathead Lake.

The Washington and Great Northern Railway Company in the State of Washington, and the Vancouver, Victoria and Eastern Railway and Navigation Company, Limited, in British Columbia, are now building lines of railway that will form a through line from Marcus, Washington, on the Spokane Falls and Northern Railway, to Republic, Washington, via Kettle River and Cascade, B. C., a total distance, including branches, of about 108 miles. This line will afford transportation to several large, rich, and already well developed mining camps, and its opening for traffic will be followed by the development of many properties that have been waiting for rail transportation. It is expected that this line will add largely to the Company's traffic and revenue.

The line of the Seattle and Northern Railway Company extends from Anacortes to Rockport, Washington, 57.4 miles, crossing this Company's existing lines at Burlington, Washington. This line runs through a heavily timbered country and will develop a large lumber and coal traffic.

The properties owned by the Kootenay Railway and Navigation Company, Limited, are:—

The Kootenai Valley Railway, in the State of Idaho, and the Bedlington and Nelson Railway, in British Columbia, together forming a line of standard-gauge railway from Bonner's Ferry, Idaho, to Kuskonook, British Columbia, 41.25 miles, with track-age rights over 8.70 miles of track of another Company;

The International Navigation and Trading Company, Limited, operating steamers on Kootenay and Duncan Lakes and the Duncan River; and

The Kaslo and Slocan Railway, owning and operating a line of narrow-gauge railway from Kaslo to Cody and Sandon, British Columbia, 31.80 miles.

All of the above lines are shown on the map published herewith.

Good progress has been made during the year on the two steamships, referred to on page 28 of last year's Report, being built for the Great Northern Steamship Company by the Eastern Shipbuilding Company, at New London, Conn.

## REVISION OF LINES.

Reference was made on page 24 of last year's Report to the revision of lines for the purpose of reducing grades and curvature.

Changes of this character completed during the year were:—

Between the summit of the Rocky Mountains and Havre, Mont., 41.73 miles of new in place of 42.88 miles of old line, reducing maximum grade from one per cent to eight-tenths of one per cent, and materially reducing curvature. This mileage includes the 9.12 miles at Durham and Midvale mentioned last year as under construction.

Between Teton and Tunis, Montana, 16.65 miles of new in place of 13.04 miles of old line, reducing grades from two and two-tenths per cent to six-tenths of one per cent, besides reducing curvature.

At Sydney, Montana, 2.05 miles of new in place of an equal length of old line, reducing grades from one per cent to six-tenths of one per cent, and reducing curvature.

Between Wickes Tunnel and Boulder, Montana, on the Montana Central Railway, 9.04 miles of new in place of 9.29 miles of old line, reducing grade from two and two-tenths per cent to one per cent.

The work on these three lines was referred to last year, and has been very heavy.

In addition, the alignment has been changed along the Wenatchee River, 2.26 miles of new being built in place of 2.39 miles of old line. In connection with this work steel bridges have been erected over the three crossings of the Wenatchee River.

The grades between Galena and Espanola, Wash., on the Cascade Division have been reduced from one per cent to eight-tenths of one per cent.

The work of changing the line between Huntley Coulee and Great Falls, Mont., 22.62 miles, referred to last year, has been

continued, and, it is expected, will be completed by November 1st, 1901. On this line steel bridges are being erected over the north fork of Portage Coulee and over the Missouri River near Great Falls.

Work is now in progress improving the alignment on the Cascade Division by building 2.89 miles of new line between Harrington and Moscow and 1.42 miles of new line between Moscow and Edwall, Wash.

A new line is being built from Belleville to Fairhaven, Wash., on the Seattle and Montana Railroad, 18.90 miles, reducing the maximum grade from two and one-half per cent to one-half of one per cent.

#### EQUIPMENT.

The following equipment has been sold or taken out of service during the year :

- 11 light Great Northern Railway locomotives.
- 2 light locomotives acquired by the Eastern Railway in 1898, in purchase of Duluth, Superior and Western Railway.
- 42 small flat cars taken over with the Sioux City and Western Railway, January 1st, 1900, and
- 1 small steam shovel acquired by the Eastern Railway in 1899, in purchase of Duluth, Mississippi River and Northern Railroad.

The Report for last year stated that, of the equipment previously ordered, 26 locomotives, 1 official car, and 1,250 freight service cars had not been received and taken into account at the end of that year.

During the present year orders were placed for 60 locomotives and 62 passenger service cars, of which none had been received and taken into account at the end of the year, and 2,300 freight service cars.

Of the total new equipment undelivered at the close of last year and ordered this year, the following had been received and taken into account at the close of this year:

- 23 twelve-wheel freight engines, 19'' x 32'' cylinders, weighing 148,000 pounds on drivers.
- 2 six-wheel switch engines, 19'' x 28'' cylinders, weighing 137,000 pounds on drivers.
- 1 six-wheel switch engine, 19'' x 28'' cylinders, weighing 137,000 pounds on drivers.
- 1 business car.
- 300 thirty-six feet 60,000 pounds capacity box cars, for the Willmar and Sioux Falls Railway.
- 200 forty-feet 100,000 pounds capacity gondola cars.
- 100 forty-feet 100,000 pounds capacity sand cars.
- 200 forty-feet 80,000 pounds capacity flat cars.
- 400 thirty-six feet 100,000 pounds capacity wooden ore cars.
- 250 twenty-two feet 100,000 pounds capacity hopper bottom steel cars.
- 100 thirty-one feet 100,000 pounds capacity hopper bottom steel ore cars.

The above freight service equipment is all equipped with air brakes and automatic couplers.

The remaining 2,000 freight service cars are now being delivered.

There were also purchased during the year:

- 2 sample box cars,
- 1 sample ore car, and
- 1 wrecking car.

There were built at the Company's shops for additional equipment:

- 37 four-wheel caboose cars, and
- 8 cars for Lidgerwood unloaders.

There was expended during the year for equipment \$1,720,570.55, of which amount \$1,460,301.62 was charged to "Equipment Account."

As equipment is destroyed or taken out of service Operating Expense is charged and "Fund for Replacement of Equipment" is credited with the cost of replacing same. When equipment for replacements is purchased the cost of same is charged to the account last mentioned.

### ADDITIONS AND IMPROVEMENTS.

Interlocking plants have been put in at Manley, Minnesota, and Sioux Falls, South Dakota.

Pneumatic crossing gates have been placed at Monroe Street and Twenty-fifth Avenue S. E., Minneapolis.

The terminal of the Montana and Kalispell Divisions has been changed from Blackfoot to Cut Bank, Montana, and there have been built at the latter point, in addition to an adequate yard, a 15-stall brick roundhouse with heating and steam plant, boiler house 30'x33', machine shop 25'x44', 66' steel turntable, 70' cinder pit, 20-pocket coaling station, permanent water supply plant and a frame boarding house 35'x87' to accommodate the company's employes.

The yard at Willmar, Minn., has been revised and enlarged and the following new buildings erected: 26-stall brick roundhouse with boiler house, heating and steam plant, machine shop, 66' steel turntable, 70' cinder pit, brick storehouse 30'x40', brick oil house 24'x26', 20-pocket coaling station and improved water supply plant. A new ice house, 26'x150' has been built to accommodate the increasing traffic.

The work of building a new yard at Havre, Montana, and of erecting standard shops and buildings for a division point, in place of the present buildings, which have been outgrown, is now in progress.

A new yard is being built at Everett, Washington; also a line between Lowell and a point of connection with the Coast Line, above Everett, including steel over-head bridges and draw bridge over Snohomish River, brick roundhouse, boiler house, machine shop with full equipment, coaling station, etc., etc.

The yard at Sioux City, Iowa, has been increased by four tracks and by a connection with the Chicago, Milwaukee and St. Paul Railway.

Three additional tracks have been laid in the yard at East Spokane, Washington.

The double track on the Eastern Railway of Minnesota has been extended 1.09 miles between Boylston, Minn., and State Line and 3.38 miles between Cloquet and Carlton, Minn.

The change of line through Cloquet, Minn., including double track and yard, is practically completed.

The laying of additional passing tracks 3,000' long and the extension of old tracks to that standard length, have been continued during the year, and in addition many house tracks and tracks for local industries have been laid. The net increase in side track mileage during the year, including these tracks and such tracks in the new yards previously mentioned as were laid June 30th, is as follows:

Line leased from St. Paul, Minneapolis and Manitoba Railway Co.....	49.44 miles
Line leased from Park Rapids and Leech Lake Railway Co..	.30 "
Seattle and Montana Railroad.....	3.60 "
Eastern Railway of Minnesota.....	8.28 "
Duluth Terminal Railway.....	.01 "
Montana Central Railway.....	.86 "
Willmar & Sioux Falls Railway.....	2.53 "
Spokane Falls and Northern Railway System.....	1.38 "
Total.....	<u>66.40 miles</u>

During the year 67.13 miles of main line tracks have been relaid with 80-pound rail and 68.35 miles with 68-pound in place of lighter rails taken out and used in the construction of passing, yard and other tracks.

Between Williston and Glasgow, Montana, 150 miles of 77½-pound rail are being laid in place of 60-pound rail.

On all new tracks built and tracks relaid, tie-plates are being used, they are also being regularly put in all main tracks. During the year 1,825,442 of them were placed, making the number now in track 4,479,442.

A permanent lining of the Wickes Tunnel, on the Montana Central Railway, is being completed.

A tie treating plant has been built at Flathead Lake, about ten and one-half miles south of Kalispell, Montana, for the purpose of preserving ties by the Wellhouse modification of the ordinary Burnettizing process. When fully in operation it is expected this plant will treat 4,000 ties per day. This process increases the life of ties and the use of treated ties will materially reduce the annual charges for tie renewals.

A brick addition 75'x200' has been made to the coach paint shop at St. Paul, Minnesota.

A brick freight house 50' x 60' has been built at Spokane, Washington, and is being used by both the Great Northern and Spokane Falls and Northern Railways. A brick passenger station at this place is under construction, to be completed December 31st, 1901. A brick freight house has been built at Everett, Washington.

On account of change of line between Teton and Tunis, the station at Benton, Montana, has been relocated and a new depot, freight shed, wool warehouse, and two section houses have been built.

New depots have been built at the following stations:

New Germany, Minn.	Baker, Minn.	Maza, Nor. Dak.
Spring Park, Minn.	Wolverton, Minn.	Penn, Nor. Dak.
St. Bonifacius, Minn.	McLeap, Neb.	Chester, Mont.
Kandiyohi, Minn.	Rauville, So. Dak.	Browning, Mont.
Ihlen, Minn.	Cavalier, Nor. Dak.	Newport, Wash.
Donnelly, Minn.	Barton, Nor. Dak.	Odessa, Wash.
Halloway, Minn.	Edinburgh, Nor. Dak.	Old Mission, Wash.
Borup, Minn.	Granville, Nor. Dak.	

Numerous other depots have been altered and enlarged.

Freight sheds were built at Nevis, Minn., and Wenatchee, Wash.

Section houses have been built at the following stations:

Spring Park, Minn.	Coram, Mont.	Mt. Vernon, Wash.
Cascade, Mont.	Kalispell, Mont.	Richmond Beach, Wash.
Craig, Mont.	Libby Creek, Mont.	Snohomish, Wash.
Dearborn, Mont.	Troy, Mont.	Sultan, Wash.
Hardy, Mont.	East Spokane, Wash.	Stanwood, Wash.
Mitchell, Mont.	Edmonds, Wash.	Silvana, Wash.
Silver, Mont.	Harrington, Wash.	Trinidad, Wash.
Ulm, Mont.	Mukilteo, Wash.	Wenatchee, Wash.
Wolf Creek, Mont.	Leavenworth, Wash.	
Blackfoot, Mont.	Marysville, Wash.	

Stock yards have been built at:

Leaf River, Minn.	Cambridge, Minn.	Reynolds, No. Dak.
Morris, Minn.	Bancroft, So. Dak.	Cando, No. Dak.
Bethel, Minn.	Vienna, So. Dak.	Galata, Mont.

The stock yards at Doon, Iowa, Hinsdale, Mont., Wenatchee, Wash., and Wilson Creek, Wash., have been enlarged by building additional pens. Six yards have been furnished with stock scales and four with water plants.

Two additions, 291' x 300' and 233' x 300' and a hay barn 50' x 80' have been added to the feeding yards at Minot, Nor. Dak. Other stock yards have been remodeled and improved.

Additional coaling stations equipped with lifting engines and the necessary tracks have been built, one at Chester, Mont., ten pockets, and one at Trinidad, Wash., twelve pockets. At St. Cloud, Minn., a coaling station has been built in place of one burned.

Permanent improvements in the water supply are being continued, numerous plants, both additional and replacing others, having been built.

Many loading platforms have been built during the year.

Right of way fence has been built during the year as follows:

Great Northern Railway.....	144.90 miles
Eastern Railway of Minnesota .....	1.39 "
Montana Central Railway.....	.34 "
Willmar & Sioux Falls Railway.....	7.26 "
Total.....	<u>153.89 miles</u>

and 4.69 miles of permanent snow fence between Havre, Mont., and Cut Bank, Mont.

Banks have been widened and raised on 235.30 miles of track; banks widened and tracks ballasted with gravel on 41.22 miles, and track ballasted with gravel on 378.85 miles. Widening and raising embankments is now in progress between Swan River and Deer River, Minn., on the Eastern Railway, and ballasting on the Breckenridge, Northern and Dakota Divisions and on the Montana and Kalispell Divisions east and west of Cut Bank, Mont.

The replacement of bridges and trestles with steel, or filling them so as to make solid embankments, has been actively followed during the year, the record being:

Length of bridges built:

Great Northern Railway (on old lines).....	5,030 feet
Montana Central Railway.....	106 "
Total (Carried forward).....	<u>5,136 feet</u>

Brought forward.....	5,136 feet
In addition, steel railway bridges were built on new line through Spokane, in approaches to Cascade Tunnel and on new line between Teton and Tunis.	3,885 "
and steel street bridges in Spokane.....	823 "
Total length of steel bridges built.....	<u>9,844 feet</u>

## Lineal feet of bridges filled:

Great Northern Railway.....	11,980 feet
Seattle and Montana Railroad .....	1,587 "
Eastern Railway of Minnesota.....	700 "
Montana Central Railway .....	450 "
Willmar & Sioux Falls Railway.....	5,406 "
Duluth, Watertown and Pacific Railway.....	178 "
Total .....	<u>20,301 feet</u>

To provide the necessary waterways in place of bridges filled as above, 71 stone culverts, 7 brick arch culverts, 47 pipe culverts and 8 box culverts were put in.

The wooden bridging on the line was still further reduced during the year by removal or relocation of lines as follows:

## Great Northern Railway:

Changes of line at Durham, Midvale and between Teton and Tunis .....	1,336 feet
Removal of switchback over Cascade Mountains.	5,672 "

## Eastern Railway of Minnesota:

Removal of additional track between Brace Junction and Cloquet.....	3,351 "
Total.....	<u>10,359 feet</u>

The following is a close approximation of the quantities of material moved during the year in changes of line, reduction of grades, widening and raising banks, bridge filling and ballasting:

In change of line and reduction of grades..	1,588,550 cu. yds.
In widening and raising embankments, and □generally restoring banks.....	759,762 " "
For filling bridges .....	1,082,192 " "
For ballasting (gravel).....	1,051,994 " "
For new lines through Cloquet, Spokane, Cascade Tunnel and Everett.....	836,820 " "
Total . . . . .	<u>5,319,318 cu. yds.</u>

There were also placed:—

Masonry.....	25,531 cu. yds.
Concrete .....	21,595 “
Riprap .....	66,305 “
Total .....	<u>113,431 cu. yds.</u>

Following the plan of previous years, only such amounts as represented cost of actual additions to the property have been charged to “Additions and Improvements,” and the entire amount charged to that account during the year on account of the line leased from the St. Paul, Minneapolis and Manitoba Railway Company, or \$1,898,878.53, has been transferred to “Fund for Permanent Improvements and Renewals,” so that the Great Northern Railway Company is not carrying on its books, as an asset, the cost of any additions and improvements.

All replacements, renewals, etc., have been charged to Operating Expenses. The amount included in “Maintenance of Road and Structures” this year, for extraordinary improvements, etc., is \$1,236,204.75.

The permanent improvement of the property has been continued to a greater extent than ever before, and the track is constantly being made better. The equipment and facilities for handling the Company's traffic have been largely improved and increased.

#### VOLUME OF TRAFFIC AND RATES.

On account of the crop failure last fall, the Company hauled during the year 31,863,372 bushels less wheat and flax than during the previous year, and its earnings from these two commodities were reduced by \$2,897,747.25. As the farmers received less money from their crops, their purchases were reduced and there was a falling off in receipts from westbound merchandise, etc., on the eastern section of the line; how much cannot be accurately measured.

The earnings from the iron ore traffic of the Eastern Railway of Minnesota increased \$136,651.75. The freight earnings of the system decreased but \$909,365.98. There was, therefore, an increase in earnings from traffic other than wheat, flax and iron ore, of \$1,851,729.52. By far the larger part of this increase came from business to and from the Pacific Coast. The revenue ton mileage of that portion of the system east of Minot, N. D., decreased 142,233,003 ton miles, while that of the system west of Minot increased by 119,191,316 ton miles.

The average receipts per ton per mile were reduced  $\frac{2.88}{100}$  of a cent, or 3.1146 per cent. On the ton mileage hauled during the year this reduction amounted to about \$695,000.

While the ton mileage of revenue freight was reduced less than one per cent, the mileage of loaded freight cars was reduced 1.1065 per cent, of empty freight cars, 12.1430 per cent, and mileage of freight trains 7.2899 per cent, resulting in an increase of 24.514 tons (6.8709 per cent) in the average number of revenue tons per freight train mile, making the average train load of revenue freight 381.294 tons.

The earnings of passenger trains increased \$304,434.96, or over five per cent, of which \$257,241.58 came from passenger fares, \$21,925.24 from sleeping cars, \$15,647.71 from transportation of mails, \$6,561.78 from transportation of express, and the balance from miscellaneous sources. The average earnings per passenger per mile decreased 3.7 per cent and are now 2.29 cents. Effective July 1st, 1900, the local rates in Washington and Idaho were reduced to three cents per mile.

It is gratifying to note that the immigration referred to in the last Report has continued with increasing volume. Never in the history of the Company has there been so great a movement of settlers upon its lines as during the past year. The settlement has not been confined to any particular locality, but has been general. The larger part of the immigration comes from the middle west and is of a character which will rapidly develop the new country in which it has located.

The Company's policy of making low rates to its western territory has enabled settlers to avail themselves of the cheap

lands of the west. This increase in the settlement of the lands lying along its line is evidenced by the increased volume of the Company's general traffic. If the United States Government would undertake an intelligent and comprehensive plan of irrigation for the purpose of reclaiming the semi-arid lands of the west, their immediate settlement would follow. The public domain is in charge of the Government, whose duty it is to put it in condition for use. It belongs to the people.

The Board respectfully call the attention of the shareholders to the Report of the Comptroller, with the customary balance sheet and statistical tables, and to the Report of the Land Commissioner.

JAMES J. HILL,  
*President.*

## COMPTROLLER'S REPORT.

*MR. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ended June 30th, 1901.

These statements are made in the same form and on the same basis as those submitted with last year's report.

The statements on the pages next following, 26 and 27, show the Earnings, Operating Expenses, Taxes, etc., of the Railway SYSTEM exclusive of the Spokane Falls & Northern Railway System, which is operated separately. The statement on page 28 shows the division of those amounts between the several railways, and includes as a separate item the same information for the Spokane Falls & Northern Railway System. On pages 29 and 30 are given the Revenue and Income Accounts of the Great Northern Railway COMPANY.

The change in "1900" figures for "Tons of Freight Carried" and "Passengers Carried," as shown on pages 32 and 33, is fully explained in note at foot of page 33.

The balance sheet on page 35, like the one published last year, presents a complete statement of the property, capitalization and finances of what is known as the Great Northern Railway Line. The finances, etc., of the Spokane Falls & Northern System and of the Northern Steamship Company are not included, those properties being operated and their finances kept separate and distinct from those of the balance of the system.

R. I. FARRINGTON,  
*Comptroller.*

GROSS EARNINGS, OPERATING EXPENSES, TAXES, AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDED JUNE 30th, 1901, COMPARED WITH THE PREVIOUS FISCAL YEAR.

NOTE: These figures do NOT include the Spokane Falls & Northern Railway System.

## GROSS EARNINGS.

PER CENT	1901	CLASS	1900	PER CENT
76.2721	\$21,623,653.95	..... Freight .....	\$22,533,019.93	77.9398
17.3164	4,909,332.74	..... Passenger.....	4,652,091.16	16.0912
2.7906	791,144.86	..... Mail.....	775,497.15	2.6824
1.0912	309,369.60	..... Express.....	302,807.82	1.0474
2.5297	717,188.60	... Miscellaneous ...	647,373.20	2.2392
	\$28,350,689.75	..... Total.....	\$28,910,789.26	

## OPERATING EXPENSES.

PER CENT	1901	GENERAL ACCOUNTS	1900	PER CENT
48.9246	\$7,751,339.13	Conducting Transportation	\$7,122,817.04	47.8762
14.8599	2,354,311.46	Maintenance of Equipment	2,114,408.41	14.2120
27.7854	4,402,157.25	{ Maintenance of Road and Structures }	4,330,359.09	29.1066
8.4301	1,335,613.22	..... General Expenses .....	1,309,993.38	8.8052
	\$15,843,421.06	..... Total.....	\$14,877,577.92	

## SUMMARY OF EARNINGS AND EXPENSES.

1901		1900
\$28,350,689.75	..... Gross Earnings.....	\$28,910,789.26
15,843,421.06	..... Operating Expenses.....	14,877,577.92
\$12,507,268.69	..... Net Earnings.....	\$14,033,211.34
969,642.31	..... Taxes.....	990,798.26
\$11,537,626.38	..... Income from Operation.....	\$13,042,413.08
55.88	Operating Expenses, per cent of Gross ..... Earnings.....	51.46
59.30	Operating Expenses and Taxes, per cent ..... of Gross Earnings.....	54.89
\$5,449.64	.. Gross Traffic Earnings per Mile of Road..	\$5,695.74
3,045.46	... Operating Expenses per Mile of Road...	2,931.04
\$2,404.18	..... Net Earnings per Mile of Road.....	\$2,764.70
5,202.31	.. Average Miles of Road under Operation..	5,075.86

STATEMENT SHOWING THE REVENUES FOR THE YEAR ENDED JUNE 30th, 1901, OF THE GREAT NORTHERN RAILWAY AND ALL PROPRIETARY COMPANIES.

COMPANIES	GROSS EARNINGS	OPERATING EXPENSES	TAXES	INCOME FROM OPERATION	MISCELLANEOUS INCOME RECEIVED	TOTAL
Great Northern Railway.....	\$20,881,051.48	\$12,108,068.08	\$745,224.19	\$8,028,970.61	\$1,155,501.13	\$9,184,471.74
RAILWAYS:						
Eastern Ry. of Minnesota.....	8,735,019.08	1,571,470.08	122,787.87	2,040,762.93	990,457.63	2,481,219.98
Illiana Central Ry.....	2,106,550.82	1,180,211.41	53,937.45	982,401.44	28,270.77	1,010,671.92
William and Sioux Falls Ry.....	1,481,588.97	688,542.80	62,132.82	480,911.73	6,400.50	487,312.23
Duluth, Watertown and Pacific Ry.....	56,461.80	44,240.50	5,500.48	6,680.82	208.50	6,889.32
Total Railway System Proper.....	\$28,350,689.75	\$15,818,421.06	\$689,642.81	\$11,537,626.38	\$1,583,027.83	\$13,120,653.71
OTHER COMPANIES:						
Spokane Falls and Northern Ry. System.....	855,900.26	547,107.62	26,080.86	282,731.78	27,081.00	309,738.68
Minneapolis Union Ry.....	227,001.70	54,908.10	937.17	171,758.48	9,073.88	181,730.81
Minneapolis Western Ry.....	57,214.00	82,043.57	1,188.63	34,010.80	12.75	34,023.55
Duluth Terminal Ry.....	39,470.75	25,974.75	.....	14,500.00	.....	14,500.00
Northern Steamship Co.*.....	1,034,110.50	795,881.29	.....	238,279.21	.....	238,279.21
Total for System.....	\$30,564,389.96	\$17,298,683.89	\$697,798.97	\$12,267,904.60	\$1,619,775.96	\$13,887,679.96

\*For year ended December 31st., 1900.

EXPLANATORY NOTE.

DIVIDENDS:—Out of the net income of the Companies named the following dividends have been declared:

Eastern Railway Company of Minnesota.....	\$1,920,000.00
Montana Central Railway Company.....	500,000.00
William and Sioux Falls Railway Company.....	350,000.00
Spokane Falls & Northern Railway System.....	18,508.06
Iowa, Minnesota & Northern Railway Co.....	28,120.00
Iowa, Minnesota & Northern Railway Co.....	25,000.00
Northern Steamship Company.....	240,000.00
Total.....	\$3,091,628.00

which amount is not included in the "Miscellaneous Income" of the Great Northern Railway as given by the above table, but is added to the "Miscellaneous Income" in the Income Account on page 30.  
 DULUTH TERMINAL RY. CO.: This company is the owner of the railway used by the Eastern Railway of Minnesota, to secure entrance into Duluth and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Railway. Under the franchise of the Duluth Terminal Railway its earnings derived from trackage are limited to six per cent on its stock and bonds; the interest and dividend paid, amounting to \$13,500, are not included in the "Miscellaneous Income" of the Eastern Railway as above shown.

## REVENUE ACCOUNT.

## GREAT NORTHERN RAILWAY COMPANY.

EARNINGS FROM OPERATION OF ST. P., M. & M. RY.'S LEASED LINES AND LINE  
OF SEATTLE & MONTANA RAILROAD COMPANY.

YEAR ENDED JUNE 30th, 1901.

## EARNINGS:

Freight.....	\$15,367,999.28	
Passenger.....	3,943,926.90	
Mail.....	694,658.50	
Express.....	261,088.69	
Miscellaneous.....	613,378.11	
	<hr/>	
Gross Earnings.....		\$20,881,051.48

## OPERATING EXPENSES:

Conducting Transportation.....	\$5,820,792.72
Maintenance of Equipment.....	1,800,215.26
Maintenance of Road and Structures.....	3,457,416.18
General Expenses.....	1,030,532.52

Total Operating Expenses.....\$12,108,956.68

TAXES.....745,224.19 12,854,180.87

Income from Operation.....\$8,026,870.61

From which have been paid:

## RENTALS:

To St. P., M. &amp; M. Ry. Co.:

Guaranteed Interest on St. P., M. & M. Ry. Co.'s Bonds, Paid and Accrued....	\$3,456,805.68
(For Details see page 34.)	
Guaranteed Dividends of 6 per cent on Capital Stock of St. P., M. & M. Ry. Co..	1,200,000.00
Maintenance of Organization of St. P., M. & M. Ry. Co. ....	6,798.12
Other Rentals.....	196,309.09

Total Rentals.....\$4,859,912.89

From which deduct amount received by Great  
Northern Ry. Co., as dividends paid and ac-  
crued on Stock of St. P., M. & M. Ry. Co.,  
obtained by it in exchange for Stock of Great  
Northern Ry. Co.....1,172,256.50

Net Charges.....3,687,656.39

Balance transferred to Income Account...\$4,339,214.22

INCOME ACCOUNT.  
 GREAT NORTHERN RAILWAY COMPANY.  
 YEAR ENDED JUNE 30th, 1901.

Balance transferred from Revenue Account.....		\$4,339,214.22
<b>OTHER INCOME:</b>		
Interest on Bonds Owned.....	\$395,548.37	
Dividends on Stocks Owned.....	3,126,503.75	
Rental of Lines Leased.....	172,752.38	
Bills Receivable (Land Notes).....	2,014.57	
Rental of Equipment and Car Service.....	100,741.01	
Profit on Securities sold during year.....	337,554.33	
Income from Other Sources—ground rents, miscellaneous items, etc.....	112,104.72	4,247,219.13
Total Income.....		\$8,586,433.35
<b>From which have been paid Dividends as follows:</b>		
August 1, 1900, 1¾ per cent on \$98,413,500...	\$1,722,236.25	
November 1, 1900, 1¾ per cent on \$98,417,250.	1,722,301.88	
February 1, 1901, 1¾ per cent on \$98,621,750..	1,725,880.63	
May 1, 1901, 1¾ per cent on \$98,682,875.....	1,726,950.31	6,897,369.07
Balance.....		\$1,689,064.28

## DETAILS OF OTHER INCOME.

## INTEREST OF BONDS OWNED:

Town of Wadena Bonds.....	\$300.00	
Town of Sandness Bonds.....	120.00	
Town of Leaf River Bonds.....	120.00	
Town of Hutchinson Bonds.....	330.00	
Town of Minnesota Falls Bonds.....	120.00	
Montana Central Ry. Co. Bonds....	80,000.00	
Willmar & Sioux Falls Ry. Co. Bonds.....	1,050.00	
Minnesota Transfer Ry. Co. Bonds.....	235.87	
Butte, Anaconda & Pacific Ry. Co. Bonds....	50,000.00	
Spokane Falls & Northern Ry. Co. Bonds....	154,800.00	
Nelson & Ft. Sheppard Ry. Co. Bonds.....	77,992.50	
Columbia & Red Mountain Ry. Co. Bonds....	17,460.00	
Red Mountain Ry. Co. Bonds.....	13,020.00	
Total.....		\$395,548.37

## DIVIDENDS ON STOCKS OWNED:

Northern Steamship Co. Stock.....	\$240,000.00	
Great Northern Ry. Co. Stock.....	2,850.75	
St. Paul Union Depot Co. Stock.....	2,625.00	
Montana Central Ry. Co. Stock.....	500,000.00	
Minneapolis Union Ry. Co. Stock.....	25,000.00	
Eastern Ry. Co. of Minnesota Stock.....	1,920,000.00	
Willmar & Sioux Falls Ry. Co. Stock.....	350,000.00	
Red Mountain Ry. Co. Stock.....	38,120.00	
Columbia & Red Mountain Ry. Co. Stock....	18,508.00	
Butte, Anaconda & Pacific Ry. Co. Stock.....	29,400.00	
Total.....		\$3,126,503.75

**STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM**  
 (But NOT including Spokane Falls & Northern Railway System)  
**FOR THE YEAR ENDED JUNE 30th, 1901, COMPARED WITH THE PREVIOUS YEAR**

DESCRIPTION	1901	1900	DECREASE	
			Amount	Per Cent
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	5,627,097	6,092,623	464,926	7.6810
Mileage of Mixed Trains.....	881,061	927,924	46,863	5.0608
<b>Total</b> .....	<b>6,508,758</b>	<b>7,020,547</b>	<b>511,789</b>	<b>7.2890</b>
Mileage of Locomotives employed in "helping" Freight and Mixed Trains.....	904,381	268,452	<i>Increase.</i> 635,929	<i>Increase.</i> 13.3651
Percentage of "helping" to Revenue Train Mileage.....	4.6757	3.8238	7.0105	.....
<hr/>				
Mileage of Loaded Freight Cars.....	154,527,689	156,256,050	<i>Decrease.</i> 1,728,361	<i>Decrease.</i> 1.1085
Mileage of Empty Freight Cars.....	44,468,558	50,614,968	6,146,410	12.1490
<b>Total Car Mileage</b> .....	<b>198,996,247</b>	<b>206,871,018</b>	<b>7,874,771</b>	<b>3.8068</b>
<hr/>				
Tons of Freight Carried, Revenue.... Company....	9,925,811 1,592,440	*9,676,771 1,511,268	<i>Increase.</i> 249,040 81,172	<i>Increase.</i> 2.5735 5.3711
<b>Total</b> .....	<b>11,518,251</b>	<b>*11,188,039</b>	<b>330,212</b>	<b>2.9515</b>
<hr/>				
Tons of Revenue Freight Carried One Mile.....	2,481,751,196	2,504,792,882	<i>Decrease.</i> 23,041,687	<i>Decrease.</i> 0.9190
Earnings from Freight Traffic.....	\$21,998,491.48	\$22,880,725.26	\$882,233.88	3.7717
<hr/>				
<b>AVERAGES.</b>				
All Cars Hauled per Freight Train Mile.....	90.57	29.46	<i>Increase.</i> 61.11	<i>Increase.</i> 8.7678
Tons Revenue Freight Hauled per Train.....	881.294	356.780	524.514	6.8709
Total Revenue Freight Hauled per Loaded Car.....	16.060	16.080	.020	0.1871
Earnings per Freight Train Mile....	\$3.88	\$3.26	\$0.62	3.6810
Earnings per Ton per Mile.....	<i>Cents.</i> .871	<i>Cents.</i> .899	<i>Decrease.</i> <i>Cents.</i> .028	<i>Decrease.</i> 3.1146

## STATISTICS OF FREIGHT AND PASSENGER TAFFIC ON SYSTEM

*Continued.*

DESCRIPTION	1901	1900	DECREASE	
			Amount	Per Cent
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	4,284,900	4,010,799	<i>Increase.</i> 274,101	<i>Increase.</i> 6.8841
Mileage of Locomotives Employed in "helping" Passenger Trains.....	52,862	25,417	27,445	107.9789
Percentage of "helping" to Revenue Train Mileage.....	1.2837	.6887	10.0127	.....
Passengers Carried.....	2,717,851	*2,407,811	310,540	12.9909
Passengers Carried One Mile.....	214,892,859	195,585,882	18,807,477	9.6100
Earnings of Passenger Trains.....	\$6,325,873.69	\$6,021,438.78	\$804,434.96	5.0559
<b>AVERAGES.</b>				
Earnings per Passenger Train Mile..	\$1.2245	\$1.2192	\$ .0053	0.4847
Earnings per Passenger per Mile....	<i>Cents.</i> 2.290	<i>Cents.</i> 2.378	<i>Decrease.</i> <i>Cents.</i> 0.088	<i>Decrease.</i> 8.7006
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	10,798,658	11,031,346	237,688	2.1547
Earnings from Freight and Passen- ger Trains.....	\$28,324,865.12	\$28,882,168.99	\$557,798.87	1.9613
Earnings per Train per Mile.....	2.63	2.62	<i>Increase.</i> .01	<i>Increase.</i> 0.3817
Expenses per Train per Mile.....	1.47	1.85	.12	8.8889
Net Traffic Earnings per Train per Mile.....	1.16	1.27	<i>Decrease.</i> .11	<i>Decrease.</i> 8.6614

NOTE:—The Train, Locomotive and Car Mileage figures given above have been compiled and all computations based upon them made in accordance with the rules of the Interstate Commerce Commission.

\*Separate statistics are prepared for each of the railways forming the system. The "Tons of Freight Carried" and "Passengers Carried," as shown in previous reports, have been arrived at by adding together those figures for each of the roads in the system, thus causing a duplication when a shipment or passenger traveled over two or more of the roads. To avoid this duplication, system statistics have been prepared this year, and last year's figures revised, the corrected figures being given above.

STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE  
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTH-  
ERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR  
UNDER GUARANTEE.

Outstanding July 1, 1900	BONDS.	Outstanding July 1, 1901	Annual Charges Paid 1900-1901
\$8,000,000.00	St. P., M. & M. Ry.:		
5,876,000.00	Second Mortgage, 6 per cent .....	\$7,800,000.00	\$477,900.00
13,944,000.00	Dakota Extension, 6 per cent.....	5,625,000.00	940,050.00
21,159,000.00	Consolidated Mortgage, 6 per cent...	13,944,000.00	900,640.00
7,907,000.00	Consolidated Mortgage, 4½ per cent.	20,756,000.00	940,117.50
14,545,454.54	Montana Extension, 4 per cent.....	7,907,000.00	\$16,280.00
	Pacific Extension, 4 per cent.....	* 14,545,454.54	581,818.18
	Total shown on page 29 .....		\$3,456,905.68
	EASTERN RY. OF MINNESOTA:		
4,700,000.00	First Division, First Mt'ge, 5 per cent	4,700,000.00	\$285,000.00
5,000,000.00	Northern Div., First Mt'ge, 4 per cent	5,000,000.00	200,000.00
	MONTANA CENTRAL RY.:		
6,000,000.00	First Mortgage, 6 per cent.....	6,000,000.00	360,000.00
3,300,000.00	First Mortgage, 5 per cent.....	4,000,000.00	200,000.00
	WILLMAR & SIOUX FALLS RY.:		
3,646,000.00	First Mortgage, 5 per cent.....	3,646,000.00	182,300.00
	MINNEAPOLIS UNION RY.:		
2,150,000.00	First Mortgage, 6 per cent.....	2,150,000.00	129,000.00
650,000.00	First Mortgage, 5 per cent.....	650,000.00	32,500.00
	MINNEAPOLIS WESTERN RY.:		
500,000.00	First Mortgage, 5 per cent.....	500,000.00	25,000.00
\$96,577,454.54	..... Total Bonds .....	\$96,683,454.54	\$4,820,605.68
	STOCK:		
\$409,200.00	St. P., M. & M. Ry.—6 per cent. guaran- teed, unexchanged.....	\$454,600.00	† Net \$27,743.50
\$97,046,654.54	..... Total .....	\$97,138,054.54	\$4,848,349.18
\$98,413,500.00	Great Northern Railway Company, out- standing .....	\$98,711,750.00	\$6,867,369.07

Bonds outstanding, as above .....	\$96,683,454.54
Outstanding Capital Stock of Great Northern and St. P., M. & M. Ry. Companies.....	99,166,350.00
Total Capitalization of System.....	\$195,849,804.54

Mileage of Track in System, including second, third, fourth, fifth and sixth tracks, covered by above capitalization, as shown on page 98....	5,529.02
Stocks and Bonds per mile of Main Track.....	\$35,422.15
Mileage of Main Tracks covered by bonds in hands of public.....	4,740.40
Bonded Debt Outstanding per mile of Main Track covered thereby .....	\$20,386.63

\* Not including \$3,000,000 St. P., M. & M. Ry. Co.'s Pacific Extension Bonds in Treasury of Great Northern Railway Company.

† Difference between amount of rental accrued under lease and dividends received or accrued on St. P., M. & M. Ry. Stock owned by Great Northern Railway Company.

Of the bonds above listed, there are held as free assets in the Great Northern Ry. Co.'s treasury:

\$1,300,000 Montana Central Ry. Co.'s First Mortgage Bonds, and  
21,000 Willmar & Sioux Falls Ry. Co.'s First Mortgage Bonds.

## CONDENSED GENERAL BALANCE SHEET, JUNE 30th, 1901.

BEING A CONSOLIDATION OF THE GENERAL BALANCE SHEETS OF THAT DATE OF THE

\$3,000,000	St. P. M. & M. Ry. Co.'s Pacific Extension Mortgage Bonds..	14,545,454.55	77,445,854.55
	Cost of Properties, Securities and Investments after deducting Par Value of Stocks and Bonds not shown contra .....		
	<i>Total Capital Assets.</i> .....	33,837,012.66	
		\$228,164,066.05	
	<i>CURRENT ASSETS</i>		
	<i>Of Land Department, St. Paul, Minneapolis &amp; Manitoba Ry. Co.</i>		
	Cash.....	\$28,366.75	
	Due from Other Companies and Individuals.....	653.65	
	<i>(Of Great Northern Ry. Co. and Proprietary Co.'s above named.)</i>	29,020.40	
	Cash in St. Paul Office.....	\$477,345.35	
	Cash in New York Office.....	4,955,390.35	
	Cash in London Office.....	286,373.89	
	Due from Agents.....	749,332.10	
	Due from U. S. Post Office Department.....	197,437.14	
	Due from U. S. Transportation.....	32,686.68	
	Due from Canadian Post Office Department.....	148.80	
	Advanced Charges.....	34,957.03	
	Bills Receivable.....	2,194,107.11	
	Due from Other Companies and Individuals.....	1,205,397.72	
	Value of Material and Fuel on hand.....	10,133,176.17	
		1,979,925.76	
		<u>\$240,306,188.38</u>	
	Rental of St. P. M. & M. Ry. Co., Accrued, not due, less Accrued Dividends on St. P. M. & M. Ry. Stock owned by Great Northern Ry. Co.....		205,052.67
	Bills Payable.....		824,175.83
			<u>6,000,000.00</u>
	<i>CONTINGENT LIABILITIES.</i>		
	Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from the St. P. M. & M. Ry. Co. and paid for from "Fund for Permanent Improvements and Re- newals" .....	\$7,583,321.06	
	Unexpended Balance of Fund for Permanent Im- provements and Renewals.....	1,005,749.88	
	Total Amount deducted from Income to provide for future Improvements and Renewals.....	\$8,589,070.94	
	Fund for Replacement of Equipment.....	332,972.07	
	Insurance Fund.....	322,436.77	
	Surplus Funds of Proprietary Companies deposited with Great Northern Ry. Co.....	249,947.53	
			9,504,427.31
	<i>PROFIT AND LOSS.</i>		
	Balance, St. Paul, Minneapolis & Manitoba Rail- way Co.....	\$1,974,039.91	
	Great Northern Ry. Co. and above named Pro- prietary Companies.....	5,026,547.02	
			7,000,586.93
			<u>\$240,306,188.38</u>



## EQUIPMENT OF GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

FOR YEAR ENDED JUNE 30th, 1901, AS COMPARED WITH YEAR ENDED JUNE 30th, 1900.

CLASS	1901	1900
Locomotives .....	563	550
<b>PASSENGER EQUIPMENT.</b>		
Sleeping Cars.....	50	50
Parlor Cars.....	5	5
Dining Cars.....	12	12
Buffet Smokers.....	8	8
Coaches.....	163	164
Tourist Cars.....	24	24
Passenger and Baggage.....	35	37
Baggage, Mail and Express.....	110	110
Business Cars.....	18	17
Total Passenger Equipment.....	425	427
<b>FREIGHT EQUIPMENT.</b>		
Box Cars.. .....	14,582	14,291
Combination Box and Stock Cars.....	750	750
Transfer Freight Cars.....	50	50
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Refrigerator Cars.....	209	209
Stock Cars.....	627	627
Flat and Coal Cars.....	3,312	2,949
Sand Cars.....	600	500
Ore Cars (Wood).....	1,101	700
Ore Cars (Steel).....	600	250
Ballast Cars.....	764	764
Caboose Cars.....	340	302
Cinder Cars.....	53	53
Boarding Cars.....	51	51
Derrick and Tool Cars.....	47	45
Steam Shovels.....	19	20
Lidgerwood Unloaders.....	12	10
Ditching Cars.....	1	1
Pile Drivers.....	10	10
Rotary Snow Plows.....	6	6
Snow Dozers.....	15	14
Flangers.....	1	1
Logging Trucks.....	100	100
Other Work Equipment.....	85	73
Total Freight and Work Equipment.....	24,493	22,934

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES LEASED FROM ST. P. M. & M. RY. CO.:		<i>Main Track,</i> <i>Miles.</i>	<i>Total</i> <i>Miles.</i>
Terminals Division.....		84.55	
Fergus Falls Division (not including line leased from Park Rapids & Leech Lake Railway Co.).....		590.13	
Willmar Division.....		77.94	
Breckenridge Division.....		701.72	
Northern Division.....		561.94	
Dakota Division (not including line leased from Eastern Ry. Co. of Minn.).....		461.18	
Montana Division.....		692.06	
Kalispell Division.....		388.97	
Cascade Division (not including line of Seattle & Montana R. R. Co.).....		904.49	
<b>Total First Main Track.....</b>		<b>3,802.98</b>	<b>3,802.98</b>
	<i>Miles.</i>		
Second Track.....	30.61		
Third Track.....	9.28		
Fourth, Fifth, and Sixth Tracks.....	13.05		
<b>Total Main Tracks covered by lease.....</b>			<b>3,855.92</b>
Side Tracks.....			669.33
<b>Total Tracks Covered by the Bonded debt of the St. P. M. &amp; M. Ry. Co., as shown on page 34.....</b>			<b>4,525.25</b>
OTHER TRACKS LEASED BY GREAT NORTHERN RY. CO.:		<i>Side Track,</i> <i>Miles.</i>	
Eastern Ry. of Minnesota—Fosston to Cass Lake.....	15.02	59.77	75.39
Park Rapids & Leech Lake Ry.—Park Rapids to Cass Lake.....	6.96	49.04	56.00
TRACKS OPERATED BY THE GREAT NORTHERN RY. CO.:			
Seattle & Montana R. R. Co.—Seattle, Wash., to South Westminster, B. C.....	28.15	143.10	171.25
Spur to Flathead Lake, at Kalispell.....			10.32
<b>Main Line Operated by Great Northern Ry. Co.....</b>		<b>4,054.89</b>	
PROPRIETARY COMPANIES:		<i>Side Track.</i>	<i>Main Track.</i>
Eastern Ry. of Minnesota.....	146.87	457.31	
Less leased to Great Northern Ry. Co.....	15.62	59.77	
	<u>131.25</u>	<u>397.54</u>	131.25
Second Track.....		25.49	
Line Barclay Junction to Virginia.....		6.12	18.78
Duluth Terminal Ry.....		3.63	1.82
Montana Central Ry.....		52.42	260.51
Willmar & Sioux Falls Ry.....		47.86	433.41
Leased tracks between Sioux City, Ia., and South Sioux City, Neb.....			3.32
Duluth, Watertown & Pacific Ry.....	4.08	69.84	
Minneapolis Union Ry.....	4.73	2.63	
Second Track.....	2.63		
Minneapolis Western Ry.....	5.04	1.69	
<b>Total First Main Track Proprietary Lines.....</b>			<b>1,189.54</b>
<b>Total Second Main Track Proprietary Lines.....</b>		<b>28.12</b>	
<b>Total Side Tracks Proprietary Lines.....</b>		<b>255.13</b>	<b>283.25</b>
<b>Total Miles of Road in System as operated June 30, 1901.</b>			<b>5,244.43</b>
<b>Total Miles of Track, all kinds, in System, as Operated.....</b>			<b>6,311.00</b>
	<i>Side Track,</i> <i>Miles.</i>		
ADD—Mileage of Spokane Falls & Northern Ry. System.	21.51	208.08	224.54
Mileage owned by Seattle & Montana R. R. Co., but leased to Seattle & Northern Ry. Co.....	2.09	3.82	5.91
<b>Total Miles of Road in System, including lines operated separately.....</b>		<b>5,461.28</b>	
<b>Total Miles of Track, all kinds, in System, including lines operated separately.....</b>			<b>6,541.45</b>

## TRACK STATEMENT—Continued.

	<i>Main Track Miles.</i>	<i>Total Miles.</i>
Total Main Tracks St. P., M. & M. Ry. ....	8,855.92	
First Main Track Seattle & Montana R. R. (Owned).....	146.92	
First Main Line Track Proprietary Companies (including S. F. & N. Ry. System).....	1,498.06	
Second Main Track Proprietary Companies.....	28.12	
Total Main Tracks covered by Capitalization.....		5,529.02
<hr/>		
NOTE—Total Mileage of Road in System as operated June 30th, 1901, as shown on page 37.....	5,244.43	
Total Mileage of Road in System, June 30, 1900, as per report for that year.....	5,202.17	
Increase in Mileage.....		<u>42.26</u>
This increase is made up as follows:		
<b>EASTERN RY. OF MINNESOTA:</b>		
Stony Brook line (constructed).....	46.40	
Barclay Junction to Virginia (operated).....	18.78	
Duluth Terminal Ry., extension in Duluth.....	.04	
Less Decrease—Track at Brace Junction removed...	65.81	
Net Increase.....	.18	65.18
Decreases:		
<b>ST. P., M. &amp; M. RY.:</b>		
Switchback over Cascade mountains removed.....	12.66	
Track between Hopkins and St. Bonifacius, Minn., re- moved (account extension Spring Park line).....	19.66	
Portion of line between Halsted, Minn., and Alton, N. D., taken up.....	.55	
Changes in line at Willmar and on the Montana and Kalispell Divisions.....	1.95	
Sundry corrections.....	.06	
	34.88	
Less Increases in Mileage for		
Change of line between Teton and Tunis.....	3.61	
New line through Spokane, constructed.....	4.74	
New line through Cascade Tunnel and approaches....	3.52	
New line through Everett, constructed.....	3.63	
Extension of Spring Park line to St. Bonifacius, con- structed.....	7.96	23.45
Net Decrease.....		11.43
<b>MONTANA CENTRAL RY.:</b>		
Fair Grounds and Red Mt. branches at Helena, re- moved.....	1.19	
Distance shortened by change of line, Boulder Hill..	.25	
	1.44	
<b>GREAT NORTHERN RY.:</b>		
Trackage rights over other roads in Spokane and between Lowell and Everett, Wash., surrendered.....	10.05	
Total Deduction.....		22.92
Net Increase in Mileage.....		<u>42.26</u>

## LAND COMMISSIONER'S REPORT.

*Mr. JAMES J. HILL, President,*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ending June 30th, 1901:

Amount of Minneapolis & St. Cloud R. R. Land Grant—	ACRES.
Earned between St. Cloud and Hinckley.....	425,664.00
Earned between St. Cloud and Roscoe.....	51,200.00
Total.....	<u>476,864.00</u>
	ACRES.
Total Acreage selected to date .....	169,501.38
Total Acreage deeded to Company .....	<u>151,872.82</u>
Total acreage sold prior to June 30th, 1901, less sales canceled .....	*121,483.84
Value of same.....	*\$794,873.88
Average price per acre.....	*6.54
Remaining unsold June 30th, 1901.....	<u>355,380.16</u>

\*Includes adjustments account previous years.

## OPERATIONS DURING THE YEAR.

Sales, acres .....	36,021.775
Amount sold for.....	\$366,207.24
Average price per acre .....	10.17
Receipts of Land Department.....	116,551.19
Disbursements of Land Department.....	23,721.51
Amount of Deferred Payments due Company which are bearing interest at six and seven per cent .....	487,372.69

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY'S  
SINKING FUND ACCOUNT CONSOLIDATED  
MORTGAGE BONDS.

June 30th, 1901. By credits during the year:

From Land Department, as per Land Commissioner's Report on page 43.....	\$852,112.63
Revenue Todd County Lands .....	3,451.46
Total Credits.....	\$855,564.09

DEBITS:

To Bonds purchased by Trustee and canceled:

DATE	AMOUNT	PRICE	COST
August 13, 1900	\$5,000.00	114 $\frac{3}{8}$	\$5,718.75
August 13, 1900	30,000.00	114	34,200.00
September 11, 1900	22,000.00	114 $\frac{1}{4}$	25,135.00
October 4, 1900	21,000.00	114 $\frac{3}{8}$	24,045.00
October 10, 1900	22,000.00	114 $\frac{1}{4}$	25,135.00
October 19, 1900	18,000.00	114 $\frac{1}{4}$	20,565.00
November 1, 1900	22,000.00	114 $\frac{3}{8}$	25,162.50
November 12, 1900	21,000.00	114 $\frac{3}{4}$	24,097.50
November 22, 1900	95,000.00	116 $\frac{1}{8}$	110,318.75
January 2, 1901	3,000.00	115 $\frac{1}{4}$	3,457.50
January 4, 1901	1,000.00	115 $\frac{1}{4}$	1,152.50
January 18, 1901	5,000.00	115 $\frac{1}{8}$	5,775.00
January 21, 1901	15,000.00	115 $\frac{1}{2}$	17,325.00
January 22, 1901	8,000.00	115 $\frac{1}{8}$	9,240.00
January 31, 1901	2,000.00	115 $\frac{1}{8}$	2,310.00
February 14, 1901	3,000.00	115 $\frac{3}{4}$	3,472.50
February 16, 1901	1,000.00	116	1,160.00
February 19, 1901	14,000.00	116 $\frac{1}{8}$	16,257.50
February 20, 1901	1,000.00	116 $\frac{1}{8}$	1,161.25
February 21, 1901	2,000.00	116 $\frac{1}{8}$	2,322.50
April 2, 1901	16,000.00	116 $\frac{5}{8}$	18,660.00
April 2, 1901	50,000.00	117	58,500.00
April 4, 1901	100,000.00	117	117,000.00
April 11, 1901	15,000.00	117	17,550.00
April 12, 1901	6,000.00	117	7,020.00
Forward.....	\$498,000.00	\$576,741.25	\$855,564.09

	DATE	AMOUNT	PRICE	COST	
	Brought forw'd	\$498,000.00		\$576,741.25	\$855,564.00
April	15, 1901	1,000.00	116 $\frac{1}{2}$	1,165.00	
April	17, 1901	30,000.00	116 $\frac{3}{8}$	34,912.50	
April	24, 1901	6,000.00	116 $\frac{3}{4}$	7,005.00	
April	26, 1901	4,000.00	116 $\frac{5}{8}$	4,665.00	
April	26, 1901	5,000.00	117	5,850.00	
April	30, 1901	2,000.00	116 $\frac{7}{8}$	2,337.50	
May	17, 1901	14,000.00	116 $\frac{1}{4}$	16,275.00	
May	17, 1901	3,000.00	116 $\frac{3}{4}$	3,502.50	
May	21, 1901	10,000.00	116 $\frac{3}{4}$	11,625.00	
May	24, 1901	1,000.00	116	1,160.00	
May	28, 1901	1,000.00	116 $\frac{1}{8}$	1,161.25	
June	7, 1901	5,000.00	116 $\frac{1}{4}$	5,825.00	
June	7, 1901	13,000.00	116 $\frac{3}{4}$	15,177.50	
June	8, 1901	50,000.00	117	58,500.00	
June	11, 1901	7,000.00	116	8,120.00	
June	12, 1901	7,000.00	116 $\frac{3}{4}$	8,172.50	
June	13, 1901	5,000.00	116 $\frac{3}{4}$	5,837.50	
June	14, 1901	13,000.00	115 $\frac{7}{8}$	15,063.75	
June	17, 1901	12,000.00	115 $\frac{7}{8}$	13,905.00	
June	21, 1901	4,000.00	116 $\frac{7}{8}$	4,675.00	
June	24, 1901	8,000.00	116 $\frac{7}{8}$	9,350.00	
June	25, 1901	5,000.00	116 $\frac{1}{4}$	5,812.50	
June	26, 1901	12,000.00	117	14,040.00	
June	29, 1901	2,000.00	116 $\frac{7}{8}$	2,337.50	
	Total.....	\$718,000.00	Costing	\$833,216.25	
	Repayment of amount advanced to Sinking Fund during year ended June 30th, 1900, as per page 45, last report.....			6,674.85	
	Total Debits.....				839,891.10
	June 30th, 1901, Balance, being funds applicable to further redemption of bonds.....				\$15,672.99

REPORT OF LAND COMMISSIONER, ST. PAUL, MINNEAPOLIS  
& MANITOBA RY. CO.

To MR. SAMUEL HILL, President

St. Paul, Minneapolis & Manitoba Ry. Co.

DEAR SIR: I respectfully submit the following report of operation of the Land Department for the year ended June 30th, 1901.

	ACRES.	ACRES.
Total Acreage of Land Grant computed at ten sections for each mile of road, as formerly construed by the State of Minnesota.....		<u>3,848,000.00</u>
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 30th, 1901.....	3,220,760.30	
Less deeded to Northern Pacific R. R. Co. by Supreme Court United States, March 2d, 1891.....	365,860.92	
Deeded to Northern Pacific R. R. Co. in accordance with terms of settlement of November 1st, 1897...	48,916.08	
Redeeded to United States.....	3,330.02	418,107.02
Net Acreage deeded.....		<u>2,802,653.28</u>
Total Acreage sold prior to June 30th, 1901.....	2,843,081.18	
Less sales canceled.....	302,074.98	2,541,006.20
Remaining unsold June 30th, 1901.....		<u>938,605.16</u>

Owing to sales and other disposals of land within the limits of the Grant by the United States prior to the time at which this Company's right attached, a final adjustment of the Grant by the Government, which is approaching completion, will reduce the above area by about 600,000 acres.

During the year ended June 30th, 1901, 221,532.52 acres of land were sold for \$1,978,214.87, an average of \$8.93 per acre. There were also sold 341 town lots for \$10,013.50, an average price per lot of \$29.36.

The number of land sales during the year was 2,140, with an average of about 103.52 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDED  
JUNE 30th, 1901.

Cash Sales and Installments of Principal on New Land Contracts.....	\$235,859.60
Amount of Principal received on Old Contracts.....	516,210.78
Amount received for Trespass, Stumpage, Grass Sales, etc....	6,844.15
Amount received for Interest on Old and New Contracts.....	180,077.56
Amount received for Principal and Interest on Town Lot Contracts .....	16,526.50
	<u>\$955,518.59</u>
Less Expense of Land Department and Trustee.....	103,405.96
Net Receipts.....	<u>\$852,112.63</u>
Amount of Deferred Payments due this Company on Land Contracts bearing interest at 7 and 6 per cent.....	\$3,178,435.57
Amount of Deferred Payments due this Company on Town Lots bearing interest at 7 and 6 per cent.....	16,265.56
	<u>\$3,194,701.13</u>

Referring to that portion of report for the year ending June 30th, 1893, relating to 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 63,477.92 acres, for which the Company is authorized to locate an equivalent amount elsewhere. The Company has selected, to June 30th, 1901, 47,325.95 acres in lieu of a part of the above amount.

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

1,365.91 acres for \$13,461.64, an average per acre of..	\$ 9.85
1 lot for \$500.00, an average per lot of.....	500.00
Receipts during the year.....	\$26,850.44
Taxes paid, Expenses of Examination and Selection of Land and other Disbursements made during the year in connection with Grant.....	1,496.16

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

CHARLES H. BABCOCK,  
*Ass't Land Commissioner.*









10/20

**THIRTEENTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**



**FISCAL YEAR ENDED**

**JUNE 30, 1902.**



**THIRTEENTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

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**FISCAL YEAR ENDED**

**JUNE 30, 1902.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES J. HILL (term expires 1902)	ST. PAUL.
FREDERICK WEYERHAEUSER (term expires 1902)	ST. PAUL.
SAMUEL HILL (term expires 1902)	MINNEAPOLIS.
R. I. FARRINGTON (term expires 1903)	ST. PAUL.
EDWARD SAWYER (term expires 1908)	ST. PAUL.
M. D. GROVER (term expires 1908)	ST. PAUL.
JAMES N. HILL (term expires 1904)	ST. PAUL.
WILLIAM B. DEAN (term expires 1904)	ST. PAUL.
HENRY W. CANNON (term expires 1904)	NEW YORK.

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
J. N. HILL,	VICE-PRESIDENT,	ST. PAUL.
R. I. FARRINGTON,	SECOND VICE-PRESIDENT,	ST. PAUL.
E. T. NICHOLS,	THIRD VICE-PRESIDENT, SECRETARY AND ASST. TREASURER,	NEW YORK.
J. W. BLABON,	FOURTH VICE-PRESIDENT	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
N. TERHUNE,	ASST. SECRETARY AND ASST. TREASURER,	NEW YORK.
J. G. DREW,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL SOLICITOR,	ST. PAUL.
J. F. STEVENS,	GEN. MANAGER AND CHIEF ENGINEER,	ST. PAUL.
F. E. WARD,	GENERAL SUPERINTENDENT,	ST. PAUL.
F. B. CLARKE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
E. A. BERNHOLZ,	TRANSFER AGENT,	NEW YORK.
M. H. NILES,	TRANSFER AGENT,	NEW YORK.



# THIRTEENTH ANNUAL REPORT

## OF THE

# GREAT NORTHERN RAILWAY

## COMPANY.

*To the Stockholders:*

The President and Directors submit the following report for the year ended June 30th, 1902.

### FINANCIAL.

#### CAPITAL STOCK.

There has been no increase in the authorized share capital of the Great Northern Railway Company during the year, and same remains as \$125,000,000.

Of the capital authorized there had been issued	
to June 30th, 1901 (page 6, last year's report)	\$98,711,750.00
There have been issued during the year	
12½ shares, amounting to.....	1,250.00
in completing previous transactions.	
1,400 shares, amounting to.....	140,000.00
have been transferred to the Great Northern	
Employes' Investment Company, Limited,	
under the contract referred to on page 7 of	
Report for the year ended June 30th, 1900.	
To June 30th, 1902, the Investment Com-	
pany had subscribed and paid for 4,200	
shares (\$420,000) under the contract men-	
tioned.	
Carried forward.....	\$98,853,000.00

Brought forward.....	\$98,853,000.00
250,000 shares, amounting to.....	25,000,000.00
were issued as of August 1st, 1901, in accordance with the President's circular of March 18th, 1901.	
	<hr/>
Total outstanding June 30th, 1902...	\$123,853,000.00
	<hr/> <hr/>

There were held in the Treasury of the Company June 30th, 1902, 5,670 shares of Great Northern stock, not used in acquiring the outstanding 4,536 shares of Manitoba stock, and 5,800 shares of Great Northern stock to be issued only to the Investment Company as subscribed for.

The Report last year explained in detail the securities to be acquired. During the year the Company has acquired the \$5,000,000 St. Paul, Minneapolis and Manitoba Railway Company's Improvement Bonds referred to last year, and same are held in the Company's Treasury. The adjustment of the accounts made necessary by this acquisition and mentioned in last year's Report (page 7) has been made, and is reflected in the Balance Sheet herewith, page 33.

Instead of purchasing the capital stock (\$5,000,000) of the Seattle and Northern Railway Company, as originally intended, it was decided to buy the physical property of that Company, and the same was purchased as of February 1st, 1902, by the Seattle and Montana Railroad Company for the sum of \$1,500,000 cash. To enable the Seattle and Montana Railroad Company to make this purchase, action was taken by its stockholders to increase its capital stock from \$12,500,000 to \$14,000,000, the additional \$1,500,000 of stock being bought by the Great Northern Railway Company.

The stocks of the other Companies mentioned on page 6 of last year's Report have not as yet been issued, pending the completion of the lines and the closing of the construction accounts, but this Company has advanced the necessary funds for construction purposes, and is carrying the amounts as advances to apply on stock subscriptions.

## BONDED DEBT.

There has been a net increase of \$1,292,000 during the year in the bonded debt of the St. Paul, Minneapolis and Manitoba Railway Company, outstanding in the hands of the public, as will be seen by reference to table on page 32, made up as follows :

<i>MONTANA EXTENSION MORTGAGE FOUR PER CENT BONDS</i> issued during the year account construction of additional mileage within the State of Montana, as explained in previous reports.....		\$2,278,000
Less the following reductions—		
<i>CONSOLIDATED MORTGAGE 4½ PER CENT BONDS</i> redeemed and canceled by the Trustee through the operation of the Sinking Fund, as per detail on pages 38 to 40.....		\$1,012,000
Less bonds issued—		
On account of Additions and Improvements.....	\$26,000	
In exchange for St. Paul, Minneapolis and Manitoba Railway Company's Second Mortgage bonds surrendered and canceled.....	357,000	
In exchange for St. Paul, Minneapolis and Manitoba Railway Company's Dakota Extension Mortgage Bonds, surrendered and canceled.....	49,000	
Total issued.....		432,000
Net reduction in Consolidated Mortgage 4½ per cent bonds...		\$580,000
<i>SECOND MORTGAGE SIX PER CENT BONDS</i> , canceled as above .....		357,000
<i>DAKOTA EXTENSION MORTGAGE SIX PER CENT BONDS</i> , canceled as above.....		49,000
Total reduction.....		\$986,000
Net increase in St. Paul, Minneapolis and Manitoba Railway Company's Bonded Debt .....		\$1,292,000

There has been no change during the year in the bonded debt of any of the Proprietary Companies.

The amount of Northern Pacific-Great Northern, Joint C. B. & Q. collateral 4 per cent bonds outstanding June 30th, 1902, is the same as reported last year, \$215,153,000 Bonds and \$1,400 Scrip. The Chicago, Burlington and Quincy Railway Company has collected the dividends on the C. B. & Q. R. R. stock deposited as collateral to secure these bonds, and paid the interest on the bonds, without affecting this Company's Income Account.

## GENERAL.

Expenditures were made during the year on the capital accounts of Proprietary Companies for work completed or under construction, as follows:

Eastern Railway Company of Minnesota.....	\$1,417,587.46
Montana Central Railway Company.....(Credit)	19,298.99
Willmar & Sioux Falls Railway Company.....	9,717.00
Duluth, Watertown & Pacific Railway Company.....	1,603.00
Seattle & Montana Railroad Company.....	2,460,552.68
Duluth Terminal Railway Company.....	6,040.73
Park Rapids & Leech Lake Railway Company.....	6,781.12
Minneapolis Union Railway Company.....(Credit)	10.45
Total.....	<u>\$3,882,972.55</u>

As shown on page 27, there was appropriated out of the net revenue for the year \$2,000,000 for the "Fund for Permanent Improvements and Renewals"; and there was charged against that fund \$1,820,225.11, the cost of improvements (other than those charged to operation) made during the year to the property leased from the St. Paul, Minneapolis and Manitoba Railway Company.

## NEW LINES.

The Report last year referred at length to new lines then under construction or contemplated, of which 268.29 miles have been completed, as follows:

## SEATTLE &amp; NORTHERN RY.,

Anacortes to Rockport, Wash., 54.42 miles taken over by the Seattle & Montana R. R. Co. February 1st, 1902, as explained on page 6.

## DAKOTA &amp; GREAT NORTHERN RY.,

Bottineau to Souris, N. D., 12.72 miles, opened for operation October 7th, 1901; Lakota to beyond Edmore, N. D., 27.72 miles, opened for operation July 1, 1902.

These two lines have been leased by the Great Northern Railway Company.

## MONTANA &amp; GREAT NORTHERN RY.,

Jennings to Gateway, Mont. (on the International Boundary), 50.98 miles, opened for operation July 10th, 1902.

**CROW'S NEST SOUTHERN RY.,**

Gateway to Morrisey Junction, B. C., 44.26 miles, with a spur from Morrisey Junction to Morrisey, B. C., 4.21 miles, opened for operation September 15th, 1902.

**WASHINGTON & GREAT NORTHERN RY.,**

Marcus to Boundary, Wash., 27.66 miles, and from the International Boundary to Republic, Wash., 31.92 miles, opened for operation August 17th, 1902.

**VANCOUVER, VICTORIA & EASTERN RY. AND NAV. CO.,**

From International Boundary line at Rideau, B. C., to the boundary line near Carson, B. C., 14.40 miles, opened for operation August 17th, 1902.

A spur from the main line to Grand Forks, B. C., 1.89 miles, is under construction.

These lines have been built in a thoroughly substantial and permanent manner, and have been equipped with passing tracks, yard tracks, stations, water plants and other buildings.

The work of changing from narrow to standard the gauge of the Great Falls and Canada Railway (now owned by the Montana and Great Northern Railway Company) from Great Falls to Sweet Grass, Montana, 134.37 miles, is now in progress and will be completed about December 1st, 1902.

There has been built during the year at Everett, Wash., 3.35 miles of new main track, forming part of a new connection between the tracks of the St. Paul, Minneapolis and Manitoba Railway Company near Lowell and the tracks of the Seattle and Montana Railroad Company at Everett Junction.

During the year, the Eastern Railway Company of Minnesota has purchased the line constructed by the Swan River Logging Company, Limited, from Barclay Junction to Virginia, Minnesota, 18.73 miles in length, heretofore operated under contract with privilege of purchase, as mentioned on page 13 of the report for year ended June 30, 1900.

Good progress has been made during the year on the two steamships being built for the Great Northern Steamship Company at New London, Conn., and it is expected they will be launched in December.

### REVISION OF LINES.

References were made on pages 14 and 15 of last year's Report to the revision of lines for the purpose of reducing grades and curvature.

Of the work there mentioned, there was completed and opened for operation during the year :

Between Huntley Coulee and Great Falls, Mont., 22.62 miles. The work on this line was especially heavy, and the line has been built in the most substantial and permanent manner.

Between Harrington and Moscow, Wash., 2.89 miles, and

Between Moscow and Edwall, Wash., 1.42 miles.

The opening of these new lines has decreased the main track mileage by 3.66 miles.

Work has been continued during the year on the new line from Belleville to Fairhaven, Wash. Track is now being laid on the lower end of this line, and the line is nearly completed. The length of the new line is about 18.9 miles; of the old line 20.55 miles. The maximum grades on the old line were 2.7 per cent going south and 1.2 per cent going north. On the new line the maximum grade is one-half of one per cent in each direction. The work on the new line has been both heavy and expensive.

A new line has been built between Everett and Marysville, Wash., including "Y", 1.55 miles in length, in place of 1.58 miles of old line, securing a much better crossing of the Snohomish River, over which a new drawbridge has been built. This was referred to on page 17 of last year's Report.

A small change of line has been made near Nyack, Mont., for a distance of 2,670 feet.

To improve the alignment, work is now in progress on a new line between Elmira and Bonner's Ferry, Idaho, about 15.45 miles in length.

**LEASE OF THE EASTERN RAILWAY OF MINNESOTA.**

To simplify operation and accounting the Great Northern Railway Company leased for a period of ninety-nine years from May 1st, 1902, the lines of railway and property of the Eastern Railway Company of Minnesota. While the Great Northern Railway Company has always owned the capital stock of the Eastern Railway Company, that Company's railways, elevators, etc., prior to May 1st, 1902, had been operated independently.

As rental under the lease, the Great Northern Railway Company pays the interest as it matures, on the Eastern Railway Company's bonds, dividends at the rate of six per cent per annum on the capital stock of the Eastern Company and all taxes and assessments upon the property, gross earnings and income of the Eastern Company, or for which that Company or its property may be liable, levied, assessed or falling due during the term of the lease.

On account of this lease, the Gross Earnings, Operating Expenses, Taxes, Income from Operation and Miscellaneous Income Received of the Eastern Railway Company of Minnesota, as given in table on page 26, are for the ten months ended April 30th, 1902, only; the Gross Earnings, Operating Expenses, etc., of the lines leased for the months of May and June, 1902, being included in the figures of the Great Northern Railway Company as given in tables on pages 27 and 28.

**EQUIPMENT.**

By the purchase of the Seattle and Northern Railway, the Seattle and Montana Railroad Company acquired the following equipment:

- 1 locomotive, 1 passenger coach,
- 1 baggage and express car, 4 box cars,
- 10 flat cars and 26 logging trucks.

Same have been carefully inspected and appraised, and taken into equipment account at their appraised value.

The following equipment has been sold or taken out of service during the year:

21 light Great Northern locomotives.

1 light locomotive acquired by the Willmar and Sioux Falls Railway Company in 1900, in purchase of Sioux City and Northern Railroad.

1 sleeping car and 1 poling car.

The Report for last year stated that of the equipment ordered 60 locomotives, 62 passenger cars and 2,000 freight cars had not been received and taken into account at the end of that year.

During the year under review, orders were placed for 40 locomotives, 62 passenger cars, 3,300 freight cars and 5 wrecking cars with steam cranes.

Of the total new equipment undelivered at the close of last year and ordered this year, the following had been received and taken into account at the close of this year:

66 locomotives, as follows:

6 ten-wheel passenger locomotives, 19''x 26'' cylinders, weighing 120,000 pounds on drivers.

10 ten-wheel passenger locomotives, 19''x 28'' cylinders, weighing 134,000 pounds on drivers.

40 consolidation freight locomotives, 20''x 32'' cylinders, narrow fire box, weighing 179,000 pounds on drivers.

5 consolidation freight locomotives, 20''x 32'' cylinders, wide fire box weighing 180,000 pounds on drivers.

5 compound consolidation freight locomotives, 23'' and 33''x 32'' two cylinders, weighing 180,000 pounds on drivers.

4 dining cars, 70 feet long.

50 first class passenger coaches, 60 feet 10 inches long.

2 postal cars, 60 feet 8½ inches long.

6 baggage and express cars, 64 feet 9 inches long; 5 additional equipment and 1 replacing destroyed car.

1,500 forty-foot 80,000 pounds capacity box cars; 1,322 additional equipment and 178 replacing destroyed cars.

300 forty-foot 80,000 pounds capacity flat cars; 223 additional equipment and 77 replacing destroyed cars.

200 forty-foot 60,000 pounds capacity refrigerator cars; 195 additional and 5 replacing destroyed cars.

200 twenty-two feet 100,000 pounds capacity steel ore cars.

1 Lidgerwood Unloader.

All the above equipment is equipped with air brakes and automatic couplers.

The remaining 34 locomotives, 62 passenger cars, 3,100 freight cars and 5 wrecking cars are now being delivered.

There were built at the Company's shops for additional equipment:

- 50 four-wheel caboose cars,
- 15 cinder cars, and
- 6 supply cars.

Some transfers between classes and changes were made in other equipment.

There was expended during the year for equipment \$3,137,273.92, of which amount \$2,696,389.07 was charged to "Equipment Account."

As equipment is destroyed or taken out of service, Operating Expense is charged and "Fund for Replacement of Equipment" is credited with the cost of replacing same. When equipment for replacement is purchased, the cost of same is charged to the account last mentioned.

#### ADDITIONS AND IMPROVEMENTS.

Crossing gates have been put in at Division and Harrison Streets, N. E. Minneapolis; also at Eighth Street, Moorhead, Minn., with electric signals at Sixth, Seventh and Ninth Streets. At Crookston, Minn., a bridge has been built carrying Eighth Street over our tracks.

The work of enlarging the division terminal at Havre, Mont., referred to last year, has been completed, there having been built a new yard, 23-stall roundhouse with turntable and cinder pit, water supply, 20-pocket coaling station, sand house, machine shops with engine and boiler house and transfer tables, blacksmith and boiler shop, store house, scrap bins and lumber sheds, oil house, freight depot and track scales. The new buildings are of brick, and modern in every respect.

The division yard at Everett, Wash., has also been completed—yard containing 23,100 feet of track, 15-stall brick round-

house with turntable and cinder pit, water supply, 20-pocket coaling station, brick machine shop, carpenter shop, store house, scrap bins, etc., oil house and sand house.

The yard at Stony Brook, Minn., on the Eastern Railway, has been revised and 6,390 feet of additional track laid, 15 pockets added to the coaling station, the water supply improved and the buildings relocated.

The yards at Butte, Mont., and Rossland, B. C., have been revised and enlarged.

At Church's Ferry, N. D., the junction point of the Cando Branch, a new "Y" track has been laid, several additional yard tracks put in, buildings relocated and a new roundhouse and freight transfer platform 12'x240' built.

A track about 14,000 feet long, with several spurs from same, has been put in at Blaine, Wash., to reach industries on the water front.

Many passing tracks between Crookston and Cass Lake, Minn., have been extended to a length of 4,000 feet. The laying of additional passing tracks 3,000 feet long and the extension of old tracks to that length have been continued during the year, and in addition many house tracks and tracks for local industries have been laid. The net increase in side track mileage during the year, including these tracks and such tracks in the new yards mentioned as were laid June 30th, 1902, but not including side tracks on new lines built or acquired during the year, is as follows:

Line leased from St. Paul, Minneapolis & Manitoba Railway Co.....	38.48 miles
Line leased from Eastern Ry. Co. of Minnesota.....	18.41 "
Line leased from Park Rapids & Leech Lake Ry. Co.....	.19 "
Duluth Terminal Railway .....	.03 "
Montana Central Railway.....	3.10 "
Willmar & Sioux Falls Railway.....	1.08 "
Minneapolis Union Railway .....	.01 "
Seattle & Montana Railroad.....	10.00 "
Spokane Falls & Northern Railway System.....	1.89 "
Total .....	<u>73.19 miles</u>

During the year main line tracks have been relaid as follows: 9.378 miles with 80-pound rail, 435.647 miles with 77½-pound rail, 2.413 miles with 75-pound rail and 3.818 miles with 60-pound rail.

The longest stretches of track relaid with 77½-pound rails were 234 miles between Williston, N. D., and Eureka, Montana; 126 miles between Concord and Columbia Falls, Montana; and 31 miles on the line between Breckenridge, Minn., and Larimore, N. D., where work is now in progress on 100 miles additional to complete the relaying of the main tracks between these points.

On new tracks built and tracks relaid tie-plates are being used as rapidly as they can be secured; the total number of plates in tracks June 30th, 1902, is approximately 6,500,000.

The permanent lining of the Wickes tunnel, on the Montana Central Railway, referred to last year, has been completed, and the track through the tunnel relaid with 77½-pound rails; the distance being included in the figures above given.

The work of building new shops at St. Paul is now in progress, the buildings under construction being:

Machine Shop, 600'x 150', containing 25 pits, 49' long inside; a tin shop, 46'x 73'.

A building 452'2''x 235', containing blacksmith shop 325'x 146'; boiler shop 191'4''x 183' with 10 pits; flue shop, 76'x 52'; truck shop, 76' 8''x 52' and tank shop 235'x 87' 4''.

Power House, 110'2''x 106' 6'', containing an engine room 52' 6''x 110' 2'' and a boiler room 110' 2''x 54'. Boilers of 1,250 horse power are to be installed in this boiler room.

Transfer Pit, 625' long, fitted with a 50' transfer table.

Store House, 400'x 100', two stories. The East 40' of the building contains the store department offices, and in the West 50 feet is located the brass foundry.

Iron House, 200'x 100', with a standard gauge track through the centre.

A two story building, 40'x 60' containing the chemical laboratory and the office of the Shops Superintendent.

All of the buildings are of brick and of the most modern type.

A brick storehouse, 30'x 90', for materials and supplies, has been built at Larimore, N. D., and the oil house at West Superior-shops extended 80 feet.

An electric lighting plant has been installed at West Superior, Wis., for lighting the dock, warehouse, elevators, shops, freight house and division office building.

Dock No. 6 at West Superior, Wis., has been extended 868 feet, additional tracks put in, 600 feet of coal pockets built, and slip on east side of the dock dredged to a depth of 20 feet.

An incline with pontoon and the necessary tracks for a car ferry to New Westminster have been put in at Liverpool, B. C.

The brick passenger station at Spokane, Wash., referred to last year, has been completed. On the second and third floors are located the offices of the officials of the Western District and the General Offices of the Spokane Falls and Northern Railway System.

New depots have been built at the following stations:

Mayer, Minn.	Litchfield, Minn.	Colgate, N. D.
Doran, Minn.	Sharon, N. D.	Knox, N. D.
Berwick, N. D.	Perth, N. D.	University, N. D.
Elmer, Minn.	Kragnes, Minn.	Berthold, N. D.
Portage, Mont.	Priest River, Ida.	Ephrata Wash.
Interbay, Wash.	Wooley, Wash.	Grandy, Minn.
Brookston, Minn.	Buhl, Minn.	Cohasset, Minn.
	Barclay Jct., Minn.	

Depots at sixteen other stations have been enlarged.

A brick freight house, 50' x 300' has been built at Great Falls, Montana, and one 40' x 300' is now under construction at Fargo, N. D.

A freight shed has been built at Lynd, Minn., and one at Stephen, Minn.

An extension has been made to the wool warehouse at Benton, Montana.

A grain warehouse, 60' x 160', has been built at Downs, Wash., and extensions, each 60' x 160', made to the grain warehouses at Edwall, Harrington and Lamona, Wash.

A new ice house has been built at Sioux City, Iowa, and extensions to the ice houses at Willmar, Minn., and Grand Forks, N. D.

Section houses have been built at the following stations:

Swan River, Minn. (2)	Palermo, N. D. (2)	Tagus, N. D.
Tioga, N. D.	Kilva, Mont. (2)	Harlem, Mont. (2)
Malta, Mont. (2)	Coburg, Mont.	Burnham, Mont.
Hingham, Mont. (2)	Kremlin, Mont. (2)	Boulder, Mont.
Odessa, Wash. (2)	Moscow, Wash. (2)	Everett, Wash. (2)
Interbay, Wash.	Burlington, Wash.	Ferndale, Wash.
	Portage, Mont. ;	

and an addition has been built to the section house at Saunders, Wis.

Stockyards have been built at:

Grand Rapids, Minn.	Litchfield, Minn.	Kerkhoven, Minn.
Osakis, Minn.	Avon, Minn.	Zimmerman, Minn.
Graceville, Minn.	Sheffield, S. D.	Hazel, S. D.
Grover, S. D.	Yale, S. D.	Lynd, Minn.
South Shore, S. D.	Nassau, Minn.	Holloway, Minn.
Cavalier, N. D.	Pisek, N. D.	Hannah, N. D.
Stanley, N. D.	Des Lacs, N. D.	Havre, Mont.
Clancy, Mont.	Browning, Mont.	Everett, Wash.
	Wooley, Wash.	

The stockyards at Brandon, Minn., Monticello, Minn., Great Falls, Mont., and Galata, Mont., have been enlarged.

Scales have been placed in the stockyards at Danvers, Minn., and Minot, N. D. Improvements have been made to other stockyards.

Coaling stations equipped with lifting engines and the necessary tracks have been built at Minneapolis Junction, Minn., Smith Lake, Minn., Casselton, N. D., and East Spokane, Wash., replacing stations of an old pattern that had burned. Coaling platforms and sheds have been built at Cambridge, Minn., Silver, Mont., Northport, Wash., and Chewelah, Wash.

Permanent improvements in the water supply are being continued, numerous plants, both additional and replacing others, having been built, and improvements made on existing plants.

Loading platforms have been built at eighteen stations.

Right-of-way fence has been built during the year as follows:

Great Northern Railway .....	334.26 miles
Eastern Railway of Minnesota .....	2.21 "
Montana Central Railway .....	4.84 "
Willmar & Sioux Falls Railway .....	16.08 "
Duluth, Watertown & Pacific Railway .....	2.10 "
Seattle & Montana Railroad .....	1.91 "
Total .....	<u>361.40 miles</u>

Banks have been widened and raised on 239.02 miles of track, banks restored to grade on 195.40 miles, and track ballasted with gravel on 461.48 miles.

A large amount of hydraulic work and ditching has been done along the Coast Line between Everett and Seattle, Wash.

The replacement of bridges and trestles with steel, or filling them so as to make solid embankments, has been actively followed during the year, the work done being:

Length of steel bridges built:

Great Northern Railway (on old lines) .....	1,094 feet
Eastern Railway of Minnesota .....	210 "
Duluth Terminal Railway .....	200 "
Total in replacement .....	<u>1,504 feet</u>

In addition steel bridges were built on new lines between Huntley Coulee and Great Falls, Montana .....

2,018 feet

Total length of steel bridges built .....

3,522 feet

Lineal feet of bridges filled:

Great Northern Railway .....	6,498 feet
Eastern Railway of Minnesota .....	336 "
Willmar & Sioux Falls Railway .....	5,293 "
Duluth, Watertown & Pacific Railway .....	213 "
Seattle & Montana Railroad .....	670 "

Total .....

13,010 feet

To provide the necessary waterways in place of bridges filled as above, 12 stone culverts, 24 pipe culverts and 2 box culverts were put in.

So much permanent bridge work has been done during the past few years that the amount to be done each year is rapidly decreasing.

The wooden bridging on the line was still further reduced during the year by the removal or relocation of lines as follows:

Great Northern Railway:

Changes of line between Edwall and Moscow, and Moscow and Harrington, Wash.....	1,659 feet
Eastern Railway of Minnesota:	
Removal of line between Brace Junction and Pokegama Junction .....	2,265 "
Total .....	<u>3,924 feet</u>

The following is a close approximation of the quantities of material moved during the year in changes of line, construction of additional lines at Everett, Wash., reduction of grades, widening and raising banks, bridge filling and ballasting:

In changes of line, construction of additional lines at Everett, Wash., and reduction of grades .....	1,463,589 cu. yds.
In widening and raising embankments, and generally restoring banks .....	980,685 "
For filling bridges .....	460,417 "
For ballasting (gravel) .....	1,194,446 "
Total .....	<u>4,099,137 cu. yds.</u>

There were also placed:

Masonry .....	26,168 cu. yds.
Concrete .....	21,515 "
Riprap .....	57,686 "
Total .....	<u>105,369 cu. yds.</u>

Following the plan of previous years, only such amounts as represented cost of actual additions to the property have been charged to "Additions and Improvements," and the entire amount charged to that account during the year on account of the line leased from the St. Paul, Minneapolis and Manitoba Railway Company, or \$1,820,225.11, has been transferred to "Fund for Permanent Improvements and Renewals," so that

the Great Northern Railway Company is not carrying on its books, as an asset, the cost of any additions or improvements to the line leased from the Manitoba Company.

All replacements, renewals, etc., have been charged to Operating Expenses. The amount included in "Maintenance of Road and Structures" this year, for extraordinary improvements, etc., is \$1,663,812.

The efficiency of the railway as a means of transportation is improving every year.

Attention is called to the increase in the train load of revenue freight and the resulting income per train mile.

#### VOLUME OF TRAFFIC AND RATES.

The tonnage of revenue freight hauled during the year increased 3,311,552 tons, or 33.363 per cent; freight earnings increased \$5,785,363.28, or 21.108 per cent. The number of bushels of wheat hauled East increased 26,987,682 bushels, equal to 809,630 tons. Including this increase, however, there were 4,587,599 less bushels of wheat hauled this year than during the year ended June 30th, 1900, and the earnings from East bound wheat traffic this year were \$542,685.26 less than during that period.

There was an increase of 1,458,179 gross tons in the amount of iron ore hauled on the Eastern Division.

The increase in freight traffic aside from wheat and iron ore amounted to 1,070,762 tons, and in the earnings to \$2,587,894.50. This increase was in general business and over the entire System, except on the Montana Central Railway, where there was a falling off in the volume of freight traffic and earnings on account of the practical suspension of the mining and manufacturing of copper in Montana for nearly four months. On account of the rapid settlement and development of the country through which the system runs, there has been a large increase in shipments of merchandise and supplies required by the smaller towns. This is shown by the fact that while the

tonnage hauled increased 33.363 per cent as above given, the ton mileage increased but 28.547 per cent. Or, the average distance each ton was hauled last year was 250 miles, while this year it was 241 miles. This is still further reflected in the comparatively small reduction in the average revenue per ton per mile of .012 cents, or 1.3777 per cent, equal on the ton mileage hauled this year to about \$383,000. That is, there has been a greater increase in the volume of the higher class freight than in the lower classes. Effective January 25th, 1902, the rates on all classes of merchandise between stations in Minnesota, North Dakota and South Dakota were reduced an average of about fifteen per cent.

It is the policy of the Company to reduce freight rates as rapidly as the volume of traffic and earnings will justify, and to this end the rates on grain, grain products, potatoes, onions and hay, from stations in the State of Washington to Puget Sound, were reduced during August, 1902, an average of ten per cent. Effective August 28th, 1902, the rates on grain and grain products from stations in Minnesota, North Dakota and South Dakota to Eastern terminals were reduced an average of about ten per cent.

While the ton mileage of revenue freight increased 28.547 per cent, the mileage of loaded freight cars increased but 21.2035 per cent and the mileage of freight hauling trains but 17.3725 per cent, resulting in an increase of 36.301 tons (9.5205 per cent), in the average number of revenue tons per freight train mile, making the average train load of revenue freight 417.595 tons.

The earnings of passenger trains increased \$1,869,091.08, or 29.5468 per cent, of which \$1,752,840.51 came from passenger fares, \$29,272.65 from sleeping cars, \$8,220.73 from transportation of mails, \$63,183.61 from transportation of express, and the balance from miscellaneous sources.

Although there has been no increase in passenger rates during the year, the average revenue per passenger per mile has increased .037 cents, or 1.6157 per cent, caused by the natural

increase in local travel due to the settlement of the country and to the prosperous condition of the people.

The large movement of people to the Northwest during the last few years, which still continues without abatement, has resulted in the settlement of a vast area of vacant lands adjacent to the Company's line. During this period more than 5,000,000 acres of Government land in the northern part of North Dakota has been taken under the Homestead Act. It is also satisfactory to note that many of the large farms in this State are being cut up into smaller ones. The immigration into the Western and Pacific States during the past year has continued, and in numbers has exceeded that of any previous year.

The Government having undertaken the reclamation of the semi-arid lands by means of irrigation, a speedy settlement of the same will follow. The farmers from the older States stand ready at the present time to buy all the lands the Government will irrigate at prices that will pay a profit on the cost of the work.

The opening of the new lines hereinbefore referred to, the excellent crop that has just been harvested, and the prosperous condition generally of the territory served by the Company, all indicate that the business of the Company for the year ending June 30th, 1903, will show a large increase over the year just ended.

The Board respectfully call attention of the shareholders to the Report of the Comptroller, with the customary balance sheet and statistical tables, and to the Report of the Land Commissioner.

JAMES J. HILL,  
*President.*

## COMPROLLER'S REPORT.

*MR. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ended June 30th, 1902.

These statements are made in the same form and on the same basis as those submitted with last year's report.

The statements on the pages next following, 24 and 25, show the Earnings, Operating Expenses, Taxes, etc., of the Railway SYSTEM exclusive of the Spokane Falls & Northern Railway System, which is operated separately. The statement on page 26 shows the division of these amounts between the several railways, and includes as a separate item the same information for the Spokane Falls & Northern Railway System. On pages 27 and 28 are given the Revenue and Income Accounts of the Great Northern Railway COMPANY.

The balance sheet on page 33, like the one published last year, presents a complete statement of the property, capitalization and finances of what is known as the Great Northern Railway Line. The finances, etc., of the Spokane Falls & Northern System and of the Northern Steamship Company are not included, those properties being operated and their finances kept separate and distinct from those of the balance of the system.

J. G. DREW,  
*Comptroller.*

GROSS EARNINGS, OPERATING EXPENSES, TAXES, AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDED JUNE 30th, 1902, COMPARED WITH THE PREVIOUS FISCAL YEAR.

NOTE: These figures do NOT include the Spokane Falls & Northern Railway System.

GROSS EARNINGS.

PER CENT.	1902.	CLASS.	1901.	PER CENT.
76.0680	\$27,409,017.23	.....Freight.....	\$21,623,653.95	76.2721
18.4895	6,662,173.25	.....Passenger.....	4,909,332.74	17.3164
2.2185	799,365.59	.....Mail.....	791,144.86	2.7906
1.0339	372,553.21	.....Express.....	309,369.60	1.0912
2.1901	789,146.78	... Miscellaneous ...	717,188.60	2.5297
	\$36,032,256.06	..... Total..	\$28,350,689.75	

OPERATING EXPENSES.

PER CENT.	1902.	CLASS.	1901.	PER CENT.
50.1172	\$8,915,425.12	Conducting Transportation	\$7,751,339.13	48.9246
15.3255	2,726,282.76	Maintenance of Equipment	2,354,311.46	14.8599
26.4345	4,702,479.41	{ Maintenance of Road and Structures. }	4,402,157.25	27.7854
8.1228	1,444,976.95	.... General Expenses.....	1,335,613.22	8.4301
	\$17,789,164.24	..... Total.....	\$15,843,421.06	

## SUMMARY OF EARNINGS AND EXPENSES.

1902.		1901.
\$36,032,256.06	.....Gross Earnings .....	\$28,350,689.75
17,789,164.24	.....Operating Expenses.....	15,843,421.06
\$18,243,091.82	.....Net Earnings.....	\$12,507,268.69
1,239,693.97	..... Taxes.....	969,642.31
\$17,003,397.85	.....Income from Operation.....	\$11,537,626.38
49.37	Operating Expenses, per cent of Gross ..... Earnings.....	55.88
52.81	Operating Expenses and Taxes, per cent ..... of Gross Earnings.....	59.30
\$6,864.11	Gross Traffic Earnings per Mile of Road	\$5,449.64
3,388.82	... Operating Expenses per Mile of Road ...	3,045.46
\$3,475.29	..... Net Earnings per Mile of Road. ....	\$2,404.18
5,249.37	.. Average Miles of Road under Operation..	5,202.31

STATEMENT SHOWING THE REVENUES FOR THE YEAR ENDED JUNE 30th, 1902, OF THE GREAT NORTHERN RAILWAY COMPANY AND ALL PROPRIETARY COMPANIES.

COMPANIES	GROSS EARNINGS	OPERATING EXPENSES	TAXES.	INCOME FROM OPERATION	MISCELLANEOUS INCOME RECEIVED	TOTAL
Great Northern Railway.....	\$28,397,134.90	\$14,149,761.74	\$984,875.37	\$13,298,997.79	\$1,460,468.48	\$14,759,466.27
RAILWAYS:						
Eastern Ry. of Minnesota.....	4,298,929.41	1,945,622.02	130,249.41	2,454,097.98	487,444.98	2,941,542.96
Montana Central Ry.....	1,787,081.68	1,109,658.94	47,598.07	630,424.72	62,268.41	692,693.13
Willmar & Sloux Falls Ry.....	1,530,292.78	858,665.87	61,874.09	600,552.82	21,279.68	621,832.50
Duluth, Watertown & Pacific Ry.....	85,847.34	80,288.77	6,696.48	45,862.14	172.00	46,034.14
Total Railway System Proper.....	\$36,082,256.06	\$17,798,164.24	\$1,239,668.97	\$17,006,897.85	\$2,001,628.50	\$19,008,526.35
OTHER COMPANIES:						
Spokane Falls & Northern Ry. System.....	1,165,197.04	582,298.88	90,448.81	582,454.85	9,886.62	592,341.47
Minneapolis Union Ry.....	225,997.75	59,106.29	1,068.71	171,858.75	9,706.68	181,565.88
Minneapolis Western Ry.....	65,069.80	98,114.69	1,565.22	28,419.89	149.21	28,569.10
Duluth Terminal Ry.....	36,282.52	22,782.52	.....	18,500.00	.....	18,500.00
Northern Steamship Co*.....	1,888,740.38	1,119,153.80	.....	214,584.58	10,934.80	225,519.38
Total for System.....	\$38,858,513.50	\$19,001,571.42	\$1,272,746.21	\$17,984,106.87	\$2,081,750.26	\$20,065,857.13

\* For year ended December 31st, 1901.

EXPLANATORY NOTE.

DIVIDENDS:—Out of the net income of the Companies named the following dividends have been declared:

Eastern Railway Company of Minnesota.....	\$800,000.00
Willmar and Sloux Falls Railway Company.....	360,000.00
Spokane Falls and Northern Railway System:	
Columbia and Red Mountain Railway Co.....	18,220.00
Red Mountain Railway Co.....	9,580.00
Minneapolis Union Railway Company.....	25,000.00
Northern Steamship Company.....	150,000.00
Total.....	\$1,847,760.00

which amount is not included in the "Miscellaneous Income" of the Great Northern Railway as given in the above table, but is added to the "Miscellaneous Income" in the Income account on page 28.

DULUTH TERMINAL RY. CO.:—This Company is the owner of the railway used by the Great Northern Railway to secure entrance into Duluth and extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Railway Co. of Minnesota. Under the franchise of the Duluth Terminal Railway Co. its earnings derived from trackage are limited to six per cent on its stock and bonds; the interest and dividends paid, amounting to \$18,500, are not included in the "Miscellaneous Income" above shown.

## REVENUE ACCOUNT.

## GREAT NORTHERN RAILWAY COMPANY.

EARNINGS FROM OPERATION OF THE LINES LEASED BY THE GREAT NORTHERN RAILWAY COMPANY AND LINE OF THE SEATTLE & MONTANA RAILROAD CO.

YEAR ENDED JUNE 30th, 1902.

## EARNINGS:

Freight.....	\$21,002,636.68
Passenger .....	5,690,996.13
Mail.....	708,290.64
Express .....	324,211.69
Miscellaneous.....	670,999.76

Gross Earnings..... \$28,397,134.90

## OPERATING EXPENSES:

Conducting Transportation.....	\$7,069,911.71
Maintenance of Equipment.....	2,169,783.07
Maintenance of Road and Structures.....	3,792,051.97
General Expenses.....	1,112,014.99

Total Operating Expenses..... \$14,143,761.74

TAXES..... 984,375.37 15,128,137.11

Income from Operation..... \$13,268,997.79

From which have been paid:

## RENTALS:

To St. P., M. & M. Ry. Co.:	
Guaranteed Interest on St. P., M. & M. Ry. Co.'s Bonds, Paid and Accrued.....	\$3,471,414.01
(For Details see Page 82.)	
Guaranteed Dividends of 6 per cent on Capital Stock of St. P., M. & M. Ry. Co.	1,200,000.00
Maintenance of Organization of St. P., M. & M. Ry. Co.....	6,346.62
To Eastern Ry. Co. of Minnesota:	
Guaranteed Interest on Bonds and Guaranteed Dividends of 6 per cent on the Capital Stock of Eastern Ry. Co. of Minnesota, paid or accrued.....	232,500.00
Other Rentals.....	165,049.03

Total Rentals..... \$5,075,309.66

From which deduct amount received by Great Northern Ry. Co. as dividends paid or accrued on Stocks of the St. P., M. & M. Ry. Co. and Eastern Ry. Co. of Minnesota owned by it..... 1,332,764.00

Net..... \$3,742,545.66

## IMPROVEMENTS:

Amount transferred to Fund for Permanent Improvements and Renewals.....	2,000,000.00
Total.....	<u>5,742,545.66</u>

Balance transferred to Income Account... \$7,526,452.13

INCOME ACCOUNT.  
GREAT NORTHERN RAILWAY COMPANY.  
YEAR ENDED JUNE 30th, 1902.

Balance transferred from Revenue Account . . . .	\$7,526,452.13
<b>OTHER INCOME:</b>	
Interest on Bonds Owned.....	\$ 380,635.00
Dividends on Stocks Owned....	1,419,960.32
Rentals of Leased Lines.....	176,484.89
Bills Receivable (Land Notes).....	2,059.34
Rental of Equipment and Car Service.....	180,273.19
Profit on Securities sold during year..	363,177.45
Income from Other Sources—ground rents, miscellaneous items, etc.....	293,868.24
Total Income .....	\$10,342,910.56
From which have been paid Dividends as follows:	
August 1, 1901, 1¼ per cent on \$98,716,600..	\$1,727,540.50
November 1, 1901, 1¼ per cent on \$123,730,100	2,165,276.75
February 1, 1902, 1¼ per cent on \$123,788,000	2,166,290.00
May 1, 1902, 1¼ per cent on \$123,817,900..	2,166,813.25
Balance transferred to Profit and Loss ..	\$2,116,990.06

## DETAILS OF OTHER INCOME.

## INTEREST ON BONDS OWNED:

Town of Wadena Bonds .. . . . . .	\$240.00
Town of Sandness Bonds .. . . . . .	120.00
Town of Leaf River Bonds..... . . . .	120.00
Town of Hutchinson Bonds..... . . . .	315.00
Town of Minnesota Falls Bonds..... . . . .	120.00
Duluth Terminal Ry. Co. Bonds..... . . . .	5,250.00
Montana Central Ry. Co. Bonds..... . . . .	32,500.00
Willmar & Sioux Falls Ry. Co. Bonds..... . . . .	1,050.00
Park Rapids & Leech Lake Ry. Co. Bonds....	12,500.00
Butte, Anaconda & Pacific Ry. Co. Bonds ...	50,000.00
Spokane Falls & Northern Ry. Co. Bonds....	154,800.00
Nelson & Fort Sheppard Ry. Co. Bonds.....	77,580.00
Columbia & Red Mountain Ry. Co. Bonds....	17,460.00
Red Mountain Ry. Co. Bonds..... . . . .	13,020.00
St. P., M. & M. Ry. Co's. Montana Ext. Bonds	15,560.00
Total..... . . . .	<u>\$ 380,635.00</u>

## DIVIDENDS ON STOCKS OWNED:

Northern Steamship Co. Stock.....	\$150,000.00
Great Northern Ry. Co. Stock.....	3,060.32
St. Paul Union Depot Co. Stock.....	1,750.00
Minneapolis Union Ry. Co. Stock.....	25,000.00
Duluth Terminal Ry. Co. Stock.....	3,000.00
Park Rapids & Leech Lake Ry. Co. Stock....	35,000.00
Eastern Ry. Co. of Minnesota Stock.....	800,000.00
Willmar & Sioux Falls Ry. Co. Stock.....	350,000.00
Red Mountain Ry. Co. Stock.....	9,530.00
Columbia & Red Mountain Ry. Co. Stock....	13,220.00
Butte, Anaconda & Pacific Ry. Co. Stock ...	29,400.00
Total..... . . . .	<u>\$1,419,560.32</u>

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM  
 (But NOT including Spokane Falls & Northern Railway System)  
 FOR THE YEAR ENDED JUNE 30th, 1902, COMPARED WITH THE PREVIOUS YEAR

DESCRIPTION	1902	1901	INCREASE.	
			Amount	Per Cent
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	6,861,788	5,627,607	1,234,001	21.9298
Mileage of Mixed Trains.....	777,704	881,061	108,857	11.7310
Total.....	7,639,492	6,508,758	1,130,734	17.3725
Mileage of Locomotives employed in "helping" Freight and Mixed Trains.....	307,574	304,331	3,243	1.0656
Percentage of "helping" to Revenue Train Mileage.....	4.0261	4.6757	0.2968	.....
Mileage of Loaded Freight Cars.....	187,292,065	154,527,659	32,765,246	21.2085
Mileage of Empty Freight Cars.....	64,312,308	44,468,558	19,843,750	44.6242
Total Car Mileage.....	251,605,243	198,996,247	52,608,966	26.4372
Tons of Freight Carried, Revenue.....	13,237,368	9,025,811	3,311,562	33.9630
Company.....	1,862,455	1,592,440	270,015	16.9561
Total.....	15,099,814	11,518,251	3,581,567	31.0647
Tons of Revenue Freight Carried One Mile.....	3,190,217,482	2,481,751,195	708,466,287	28.5470
Earnings from Freight Traffic.....	\$27,818,030.10	\$21,998,491.43	\$5,814,588.67	26.4315
<b>AVERAGES</b>				
All Cars Handled per Freight Train Mile.....	32.93	30.57	2.06	7.7200
Tons Revenue Freight Hauled per Train.....	417.595	381.294	86.301	9.5205
Tons Revenue Freight Hauled per Loaded Car.....	17.033	16.000	.973	6.0585
Earnings per Freight Train Mile.....	\$3.64	\$3.38	\$0.26	7.6923
Earnings per Ton per Mile.....	Cents .850	Cents .871	Cents .012	1.3777

## STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM

*Continued.*

DESCRIPTION.	1902.	1901.	INCREASE.	
			Amount.	Per Cent.
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	4,614,850	4,284,900	329,950	7.7008
Mileage of Locomotives employed in "helping" Passenger Trains.....	41,982	52,862	<i>Decrease.</i> 10,880	20.6765
Percentage of "helping" to Revenue Train Mileage.....	0.9086	1.2337	3.8126	
Passengers Carried.....	8,498,245	2,717,851	<i>Increase.</i> 775,394	28.5297
Passengers Carried One Mile.....	286,320,423	214,392,859	71,927,564	33.5494
Earnings of Passenger Trains.....	\$8,194,964.77	\$6,325,873.69	\$1,869,091.08	29.5468
<b>AVERAGES</b>				
Earnings per Passenger Train Mile..	\$1.5197	\$1.2245	\$0.2952	24.1078
Earnings per Passenger per Mile....	<i>Cents</i> 2.327	<i>Cents</i> 2.290	<i>Cents</i> 0.037	1.6157
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains .....	12,254,342	10,793,658	1,460,684	13.5828
Earnings from Freight and Passenger Trains.....	\$36,007,994.87	\$26,324,965.12	\$7,683,029.75	27.1273
Earnings per Train per Mile.....	2.94	2.63	.31	11.7871
Expenses per Train per Mile.....	1.45	1.47	<i>Decrease.</i> .02	1.3605
Net Traffic Earnings per Train per Mile .....	1.49	1.16	<i>Increase.</i> .33	28.4483

NOTE: The Train, Locomotive and Car Mileage figures given above have been compiled and all computations based upon them made in accordance with the rules of the Interstate Commerce Commission.

**STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE  
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTHERN  
RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR UNDER  
GUARANTEE.**

Outstanding July 1, 1901.	BONDS.	Outstanding July 1, 1902.	Annual Charges Paid 1901-1902.
\$7,860,000.00	St. P., M. & M. Ry.:		
5,625,000.00	Second Mortgage, 6 per cent.....	\$7,503,000.00	\$402,776.80
13,844,000.00	Dakota Extension, 6 per cent.....	5,576,000.00	365,686.00
20,756,000.00	Consolidated Mortgage, 6 per cent...	13,844,000.00	800,647.00
7,907,000.00	Consolidated Mortgage, 4½ per cent...	20,176,000.00	919,237.50
14,545,454.54	Montana Extension, 4 per cent.....	10,185,000.00	360,428.96
	Pacific Extension, 4 per cent.....	*14,545,454.54	561,512.18
	Total shown on page 27.....		\$8,471,414.81
4,700,000.00	EASTERN RY. OF MINN.:	4,700,000.00	\$225,000.00
5,000,000.00	First Division, First Mt'ge, 5 per cent	5,000,000.00	200,000.00
6,000,000.00	MONTANA CENTRAL RY.:	6,000,000.00	360,000.00
4,000,000.00	First Mortgage, 6 per cent.....	4,000,000.00	200,000.00
3,646,000.00	WILLMAR & SIOUX FALLS RY.:	3,646,000.00	162,300.00
	First Mortgage, 5 per cent.....		
2,150,000.00	MINNEAPOLIS UNION RY.:	2,150,000.00	129,000.00
660,000.00	First Mortgage, 6 per cent.....	660,000.00	32,500.00
500,000.00	MINNEAPOLIS WESTERN RY.:	500,000.00	25,000.00
	First Mortgage, 5 per cent.....		
\$96,683,454.54	... Total Bonds on Railway property...	\$97,975,454.54	\$4,385,214.01
\$454,600.00	STOCK:		
	St. P., M. & M. RY. - 6 per cent guaran-	\$458,600.00	† Net 27,386.00
	anteed, unexchanged.....		
\$97,138,054.54	..... Total.....	\$98,429,054.54	\$4,362,450.01
\$98,711,750.00	Great Northern Railway Company, out-	\$123,853,000.00	\$8,225,890.00
	standing.....		
	Bonds on Railway property, outstanding as above.....		\$97,975,454.54
	Outstanding Capital Stock of Great Northern and St. P., M. & M. Ry.		
	Companies.....		124,306,600.00
	Total Capitalization of System.....		\$222,282,054.54

Mileage of Track in System, including second, third, fourth, fifth and sixth tracks, covered by above capitalization as shown on page 86....	5,920.84
Stocks and Bonds per mile of Main Track.....	\$37,504.81
Mileage of Main Tracks covered by bonds in hands of public.....	4,734.10
Bonded Debt Outstanding per mile of Main Track covered thereby.....	\$20,686.09

\*Not including \$3,000,000 St. P., M. & M. Ry. Co.'s Pacific Extension Bonds in Treasury of Great Northern Railway Company.

† Difference between amount of rental accrued under lease and dividends received or accrued on St. P., M. & M. Ry. Stock owned by Great Northern Railway Company.

In addition to the bonds above listed, the Great Northern and Northern Pacific Railway Companies have issued their Joint C., B. & Q. Collateral 4 per cent Bonds and Scrip to the amount of \$215,154,400.00, secured by the deposit with the Standard Trust Company of New York, as Trustee, of 1,075,772 shares of the Capital Stock of the Chicago, Burlington & Quincy Railroad Company.





**EQUIPMENT OF GREAT NORTHERN RAILWAY COMPANY AND  
PROPRIETARY LINES.**

FOR YEAR ENDED JUNE 30TH, 1902, AS COMPARED WITH YEAR  
ENDED JUNE 30TH, 1901.

CLASS.	1902.	1901.
Locomotives.....	608	563
<b>PASSENGER EQUIPMENT.</b>		
Sleeping Cars.....	48	50
Parlor Cars.....	5	5
Dining Cars.....	16	12
Buffet Smokers.....	8	8
Coaches.....	214	163
Tourist Cars.....	24	24
Passenger and Baggage.....	36	35
Baggage, Mail and Express.....	116	110
Business Cars.....	19	18
Total Passenger Equipment.....	486	425
<b>FREIGHT EQUIPMENT.</b>		
Box Cars.....	15,915	14,582
Combination Box and Stock Cars.....	745	750
Transfer Freight Cars.....	50	50
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Refrigerator Cars.....	404	209
Stock Cars.....	627	627
Flat and Coal Cars.....	3,544	3,312
Sand Cars.....	600	600
Ore Cars (wood).....	1,101	1,101
Ore Cars (steel).....	800	600
Ballast Cars.....	764	764
Caboose Cars.....	390	340
Cinder Cars.....	68	53
Boarding Cars.....	52	51
Derrick and Tool Cars.....	47	47
Steam Shovels.....	19	19
Lidgerwood Unloaders.....	13	12
Ditching Cars.....	1	1
Pile Drivers.....	10	10
Rotary Snow Plows.....	6	6
Snow Dozers.....	16	15
Flangers.....	1	1
Logging Trucks.....	126	100
Other Work Equipment.....	88	85
Total Freight and Work Equipment.....	26,545	24,493

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES OPERATED BY THE GREAT NORTHERN RY. CO.:	Miles.	Main Track Miles.	Total Miles.
Leased from St. P., M. & M. Ry. Co.:			
First Main Track .....		3,799.19	3,799.19
Second Track .....	80.61		
Third Track .....	9.28		
Fourth, Fifth and Sixth Tracks .....	13.05		52.94
Total Main Track .....			3,852.13
Side Tracks .....			707.81
Total Miles of Tracks owned by St. P., M. & M. Ry. Co. Leased from Eastern Ry. Co. of Minnesota .....		469.83	4,550.94
First Main Tracks .....			696.72
Second Track .....	25.49		
Side Tracks .....	171.40		
	<i>Side Track</i>		
	<i>Miles.</i>		
Duluth Terminal Railway .....	8.66	1.82	5.48
Leased from Park Rapids & Leech Lake Ry. Co. ....	7.15	49.04	56.19
Leased from Dakota & Great Northern Ry. Co. ....	2.61	40.44	43.05
Tracks of the Seattle & Montana R. R. Co., operated by G. N. Ry. ....	46.52	204.66	251.18
Spur to Flathead Lake, at Kalispell, Mont. ....			12.13
Total Tracks operated by Great Northern Ry. Co., June 30, 1902. ....		4,564.98	5,594.74
PROPRIETARY COMPANIES:			
Willmar & Sioux Falls Ry. Co. ....	48.94	438.41	482.33
Leased Tracks between Sioux City, Ia., and South Sioux City, Neb. ....		8.32	8.32
Duluth, Watertown & Pacific Ry. Co. ....	4.08	69.84	73.92
Montana Central Ry. Co. ....	55.52	290.51	316.06
Minneapolis Union Ry. Co. ....	4.74	2.68	10.00
Second Track .....	2.68		
Minneapolis Western Ry. Co. ....	5.04	1.06	6.73
Total Miles of Road in System as operated June 30, 1902. ....		5,896.88	
Total Miles of Track, all kinds, in System as operated June 30, 1902. ....			6,487.09
OTHER COMPANIES:			
Spokane Falls & Northern Ry. System (operated sep- arately) .....	23.40	203.08	226.43
Montana & Great Northern Ry. Co. ....			196.28
Jennings, Mont., to International Boundary (opened July 10, 1902) .....	5.40	50.98	
Great Falls, Mont., to International Boundary (under reconstruction) .....	5.53	134.37	53.37
Crow's Nest Southern Ry. Co. ....			
International Boundary to Morrissey, B. C. (opened Sept. 15, 1902) .....	4.90	49.47	
Washington & Great Northern Ry. Co. ....	4.49	59.53	64.07
Vancouver, Victoria & Eastern Ry. & Navigation Co., Marcus, Wash., to Grand Forks, B. C., and Republic, Wash. (opened Aug 17, 1902) .....	2.58	16.29	18.87
Total Miles of Road in System, including lines oper- ated separately and under construction .....		5,849.10	7,046.11

## TRACK STATEMENT—Continued.

## RECAPITULATION OF TRACK MILEAGE:

First Main Track .....	5,845.78	
Second Track .....	58.73	
Third, Fourth, Fifth and Sixth Tracks .....	22.88	
Total Main Tracks covered by Capitalization given on page 32.	5,926.84	
Leased Tracks .....	3.82	
Side and Spur Tracks .....	1,115.95	
Total Tracks, all kinds, in System, including lines operated separately and under construction .....		7,046.11

NOTE—Total Mileage of Road in System as operated June 30th, 1902, as shown on page 35 .....	5,336.38	
Total Mileage of Road in System, June 30th, 1901, as per report for that year .....	5,244.43	
Increase in Mileage .....		91.95

This increase is made up as follows:

## SEATTLE &amp; MONTANA R. R.:

Line from Anacortes to Rockport, Wash., purchased from Seattle & Northern Ry. Co. ....	54.42	
Mileage owned by S. & M. R. R. Co. but heretofore leased to Seattle & Northern Ry. Co. ....	8.82	
New lines constructed at Everett, Wash., net additional mileage.	3.32	61.56

## DAKOTA &amp; GREAT NORTHERN RY.:

New lines constructed during year:		
Bottineau to Souris, N. D. ....	12.72	
Lakota to Edmore, N. D. ....	27.72	
Total Increase .....		40.44
		102.00

## Less Decreases in Mileage:

## ST. P., M. &amp; M. RY.:

Change of line between Portage and Great Falls, Montana .....	8.43	
Change of line at Edwall, Wash. ....	.01	
Change of line at Harrington, Wash. ....	.22	
Change of line at Wenatchee River, Wash. ....	.13	
		8.79

## EASTERN RY. OF MINNESOTA:

Track between Brace Junction, Minn., and Pokegama Junction, Wis., removed .....	6.26	
Total Deduction .....		10.05
Net Increase in Mileage .....		91.95

## LAND COMMISSIONER'S REPORT.

*Mr. JAMES J. HILL, President.*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ended June 30th, 1902:

An adjustment of this grant has been arrived at with the State of Minnesota, during the year.

	ACRES.	ACRES.
The total acreage earned is .....		425,664.00
Of which there has been deeded to the Company...	425,660.90	
Total acreage sold to June 30th, 1902, less sales canceled .....		402,609.78
Value of same.....	\$1,290,560.20	
Average price per acre .....	3.21	
Remaining unsold June 30th, 1902.....		<u>23,054.22</u>

## OPERATIONS DURING THE YEAR.

Sales, acres.....	281,228.19
Amount sold for .....	\$495,686.32
Average price per acre.....	1.76
Receipts of Land Department .....	545,751.71
Disbursements of Land Department.....	6,124.77
Amount of deferred payments due Company which are bearing interest at six and seven per cent.....	459,071.09

CHARLES H. BABCOCK,  
*Land Commissioner.*

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY'S  
SINKING FUND ACCOUNT CONSOLIDATED  
MORTGAGE FUNDS.

July 1st, 1901. <i>By</i> balance to credit of Sinking Fund as per page 41 of last year's report .....	\$15,672.99
June 30th, 1902. From Land Department, as per Land Commissioner's Report on page 42.....	1,178,392.73
Revenue Todd County lands.....	3,859.64
Total Credits.....	\$1,197,925.36

## DEBITS:

To Bonds purchased by Trustee and canceled.

DATE	AMOUNT	PRICE	COST
July 16, 1901	\$3,000.00	113 $\frac{3}{8}$	\$3,416.25
July 19, 1901	15,000.00	113 $\frac{3}{8}$	17,081.25
August 19, 1901	4,000.00	114 $\frac{1}{4}$	4,570.00
August 27, 1901	2,000.00	113 $\frac{3}{8}$	2,267.50
August 30, 1901	3,000.00	114 $\frac{1}{4}$	3,427.50
September 25, 1901	7,000.00	114	7,980.00
October 2, 1901	1,000.00	114 $\frac{3}{8}$	1,143.75
October 2, 1901	12,000.00	114 $\frac{3}{8}$	13,740.00
October 14, 1901	3,000.00	114 $\frac{3}{8}$	3,431.25
October 28, 1901	35,000.00	115 $\frac{1}{4}$	40,425.00
November 12, 1901	20,000.00	116 $\frac{1}{8}$	23,225.00
November 13, 1901	9,000.00	116 $\frac{3}{8}$	10,473.75
November 14, 1901	3,000.00	116 $\frac{1}{8}$	3,483.75
November 22, 1901	1,000.00	116 $\frac{1}{4}$	1,162.50
December 2, 1901	3,000.00	116 $\frac{1}{8}$	3,483.75
December 3, 1901	3,000.00	116 $\frac{1}{4}$	3,487.50
December 3, 1901	20,000.00	116 $\frac{1}{4}$	23,250.00
December 12, 1901	10,000.00	116 $\frac{1}{4}$	11,625.00
December 13, 1901	5,000.00	116 $\frac{1}{4}$	5,812.50
December 27, 1901	26,000.00	116	30,160.00
December 30, 1901	1,000.00	116 $\frac{1}{8}$	1,161.25
December 31, 1901	5,000.00	116 $\frac{3}{8}$	5,818.75
January 6, 1902	1,000.00	114	1,140.00
January 7, 1902	5,000.00	113 $\frac{3}{8}$	5,681.25
January 9, 1902	5,000.00	113 $\frac{3}{4}$	5,687.50
Forward.....	\$202,000.00	\$233,135.00	\$1,197,925.36

DATE	AMOUNT	PRICE	COST	
Brought for'w'd	\$202,000.00		\$233,135.00	\$1,197,925.36
January 9, 1902	4,000.00	116 $\frac{1}{4}$	4,650.00	
January 10, 1902	11,000.00	114 $\frac{1}{8}$	12,553.75	
January 13, 1902	1,000.00	114	1,140.00	
January 14, 1902	50,000.00	114 $\frac{1}{8}$	57,062.50	
January 14, 1902	11,000.00	114	12,540.00	
January 16, 1902	6,000.00	114	6,840.00	
January 17, 1902	1,000.00	114	1,140.00	
January 22, 1902	1,000.00	114	1,140.00	
January 27, 1902	10,000.00	114 $\frac{1}{8}$	11,412.50	
January 28, 1902	4,000.00	114	4,560.00	
January 29, 1902	2,000.00	114	2,280.00	
January 30, 1902	15,000.00	114	17,100.00	
February 4, 1902	1,000.00	114	1,140.00	
February 4, 1902	7,000.00	114 $\frac{1}{8}$	7,988.75	
February 6, 1902	9,000.00	114	10,260.00	
February 6, 1902	3,000.00	114	3,420.00	
February 6, 1902	10,000.00	114 $\frac{1}{8}$	11,412.50	
February 10, 1902	26,000.00	114 $\frac{1}{8}$	29,672.50	
February 10, 1902	2,000.00	114 $\frac{1}{8}$	2,290.00	
February 11, 1902	6,000.00	114	6,840.00	
February 19, 1902	8,000.00	114 $\frac{1}{8}$	9,160.00	
February 25, 1902	18,000.00	114 $\frac{1}{4}$	20,565.00	
March 7, 1902	1,000.00	114 $\frac{5}{8}$	1,146.25	
March 26, 1902	1,000.00	114 $\frac{1}{4}$	1,142.50	
April 8, 1902	38,000.00	115 $\frac{1}{8}$	43,747.50	
April 8, 1902	10,000.00	115	11,500.00	
April 8, 1902	10,000.00	115 $\frac{1}{2}$	11,550.00	
April 17, 1902	1,000.00	115	1,150.00	
May 2, 1902	1,000.00	115 $\frac{3}{4}$	1,157.50	
May 5, 1902	2,000.00	115 $\frac{1}{4}$	2,305.00	
May 5, 1902	35,000.00	115 $\frac{5}{8}$	40,468.75	
May 8, 1902	15,000.00	116 $\frac{1}{8}$	17,418.75	
May 9, 1902	5,000.00	115 $\frac{5}{8}$	5,781.25	
May 12, 1902	15,000.00	116 $\frac{1}{8}$	17,418.75	
May 12, 1902	19,000.00	116	22,040.00	
May 13, 1902	65,000.00	115 $\frac{7}{8}$	75,318.75	
May 14, 1902	5,000.00	115 $\frac{1}{4}$	5,762.50	
May 15, 1902	200,000.00	115 $\frac{3}{4}$	231,500.00	
May 15, 1902	1,000.00	115 $\frac{1}{4}$	1,155.00	
May 16, 1902	2,000.00	115 $\frac{3}{4}$	2,315.00	
Forward.....	\$834,000.00		\$961,180.00	\$1,197,925.36

DATE	AMOUNT	PRICE	COST	
Brought forw'd	\$834,000.00		\$961,180.00	\$1,197,925.36
May 19, 1902	2,000.00	115 $\frac{1}{2}$	2,310.00	
May 19, 1902	2,000.00	115 $\frac{3}{4}$	2,305.00	
May 19, 1902	4,000.00	115 $\frac{7}{8}$	4,635.00	
May 21, 1902	1,000.00	115 $\frac{3}{8}$	1,153.75	
May 22, 1902	4,000.00	116	4,640.00	
May 22, 1902	2,000.00	115 $\frac{7}{8}$	2,317.50	
May 23, 1902	2,000.00	115 $\frac{3}{8}$	2,317.50	
May 26, 1902	2,000.00	115 $\frac{7}{8}$	2,317.50	
May 26, 1902	50,000.00	115 $\frac{1}{2}$	57,750.00	
May 26, 1902	1,000.00	115 $\frac{3}{4}$	1,157.50	
May 31, 1902	2,000.00	116	2,320.00	
June 4, 1902	11,000.00	116	12,760.00	
June 9, 1902	3,000.00	115 $\frac{1}{4}$	3,457.50	
June 9, 1902	2,000.00	115 $\frac{1}{4}$	2,305.00	
June 9, 1902	1,000.00	116	1,160.00	
June 10, 1902	50,000.00	115 $\frac{1}{4}$	57,625.00	
June 10, 1902	1,000.00	115 $\frac{1}{2}$	1,155.00	
June 10, 1902	1,000.00	116	1,160.00	
June 13, 1902	24,000.00	115 $\frac{3}{4}$	27,780.00	
June 17, 1902	1,000.00	115 $\frac{3}{4}$	1,157.50	
June 17, 1902	3,000.00	115 $\frac{5}{8}$	3,468.75	
June 20, 1902	1,000.00	115 $\frac{7}{8}$	1,158.75	
June 23, 1902	5,000.00	115 $\frac{5}{8}$	5,781.25	
June 30, 1902	2,000.00	115.68	2,313.67	
June 30, 1902	1,000.00	115 $\frac{5}{8}$	1,156.25	
Total	\$1,012,000.00	Costing		1,166,842.42
June 30, 1902, Balance, being funds applicable for further redemption of bonds				\$31,082.94

REPORT OF LAND COMMISSIONER, ST. PAUL, MINNEAPOLIS  
& MANITOBA RY. CO.

To MR. LOUIS W. HILL, President,

St. Paul, Minneapolis & Manitoba Ry. Co.

DEAR SIR: I respectfully submit the following report of operation of the Land Department for the year ended June 30th, 1902.

	ACRES.	ACRES.
Total Acreage of Land Grant computed at ten sections for each mile of road, as formerly construed by the State of Minnesota.....		<u>3,848,000.00</u>
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 30th, 1902.....	3,220,760.30	
Less deeded to Northern Pacific R. R. Co. by Supreme Court United States, March 2d, 1891.....	365,860.92	
Deeded to Northern Pacific R. R. Co. in accordance with terms of settlement of November 1st, 1897..	48,916.08	
Redeeded to United States .....	3,330.02	418,107.02
Net Acreage deeded.....	<u>2,802,653.28</u>	
Total Acreage sold prior to June 30th, 1902.....	2,967,261.17	
Less sales canceled .....	303,738.92	2,663,522.25
Remaining unsold June 30th, 1902.....		<u>816,089.11</u>

Owing to sales and other disposals of land within the limits of the Grant by the United States prior to the time at which this Company's right attached, a final adjustment of the Grant by the Government, which is approaching completion, will reduce the above area by about 600,000 acres.

During the year ended June 30th, 1902, 124,179.99 acres of land were sold for \$1,129,277.71, an average of \$9.09 per acre. There were also sold 819 town lots for \$15,003.20, an average price per lot of \$18.32.

The number of land sales during the year was 1,412, with an average of about 88.00 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDED  
JUNE 30th, 1902.

Cash Sales and Installments of Principal on New Land Contracts .....	\$146,042.23
Amount of Principal received on Old Contracts .....	883,480.06
Amount received for Trespass, Stumpage, Grass Sales, etc. ....	5,208.24
Amount received for Interest on Old and New Contracts. ....	187,774.39
Amount received for Principal and Interest on Town Lot Contracts.....	21,574.17
	<b>\$1,244,079.09</b>
Less Expense of Land Department and Trustee .....	65,686.36
Net Receipts .....	<b>\$1,178,392.73</b>
Amount of Deferred Payments due this Company on Land Contracts bearing interest at 7 and 6 per cent. ....	\$3,268,741.76
Amount of Deferred Payments due this Company on Town Lots bearing interest at 7 and 6 per cent. ....	10,745.49
	<b>\$3,277,487.25</b>

Referring to that portion of report for the year ending June 30th, 1893, relating to 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 63,477.92 acres, for which the Company is authorized to locate an equivalent amount elsewhere. The Company has selected to June 30th, 1902, 55,242.20 acres in lieu of a part of the above amount.

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

172.95 acres for \$3,507.05, an average per acre of .....	\$20.27
Receipts during the year .....	\$28,892.65
Taxes paid, Expenses of Examination and Selection of Land and other Disbursements made during the year in connection with Grant.....	3,133.49

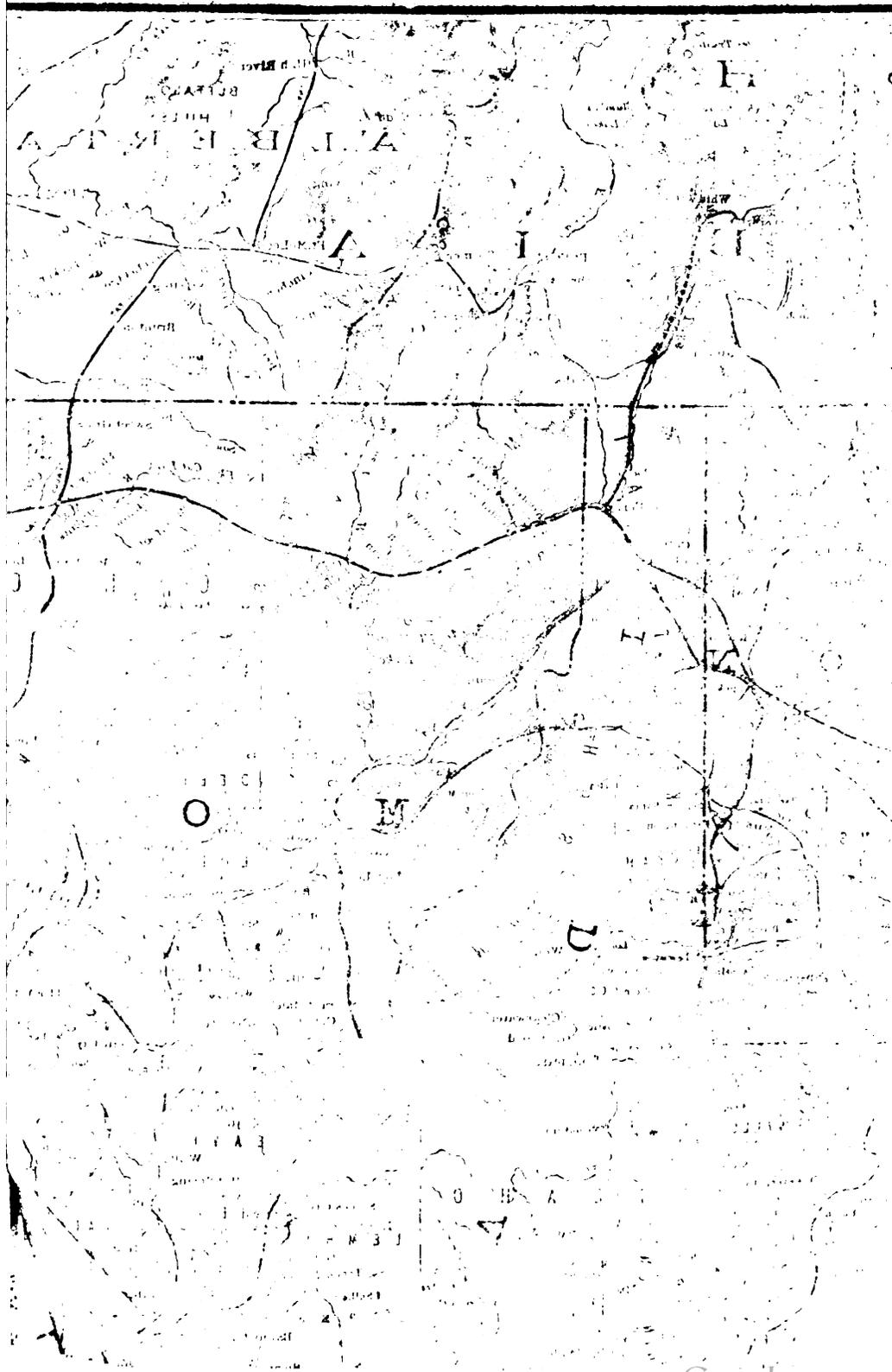
The remaining lands are in process of adjustment with the Government.

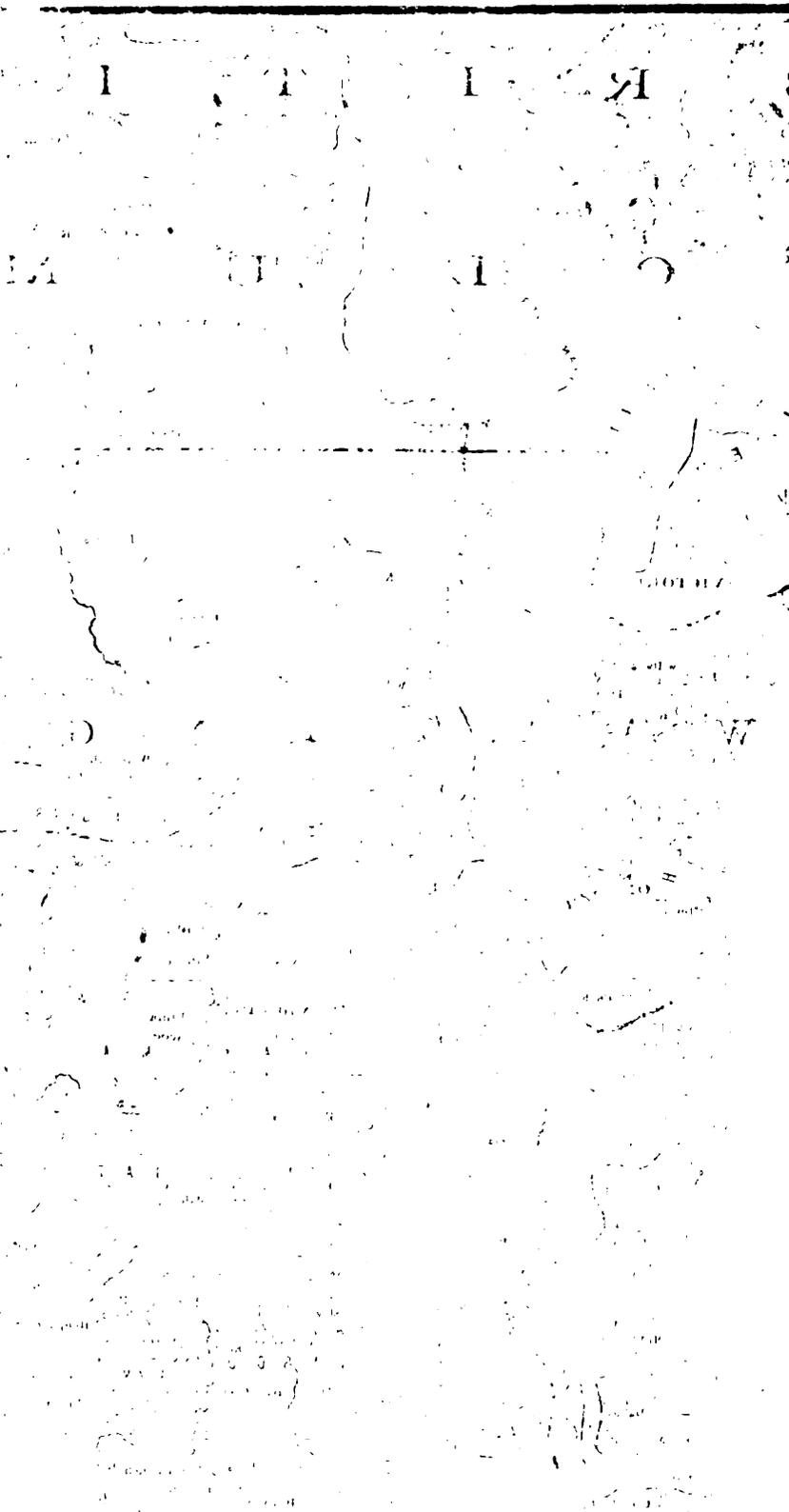
CHARLES H. BABCOCK,  
*Land Commissioner.*











10/12

DEPARTMENT OF THE  
TREASURY  
HARVEY P. HICK & SONS,  
STATISTICAL DEPARTMENT  
WASHINGTON, D. C.  
PRINTED BY THE GOVERNMENT PRINTING OFFICE

FOURTEENTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.



FISCAL YEAR ENDED

JUNE 30, 1903.



**FOURTEENTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

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**FISCAL YEAR ENDED**

**JUNE 30, 1903.**



# GREAT NORTHERN RAILWAY COMPANY.

## DIRECTORS.

R. I. FARRINGTON (term expires 1908)	ST. PAUL.
EDWARD SAWYER (term expires 1908)	ST. PAUL.
M. D. GROVER (term expires 1908)	ST. PAUL.
JAMES N. HILL (term expires 1904)	ST. PAUL.
WILLIAM B. DEAN (term expires 1904)	ST. PAUL.
HENRY W. CANNON (term expires 1904)	NEW YORK.
JAMES J. HILL (term expires 1905)	ST. PAUL.
FREDERICK WEYERHAEUSER (term expires 1905)	ST. PAUL.
LOUIS W. HILL (term expires 1905)	ST. PAUL.

*Sawyer Hill*

## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
L. W. HILL,	ASSISTANT TO PRESIDENT,	ST. PAUL.
<del>J. N. HILL,</del>	VICE PRESIDENT,	ST. PAUL.
R. I. FARRINGTON,	SECOND VICE PRESIDENT,	ST. PAUL.
E. T. NICHOLS,	THIRD VICE PRESIDENT, SECRETARY AND ASST. TREASURER,	NEW YORK.
J. W. BLABON,	FOURTH VICE PRESIDENT,	ST. PAUL.
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL.
N. TERHUNE,	ASST. SECRETARY AND ASST. TREASURER,	NEW YORK.
J. G. DREW,	COMPTROLLER,	ST. PAUL.
M. D. GROVER,	GENERAL COUNSEL,	ST. PAUL.
F. E. WARD,	GENERAL MANAGER,	ST. PAUL.
G. T. SLADE,	GENERAL SUPERINTENDENT,	ST. PAUL.
F. B. CLARKE,	GENERAL TRAFFIC MANAGER,	ST. PAUL.
A. H. HOGELAND,	CHIEF ENGINEER,	ST. PAUL.
E. A. BERNHOLZ,	TRANSFER AGENT,	NEW YORK.
M. H. NILES,	TRANSFER AGENT,	NEW YORK.



# FOURTEENTH ANNUAL REPORT

## OF THE

# GREAT NORTHERN RAILWAY

# COMPANY.

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*To the Stockholders:*

The President and Directors submit the following report for the year ended June 30th, 1903.

### FINANCIAL.

#### CAPITAL STOCK.

There has been no increase in the authorized share capital of the Great Northern Railway Company during the year, and same remains at \$125,000,000.

Of the capital authorized there had been issued

to June 30th, 1902 (page 6, last year's report)..\$123,853,000.00

There have been issued during the year

37½ shares, amounting to .....	3,750.00
in completing previous transactions;	

1,400 shares, amounting to.....	140,000.00
---------------------------------	------------

have been transferred to the Great Northern Employees' Investment Company, Limited, under the contract referred to on page 7 of Report for the year ended June 30th, 1900.

To June 30th, 1903, the Investment Company had subscribed and paid for 5,600 shares (\$560,000) under the contract mentioned.

Total outstanding June 30th, 1903 .....	<u><u>\$123,996,750.00</u></u>
---	--------------------------------

There were held in the Treasury of the Company June 30th, 1903, 5,632½ shares of Great Northern stock, not used in acquiring the outstanding 4,506 shares of Manitoba stock, and 4,400 shares of Great Northern stock to be issued only to the Investment Company as subscribed for.

There has been no change during the year in the amount of Capital Stock of any of the proprietary companies issued and outstanding. Pending the completion of the lines now being built by the Dakota & Great Northern, Montana & Great Northern, and Washington & Great Northern Railway Companies, and the closing of their construction accounts, the stocks of those companies have not been issued, but this Company has advanced the necessary funds for construction purposes, and is carrying the amounts as advanced to apply on stock.

BONDED DEBT.

There has been a decrease of \$785,000 during the year in the bonded debt of the St. Paul, Minneapolis & Manitoba Railway Company, outstanding in the hands of the public, as will be seen by reference to the table on page 32, made up as follows:

<i>CONSOLIDATED MORTGAGE 4½ PER CENT BONDS</i>	
redeemed and canceled by the Trustee through the operation of the Sinking Fund, as per detail on page 38.....	\$785,000
Less Bonds issued—	
In exchange for St. Paul, Minneapolis & Manitoba Railway Company's Second Mortgage Bonds, surrendered and canceled.....	\$134,000
In Exchange for St. Paul, Minneapolis & Manitoba Railway Company's Dakota Extension Mortgage Bonds, surrendered and canceled.....	8,000
Total issued.....	142,000
Net reduction in Consolidated Mortgage 4½ per cent Bonds..	\$643,000
<i>SECOND MORTGAGE 6 PER CENT BONDS, canceled as above</i> .....	
	134,000
<i>DAKOTA EXTENSION MORTGAGE 6 PER CENT BONDS, canceled as above</i> .....	
	8,000
Total reduction in St. Paul, Minneapolis & Manitoba Railway Company's Bonded Debt.....	\$785,000

There has been no change during the year in the bonded debt of any of the Proprietary Companies.

During the year \$1,400 Northern Pacific-Great Northern, Joint C. B. & Q. collateral 4 per cent bonds have been issued in exchange for an equal amount of Bond Scrip, and \$25,600 in payment for 128 shares of C. B. & Q. R. R. Co.'s stock, making the total amount of these bonds outstanding June 30th, 1903, \$215,180,000. The Chicago, Burlington & Quincy Railway Company has collected the dividends on the 1,075,900 shares of C. B. & Q. R. R. stock deposited as collateral to secure these bonds, and paid the interest on the joint bonds.

#### GENERAL.

Expenditures were made during the year on the capital accounts of Proprietary Companies for work completed or under construction, as follows:

Eastern Railway Company of Minnesota.....	\$1,750,032.30
Montana Central Railway Company.....	67,544.72
Willmar & Sioux Falls Railway Company.....	92,042.85
Duluth, Watertown & Pacific Railway Company.....	4,922.21
Seattle & Montana Railroad Company.....	1,850,547.90
Duluth Terminal Railway Company.....	534.72
Park Rapids & Leech Lake Railway Company.....	77.81
Minneapolis Union Railway Company.....(credit)	3,108.84
Minneapolis Western Railway Company.....	286.70
Total.....	<u>\$3,762,880.37</u>

As shown on page 27, there has been appropriated out of the net revenue for the year \$3,000,000.00 for the "Fund for Permanent Improvements and Renewals;" and there was charged against that fund \$1,861,652.83, the cost of improvements (other than those charged to operation) made during the year to the property leased from the St. Paul, Minneapolis & Manitoba Railway Company.

By comparison of the balance sheet, page 33, with that published in last year's report, it will be noted that the Capital Assets have increased \$15,014,071.36, with an increase of but \$5,789,176.26 in Capital Liabilities.

The six steel freight ships owned by the Northern Steamship Company, which have been operated between Buffalo, N. Y., and Superior, Wis., have been sold to the Mutual Transit Company, and at the same time the steel elevator and property at

Buffalo, N. Y., of the Great Northern Elevator Company were sold to the Mutual Elevator Company. On this account the earnings, expenses, etc., of the Northern Steamship Company to date of sale are this year, and will hereafter be omitted from the table on page 26.

#### NEW LINES.

As stated in last year's report, the following new lines were opened for operation after the end of the last fiscal year:

July 1st, 1902,	DAKOTA & GREAT NORTHERN RY., Bottineau to Souris, N. D., 12.72 miles. Lakota to beyond Edmore, N. D., 27.72 miles.
July 10th, 1902,	MONTANA & GREAT NORTHERN RY., Jennings to Gateway, Montana, 50.98 miles.
August 17th, 1902,	WASHINGTON & GREAT NORTHERN RY., and VANCOUVER, VICTORIA & EASTERN RY., Marcus to Republic, Wash., and Grand Forks, B. C., 85.88 miles.
September 15th, 1902,	CROW'S NEST SOUTHERN RY., Gateway, Wash., to Morrissey, B. C., 48.15 miles.
January 4th, 1903,	MONTANA & GREAT NORTHERN RY., Great Falls to Sweet Grass, Mont., 134.41 miles.

The lines of the Washington & Great Northern Ry. Co. and the Vancouver, Victoria & Eastern Ry. & Navigation Co. are operated as a portion of the Spokane Falls & Northern Railway system; the balance of the lines named are operated by the Great Northern Railway Company.

Branch lines aggregating 14.53 miles in length, were built by the Eastern Railway Company during the year to various iron mines, besides numerous short spurs that are included in side track mileage.

Total length of new lines opened for operation during the year, 374.39 miles.

The Dakota & Great Northern Railway Company is now building a line from Granville, N. D., northwest to Mohall, N. D., a distance of 46.75 miles, and an extension of its line from

Souris, N. D., westward 16.25 miles. Both lines will be completed in time to move this year's crops.

The Montana & Great Northern Railway Company is building a line from Columbia Falls, Mont., westerly to a connection with its line from Jennings, Mont., north, at Rexford, Mont. This line will be 70.7 miles long, and will have maximum grades of 13.2 feet per mile west bound and 36.96 feet per mile east bound. The work is very heavy and the line is being built in the most substantial manner. This line will be completed next year.

The distance between Columbia Falls and Jennings, Mont., by this new line will be increased about seventeen miles, but the maximum grades will be reduced from 79.2 feet per mile both east and west bound by the present line to the grades above named. The maximum curvature will be reduced from  $10^{\circ}$  to  $3^{\circ} 30'$ , with a total reduction in curvature of over five thousand degrees.

A new line about two miles in length along the waterfront at Whatcom, Wash., was completed July 10th, 1903. This line was necessary to provide adequate facilities for the rapidly increasing business, and to bring them nearer the business portion of the city.

New lines have been located during the year as follows, and which will probably be built in the near future:

An extension of the Dakota & Great Northern Railway Company's Lakota-Edmore line from Edmore to Hampton, N. D., about 45 miles.

A line from Thief River Falls, Minn., north, about 31 miles.

A line from Pelican Rapids, Minn., north, about 105.6 miles, crossing the line from Carman, Minn., to Superior, Wis., at McIntosh, Minn.

Work on the two steamships being built for the Great Northern Steamship Company at New London, Conn., has been delayed by labor troubles. The "Minnesota" was launched April 16th, 1903, and it is expected that the "Dakota" will be launched in November.

### REVISION OF LINES.

The new line between Belleville and Fairhaven, Wash., referred to at length on page 10 of last year's report, was completed and opened for operation on February 15th, 1903. Of the old line between these stations, 9.16 miles, Fairhaven to Samish Lake, has been removed.

The revision of line between Elmira and Bonner's Ferry, Idaho, also referred to in last year's report, was completed in July, 1903. The new line is 13.703 miles in length, with a maximum grade of six-tenths of one per-cent, compensated. The old line was 13.892 miles long, with a grade of nine-tenths of one per-cent, not compensated. In addition there has been a great reduction in curvature, and the new line is more economical to maintain and operate.

In order to keep its main tracks off the iron ore body on the Mesabi Range, it has been necessary for the Eastern Railway Company to build a new main line from Kelly Lake to Exmoor, Minn., 9.67 miles in length. The track was nearly completed at the end of the year, and is now in use. For the same reason it was necessary to make changes in the Eastern's track at Barclay Junction, Minn., and at the Day-Burt Mine.

Several other slight changes in line have been made to cut out bridges and improve the alignment.

### LEASE OF THE DULUTH, SUPERIOR & WESTERN TERMINAL.

In order to facilitate the handling of the increasing iron ore traffic, the Great Northern Railway Company leased June 1st, 1903, the lines of the Duluth, Superior & Western Terminal Company, extending from Saunders, Wis., to the crossing of the tracks of the C. St. P. M. & O. Ry. Co. in Superior, Wis., 5.28 miles, and has entered into an agreement with the Allouez Bay Dock Company, which operates the ore docks owned by the Duluth, Superior & Western Terminal Co., by which the Great Northern is permitted to run its ore trains onto the docks. Prior to the lease the Great Northern turned its ore trains over to the D. S. & W. T. Co. at Saunders, Wis., from which point the cars were handled by switch engines. As rental under the lease the Great Northern pays the sum of \$20,000 per annum

and all taxes and assessments upon the property, gross earnings and income derived from its use.

To provide for increased ore traffic the Duluth, Superior & Western Terminal Company has, during the year, built its third ore dock, 2,700 feet long, containing 160 ore pockets and a capacity for 40,000 tons of ore at one time. The capacity of the three ore docks is 168,000 tons. The slip for the new dock has been dredged to a depth of 21 feet. The power house has been enlarged and additional power installed for electric lighting of the three docks and yards, and for fire protection. Yards have been rearranged and enlarged, a six-stall round-house, machine shop 32'x50' and a 70 feet cinder pit built. The capacity of the coaling station has been increased fifty per cent. This work having been done before the property was leased, the Great Northern Company derived the benefit from it.

#### EQUIPMENT.

By the lease of the Duluth, Superior & Western Terminal Company's property, the Great Northern Railway Company came into possession of

- 2 heavy switching engines, and
- 2 standard cinder cars

and they are included in the list of equipment on hand June 30th, 1903, printed on page 34.

The following equipment has been sold or taken out of service during the year:

- 6 light Great Northern locomotives,
- 1 Eastern Railway of Minnesota locomotive, and
- 1 supply car.

The report for last year stated that of the equipment ordered, 34 locomotives, 62 passenger cars, 3,100 freight cars and 5 wrecking cars had not been received and taken into account at the end of the year.

During the year under review, orders were placed for 75 locomotives, 2,900 freight cars and 2 wrecking cars with steam cranes.

Of the total new equipment undelivered at the close of last year, and ordered this year, the following had been received and taken into account at the close of this year:

- 34 locomotives as follows:
- 9 ten-wheel passenger locomotives, 19''x26'' cylinders, weighing 120,000 pounds on drivers.
  - 25 consolidation freight locomotives, 20''x32'' cylinders, wide fire box, weighing 180,000 pounds on drivers.
  - 9 fourteen section and drawing room first class sleeping cars.
  - 9 fourteen section tourist sleeping cars.
  - 8 dining cars, 70 feet long.
  - 20 first class passenger coaches, 72 feet 6 inches long; 18 as additional equipment and 2 for replacing cars out of service.
  - 16 baggage and express cars, 64 feet 9 inches long; 14 as additional equipment and 2 for replacing cars out of service.
  - 1,630 forty-feet, 80,000 pounds capacity, standard box cars; 1,523 as additional equipment and 77 replacing cars destroyed.
  - 400 forty-feet, 80,000 pounds capacity, hopper bottom box cars; 389 as additional equipment and 11 replacing cars destroyed.
  - 600 forty-feet, 80,000 pounds capacity flat cars; 574 as additional equipment and 26 replacing cars destroyed.
  - 400 twenty-two-feet, 100,000 pounds capacity wooden ore cars.
  - 600 twenty-two-feet, 100,000 pounds capacity steel ore cars.
  - 5 wrecking cars with steam cranes lifting 60 tons.

All of the above equipment is furnished with air brakes and automatic couplers and all of the passenger equipment is lighted by gas.

The remaining 75 locomotives, 2,400 freight cars and two wrecking cars are now being delivered.

There were built at the Company's shops for additional equipment:

- 1 superintendent's car,
- 25 four-wheel caboose cars,
- 2 cinder cars,
- 1 tool car,
- 1 carpenter's car, and
- 1 supply car.

Some transfers between classes and changes were made in other equipment.

There was expended during the year for equipment \$3,623,913.87, of which amount \$3,702,901.13 was charged to "Equipment Account."

As equipment is destroyed or taken out of service, Operating Expense is charged and "Fund for Replacement of Equipment" is credited with the cost of replacement. When equipment for replacement is purchased, the cost is charged to the account last mentioned.

#### ADDITIONS AND IMPROVEMENTS.

The construction of new terminals at Seattle, Wash., has been begun. The work involves building a double track, concrete lined tunnel 5,200 feet long to carry the main tracks under a portion of the city, the erection of a large passenger station to be used jointly by this Company and the Northern Pacific Railway Company, freight depots with the necessary yards, etc. Also carrying a number of streets across the tracks by permanent overhead bridges.

A new yard for cleaning and storing passenger equipment has been put in at Mississippi street, St. Paul. In addition to other tracks, it contains 10,900 feet of track for passenger equipment, a brick building 44'x120' for the sleeping and dining car department, tool and hard coal storage house 20'x56', storehouse 30'x73', brick oil house 24'x26', building for gas plant 31'x65', boiler house 31'x56' and coal shed 256'x14'. A complete sewerage system and pipe lines for distribution of compressed air, steam heat and gas have been put in.

Six yard tracks at Larimore, N. D., have been lengthened 500 feet each, and four tracks each 3,300 feet long have been added. An office 16'x44' and transfer platform 12'x240' were also built.

The yard at Devils Lake, N. D., has been enlarged by the extension of three tracks to 3,000 feet long each, and laying six tracks of that length. A loading platform and a transfer platform were also built.

The Rugby, N. D., yard was enlarged by extending the existing tracks, laying six additional tracks, building 12' x 240' transfer platform and a 12' x 100' loading platform.

A new yard is being built at Kelly Lake, Minn., for the purpose of consolidating shipments of ore from the various iron mines in that vicinity. In addition to the usual station track the yard contains 20,000 feet of yard tracks. There will be built at this station an engine house with cinder pit and a 10-pocket addition to the coaling station.

Many additional passing tracks 3,000 feet long have been laid on the Dakota Division, and existing tracks extended to that length. In addition, several industrial tracks have been laid and track facilities at stations on the entire system increased during the year. The net increase in side track mileage during the year, including these tracks and such tracks in the new yards referred to as were laid June 30th, 1903, but not including tracks upon the new lines opened for operation during the year, was as follows:

Line leased from St. Paul, Minneapolis & Manitoba Ry. Co. . . . .	23.28	miles
Line leased from Eastern Ry. Co. of Minnesota. . . . .	13.44	"
Line leased from Park Rapids & Leech Lake Ry Co. . . . .	.27	"
Duluth Terminal Ry. . . . .	.18	"
Seattle & Montana R. R. . . . .	6.11	"
Spokane Falls & Northern Railway System. . . . .	1.40	"
Total. . . . .	<u>44.68</u>	<u>miles</u>

During the year tracks have been relaid as follows: 174.32 miles with 77½ pound rail and 6.20 miles with 60 pound rail. The longest stretches of track relaid were between Breckenridge, Minn., and Larimore, N. D., 99.79 miles; Waukon and Harrington, Wash., on the Cascade Division, 25.00 miles; and between Hardy and Flood, Mont., on the Montana Central Ry., 31.60 miles.

Relaying with 77½ pound rail is now in progress on the Fergus Falls Division, from St. Cloud, Minn., west for 100 miles. The rail removed from this division is being re-rolled to a 68-

pound section and will be used to relay 100 miles on the Willmar & Sioux Falls Ry. from Willmar, Minn., south.

The increasing iron ore traffic has made necessary a double track on the Eastern Railway of Minnesota between Brookston and Cloquet, Minn., 13.92 miles, and between Carlton and Wrenshall, 3.37 miles.

Tie-plates are being used on new tracks built and tracks re-laid; approximately, 1,500,000 were put into tracks during this year.

The Great Northern has built during the year interlocking plants protecting the crossing of its tracks by those of the Northern Pacific Railway Company at Glyndon and Moorhead, Minn., Casselton, N. D., and Helena, Mont. The Northern Pacific Railway Company has built interlocking plants to protect the crossing of its tracks by those of the Great Northern at Breckenridge, Bemidji, Sauk Center and Fergus Falls, Minn. The Wisconsin Central Railway Company has built an interlocking plant at the junction of its tracks with those of the Great Northern in Minneapolis, Minn., and the Vancouver, Victoria & Eastern Railway & Navigation Co., has installed an interlocking plant at the crossing and junction of its tracks with those of the Grand Forks & Kettle River Railway Co., Grand Forks Junction, B. C.

Work on the new shops at St. Paul, Minn., referred to on page 15 of last year's report, has been continued, and it is expected that they will be in use by November 1st, 1903.

Dock No. 6 at Superior, Wis., which was extended last year, has been equipped with three Brown hoists for handling coal.

A brick and stone depot 32'x202' with stone platforms has been built at Princeton, Minn., and the station tracks relocated.

New stone platforms have been laid at the Grand Forks passenger depot, necessitating a change in the location of the main tracks and the laying of two additional sidings for the handling of passenger traffic. A new water supply was installed at the same time, consisting of high pressure tank, 10-inch pipe line and three 10-inch stand pipes.

New depots have been built at the following stations:

Mound, Minn.	Stockholm, S. D.	Wilton, N. D.
Ogilvie, Minn.	Thompson, N. D.	Pacific Junction, Mont.
Rogers, Minn.	Tilden, N. D.	Galata, Mont.
Zimmerman, Minn.	Denbigh, N. D.	Milan, Wash.
Scanlon, Minn.	Norwich, N. D.	O. R. & N. Junction, Wash.
Cohasset, Minn.	Surrey, N. D.	Downs, Wash.
Green Valley, Minn.	Union, N. D.	Custer, Wash.

Depots at seventeen other stations have been enlarged and rearranged.

A brick freight house 40'x300' has been built at Fargo, N. D., and a wooden freight house 26'x60' at Hibbing, Minn.

The freight office at Minneapolis, Minn. has been enlarged from a 32'x48' one-story structure to 48'x68', two stories, brick.

The depot at Williston, N. D., has been changed into a passenger station, its platform extended and a separate freight house 40'x100' built.

The transfer sheds at Hamline, Minn., have been rearranged and the transfer facilities at this station enlarged.

A transfer platform 12'x300', with office and two transfer tracks, have been built at Carman, Minn., for consolidating freight into car loads.

A storehouse and an ice house have been built at the Somers, Mont., tie treating plant; oil houses at Sioux City, Ia., and Superior, Wis.; telegraph office at Agnew Junction, Minn.; yard office at Minot, N. D.; addition to ice house at Carman, Minn.; office buildings for Assistant Road Masters at Rugby and Church's Ferry, N. D.; addition to brass foundry St. Paul shops; lumber shed at Delta, Wash.; and numerous other miscellaneous buildings.

Section houses have been built at:

Wayzata, Minn.	Climax, Minn.	Woolley, Wash.
Barclay Junction, Minn.	Lippard, Mont.	Ballard, Wash.
Buhl, Minn.	Browning, Mont. (2)	Merritt, Wash.
Scanlon, Minn.		

and additions to the section houses at Spring Park and Coon Creek, Minn.

Roundhouses have been built at:

Bemidji, Minn.	Casselton, N. D.	Niehart, Mont.
Church's Ferry, N. D.	Rugby, N. D. (brick)	Whatcom, Wash.
Walhalla, N. D.		

The roundhouses at Barnesville, Minn., Kalispell and Troy, Mont., and Leavenworth and Skyhomish, Wash., have been enlarged.

Wooden turntables have been replaced with iron or steel at Watertown, S. D., Aneta, N. D. and Anacortes, Wash. A 60-foot steel turntable has been put in at Whatcom, Wash.

Eighty-ton track scales have been placed at Barnesville and Minneapolis Junction, Minn.

A steel bridge has been built carrying 14th Avenue S. E. over the grounds of the Minneapolis Union Railway Company in East Minneapolis, Minn.

Stockyards have been built at—

Hereford, Minn.	Raymond, Minn.	Monticello, Minn.
Halstad, Minn.	Cass Lake, Minn.	Stockholm, S. D.
Nelson, Minn.	Hinckley, Minn.	Wenatchee, Wash.
Benson, Minn.	Braham, Minn.	Delta, Wash.
Long Prairie, Minn.	Clontarf, Minn.	

The stockyards at Paynesville, Hills, Ruthton and Jasper, Minn., Viborg, S. D., Merrill and Lester, Ia., and Ephrata, Wash., have been enlarged.

Additional buildings have been built for the feeding yards at Larimore, N. D., and improvements made in the stockyards at twenty-four other stations.

Loading platforms have been built at twenty-nine stations.

Coaling stations equipped with lifting engines and separate tracks have been built at Breckenridge and Morris, Minn., replacing stations that had burned; at Barnesville, Minn., in place of a coaling station of an old pattern, removed; and at Park River, N. D. The coaling station at Larimore, N. D., has been enlarged by the addition of 16 pockets. Other coaling stations have been enlarged.

Permanent improvements in the water supply are being continued, by additions, replacements and other improvements. A great deal of this work was done on the Montana Division. Settling reservoirs, new tanks and pumping plants were put in at Chelsea, Blair, Milk River, Trenton and Snowden. New reservoirs were built at Wolf Point and near Lanark.

Right of way fence has been built during the year as follows:

Great Northern Railway.....	77.41 miles
Eastern Railway of Minnesota.....	9.95 "
Park Rapids & Leech Lake Railway.....	1.92 "
Duluth, Watertown & Pacific Railway.....	5.51 "
Willmar & Sioux Falls Railway.....	23.05 "
Montana Central Railway... ..	7.66 "
Seattle & Montana Railroad.....	4.47 "
Total.....	<u>129.97 miles</u>

Embankments have been restored to grade, widened, and sags raised on 105.50 miles, and tracks ballasted with gravel on 301.23 miles.

The grade through the Kootenay valley for about three miles east and west of Bonner's Ferry, Idaho, has been raised five feet and riprapped to protect it from and lift it above high water.

Work on the Coast Line between Seattle and Everett, Wash., was continued during most of the year, the banks being widened, the curvature reduced and the track protected by very heavy slopewall.

A masonry retaining wall 275 feet long, was built along the Skykomish river between Halford and Index, Wash., and a rock dam 420 feet long was built in the Missouri river near Hardy, Mont., both for the protection of the grade.

To supply the necessary rock for bridge foundations, masonry culverts and concrete work, quarries have been opened and rock crushing plants have been located near Essex, Mont., and Halford, Wash. These are complete with the necessary buildings, machinery, tracks, etc.

The replacement of wooden bridges and trestles with steel, or filling them with solid embankments, has been continued during the year, the work done being—

## Length of steel bridges built:

Great Northern Railway (on old lines).....	1,125 feet
Eastern Railway of Minnesota.....	1,016 "
Willmar & Sioux Falls Railway.....	2,732 "
Montana Central Railway.....	18 "
Total in replacement.....	<u>4,891 feet</u>

## Lineal feet of bridges filled:

Great Northern Railway.....	10,995 feet
Eastern Railway of Minnesota.....	1,681 "
Willmar & Sioux Falls Railway.....	1,812 "
Duluth, Watertown & Pacific Railway.....	65 "
Montana Central Railway.....	611 "
Duluth Terminal Railway.....	211 "
Total.....	<u>15,375 feet</u>

To provide the necessary waterways in place of bridges filled as above, 65 stone culverts, 31 concrete culverts, 37 pipe culverts and 5 box culverts were put in.

The following is a close approximation of the quantities of material moved during the year in changes of line, reduction of grades, widening and raising banks, bridge filling and ballasting:

In reconstruction of old Great Falls & Canada Railway, between Great Falls and Sweet Grass, Mont. (now Montana & Great Northern Railway).....	1,096,789 cu. yds.
In changes of line and reduction of grades..	3,013,841 "
In widening, raising and generally restoring embankments.....	332,710 "
In filling bridges.....	1,225,676 "
For ballasting (gravel).....	397,526 "
Total.....	<u>6,066,542 cu. yds.</u>

There were also placed on old lines:

Masonry.....	13,454 cu. yds.
Concrete.....	24,808 "
Riprap.....	146,077 "
Total.....	<u>184,339 cu. yds.</u>

Following the plan of previous years, only such amounts as represented cost of actual additions to and improvements of the property have been charged to "Additions and Improvements "

and the entire amount charged to that account during the year on account of the line leased from the St. Paul, Minneapolis & Manitoba Railway Company, or \$1,861,652.83 has been transferred to "Fund for Permanent Improvements and Renewals," so that the Great Northern Railway Company is not carrying on its books, as an asset, the cost of any additions or improvements to the line leased from the Manitoba Company.

All replacements, renewals, etc., have been charged to "Operating Expenses." The amount included in "Maintenance of Road and Structures" this year, for extraordinary improvements, etc., is \$1,443,169.04.

The efficiency of the railway as a means of transportation is improving every year, and the increased train load which the improved condition of the railway and equipment makes possible enables the Company to meet the heavy demands that are being made for increases in the cost of all classes of railway service.

#### VOLUME OF TRAFFIC AND RATES.

The tonnage of revenue freight hauled during the year increased 2,911,310 tons, or 21.9931 per cent; freight earnings increased \$3,506,217.06, or 12.7922 per cent. The number of bushels of wheat hauled to eastern terminals decreased 1,830,892 bushels, equal to 54 927 tons, and the earnings from this traffic decreased \$341,964.86. The earnings from iron ore traffic increased \$819,588.94. The increase in earnings from traffic other than east bound wheat and iron ore was \$3,028,592.98. This increase was in general business and over the entire system, except on the Willmar & Sioux Falls Railway, where there was a decrease of \$99,287.04 in freight earnings, owing to a poor corn crop.

While the tons hauled increased 21.9931 per cent the tons hauled one mile increased but 13.0592 per cent on account of a decrease in the average distance each ton was hauled, from 241 miles last year to 223 miles this year.

As stated in last year's report, the rates on grain, grain products, potatoes, onions and hay from stations in the State of Washington to Puget Sound, were reduced during August, 1902, an average of ten per cent, and effective August 28th, 1902, the

rates on grain and grain products from stations in Minnesota, North Dakota and South Dakota to eastern terminals were reduced an average of about ten per cent.

While the ton mileage of revenue freight increased 13.0592 per cent, the mileage of loaded freight cars increased but 6.1771 per cent, and of freight trains 5.6729 per cent, resulting in an increase of 29.19 tons (6.99 per cent), in the average number of revenue tons per freight train mile, making the average train load of revenue freight 446.785 tons.

This result has been made possible through the large expenditures that have been made for reduction of grades, for more powerful locomotives and for cars of greater capacity.

The following table shows the reductions in the average revenue per ton per mile for each five years during the last twenty years, and the growth of the Company's freight traffic:

Year ended June 30th,	Number of Tons hailed one mile.	Average Revenue per ton per mile.
1883.....	341,539,997	Cents, 1.968
" " " 1888.....	562,531,432	" 1.306
" " " 1893.....	1,093,692,312	" 1.190
" " " 1898.....	1,937,955,894	" .932
" " " 1903.....	3,606,835,176	" .857

A simple computation will show the saving to shippers from these rate reductions. Had the Company collected the same average rate this year as during the year ending June 30th, 1883, its Freight Earnings would have been \$40,071,938.81 greater than the sum shown in this Report as Freight Earnings for the past year.

As the cost of conducting transportation has constantly increased during this period, the above rate reductions have only been possible through the increased volume of tonnage hauled, and this increase has mostly come through the creation and development of new traffic. The increase in the volume of purely local traffic has not provided sufficient additional earnings to cover the increased cost of doing the business.

The earnings of passenger trains increased \$1,181,114.91, or 14.4127 per cent, but occasioned a large increase in passenger service. Passenger train mileage increased 1,185,454 miles, or 25.6878 per cent, and while there was a decrease of 230,281

miles in the mileage of mixed trains, the passenger service offered the traveling public this year was 955,173 train miles greater than last year, equal to 2,617 miles for each day during the year.

Of the increase in passenger train earnings, \$913,456.27 came from passenger fares, \$30,532.78 from sleeping and chair cars, \$146,199.53 from transportation of mails, \$76,724.02 from transportation of express, \$12,556.71 from excess baggage and \$1,645.60 from miscellaneous sources.

The average revenue per passenger per mile shows an increase of fifteen one-thousandths of a cent and has been occasioned entirely by an increase in local travel, there having been no increase in passenger rates during the year. It will be noticed that while the number of passengers carried increased 20.0385 per cent the number of passengers carried one mile increased but 12.9520 per cent.

The movement of settlers has continued during the year and the vacant arable lands adjacent to the Railway are being rapidly occupied. The government has begun the work of reclamation of the semi-arid lands, and it is expected that the canals and reservoirs necessary to irrigate a vast area of land in Montana will speedily be completed.

The withdrawal by the Secretary of the Interior of lands to be irrigated, and which cannot be acquired except by homestead, is in the interest of the bona fide settler.

With the vast increase in our population each year, and the present rate at which the government land is being occupied, it will be only a few years before all land available for cultivation will be taken. In order that the public domain may be preserved, the repeal of all acts under which land can be acquired, except by homestead, becomes a necessity, and legislation should be enacted by Congress which will insure the reservation of the public lands for the benefit of the people.

The Board respectfully call attention of the shareholders to the Report of the Comptroller, with the customary balance sheet and statistical tables, and to the Report of the Land Commissioner.

JAMES J. HILL,  
President.

## COMPTROLLER'S REPORT.

*MR. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ended June 30th, 1903.

These statements are made in the same form and on the same basis as those submitted with last year's report.

The statements on the pages next following, 24 and 25, show the earnings, Operating Expenses, Taxes, etc., of the Railway SYSTEM exclusive of the Spokane Falls & Northern Railway System, which is operated separately. The statement on page 26 shows the division of these amounts between the several railways, and includes as a separate item the same information for the Spokane Falls & Northern Railway System. On pages 27 and 28 are given the Revenue and Income Accounts of the Great Northern Railway COMPANY.

The balance sheet on page 33, like the one published last year, presents a complete statement of the property, capitalization and finances of what is known as the Great Northern Railway Line. The finances, etc., of the Spokane Falls & Northern System are not included, that property being operated and its finances kept separate and distinct from those of the balance of the system.

J. G. DREW,  
*Comptroller.*

GROSS EARNINGS, OPERATING EXPENSES, TAXES AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDED JUNE 30TH, 1903, COMPARED WITH THE PREVIOUS FISCAL YEAR.

NOTE: These figures do NOT include the Spokane Falls & Northern Railway System.

GROSS EARNINGS.

PER CENT.	1903	CLASS	1902	PER CENT.
75.7993	\$30,915,234.29	..... Freight.....	\$27,409,017.23	76.0680
18.5742	7,575,629.52	..... Passenger.....	6,662,173.25	18.4895
2.3184	945,565.12	..... Mail.....	799,365.59	2.2185
1.1016	449,277.23	..... Express.....	372,553.21	1.0339
2.2065	899,940.77	.... Miscellaneous....	789,146.78	2.1901
	\$40,785,646.93	..... Total.....	\$36,032,256.06	

OPERATING EXPENSES.

PER CENT.	1903	CLASS	1902	PER CENT.
50.6150	\$10,161,884.51	. Conducting Transportation.	\$8,915,425.12	50.1172
15.4878	3,109,469.45	. Maintenance of Equipment.	2,726,282.76	15.3255
26.2646	5,273,099.53	{ Maintenance of Road and Structures. }	4,702,479.41	26.4345
7.6326	1,532,375.21	..... General Expenses.....	1,444,976.95	8.1228
	\$20,076,828.70	..... Total.....	\$17,789,164.24	

## SUMMARY OF EARNINGS AND EXPENSES.

1903		1902
\$40,785,646.93	.....Gross Earnings.....	\$36,032,256.06
20,076,828.70	.....Operating Expenses.....	17,789,164.24
\$20,708,818.23	.....Net Earnings.....	\$18,243,091.82
1,474,125.65	.....Taxes.....	1,239,693.97
\$19,234,692.58	.....Income from Operation.....	\$17,003,397.85
49.23	Operating Expenses, per cent of .....Gross Earnings.....	49.37
52.84	Operating Expenses and Taxes per .....cent of Gross Earnings.....	52.81
\$7,429.22	..Gross Traffic Earnings per Mile of Road..	\$6,864.11
3,657.05	...Operating Expenses per Mile of Road...	3,388.82
\$3,772.17	.....Net Earnings per Mile of Road.....	\$3,475.29
5,489.90	Average Miles of Road under Operation..	5,249.37

STATEMENT SHOWING THE REVENUE FOR THE YEAR ENDED JUNE 30, 1903, OF THE GREAT  
NORTHERN RAILWAY COMPANY AND PROPRIETARY COMPANIES.

COMPANIES	GROSS EARNINGS	OPERATING EXPENSES	TAXES	INCOME FROM OPERATION	MISCELLANEOUS INCOME RECEIVED	TOTAL
Great Northern Railway	\$38,990,742.64	\$17,653,792.85	\$1,345,076.25	\$17,991,874.04	\$1,245,971.84	\$19,307,845.88
RAILWAYS:						
Montana Central Ry.	2,222,456.01	1,390,295.85	45,511.27	777,659.99	85,949.02	813,003.01
Willmar & Sioux Falls Ry.	1,501,390.49	962,963.22	75,965.25	462,422.02	6,404.56	468,826.58
Duluth, Watertown & Pacific Ry.	101,067.19	60,787.78	7,542.88	32,736.53	145.50	32,882.03
Total Railway System Propriet.	\$40,785,646.88	\$30,076,828.70	\$1,474,125.65	\$19,254,692.58	\$1,287,891.42	\$20,522,557.00
OTHER COMPANIES:						
Spokane Falls & Northern Ry. System	985,282.20	701,537.20	34,820.88	248,915.21	18,048.01	266,963.22
Minneapolis Union Ry.	298,179.61	60,980.91	976.65	206,221.75	9,767.90	215,989.65
Minneapolis Western Ry.	62,439.50	35,845.97	1,905.75	25,180.78	5,190.46	30,380.24
Duluth Terminal Ry.	36,142.06	22,642.05		13,500.00		13,500.00
Total for System	\$42,137,690.38	\$30,897,384.83	\$1,511,836.23	\$19,728,519.92	\$1,330,870.79	\$21,049,390.11

EXPLANATORY NOTE.

DIVIDENDS:—Out of the net income of the Companies named the following dividends have been declared:

Montana Central Railway Company	\$250,000.00
Willmar & Sioux Falls Railway Company	280,000.00
Minneapolis Union Railway Company	50,000.00
Total	\$580,000.00

which amount is not included in the "Miscellaneous Income" of the Great Northern Railway as given in the above table, but is added to the "Miscellaneous Income" in the Income account on page 28.

DULUTH TERMINAL RY. CO.:—This company is the owner of the railway used by the Great Northern Railway Co. to secure entrance into Duluth, and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Railway Co. of Minnesota. Under the franchise of the Duluth Terminal Railway Co. its earnings derived from trackage are limited to six per cent on its stock and bonds; the interest and dividends paid, amounting to \$13,500, are not included in the "Miscellaneous Income" above shown.

REVENUE ACCOUNT  
GREAT NORTHERN RAILWAY COMPANY.

EARNINGS FROM OPERATION OF THE LINES LEASED AND OPERATED BY THE  
GREAT NORTHERN RAILWAY COMPANY.

YEAR ENDED JUNE 30th, 1908.

## EARNINGS:

Freight.....	\$27,902,409.55	
Passenger.....	6,943,827.94	
Mail.....	883,949.64	
Express.....	413,732.26	
Miscellaneous.....	816,823.25	
Gross Earnings.....		\$36,960,742.64

## OPERATING EXPENSES:

Conducting Transportation.....	\$8,935,691.31
Maintenance of Equipment.....	2,801,092.79
Maintenance of Road and Structures.....	4,559,463.57
General Expenses.....	1,357,544.68
Total Operating Expenses.....	\$17,653,792.35

TAXES.....	1,345,076.25	18,998,868.60
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Income from Operation.....	\$17,961,874.04
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From which have been paid:

## RENTALS:

To St. P., M. & M. Ry. Co.:

Guaranteed Interest on St. P., M. & M. Ry. Co.'s Bonds, paid and accrued... (For Details see Page 32)	\$3,460,463.18
Guaranteed Dividends of 6 per cent on Capital Stock of St. P., M. & M. Ry. Co.	1,200,000.00
Maintenance of Organization of St. P., M. & M. Ry. Co.....	6,047.72

To Eastern Ry. Co. of Minnesota:

Guaranteed Interest on Bonds and Guar- anteed Dividends of 6 per cent on the Capital Stock of Eastern Ry. Co. of Minnesota, paid or accrued.....	1,395,000.00
Other Rentals.....	64,145.46

Total Rentals.....	\$6,125,656.36
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From which deduct amount received by Great Northern Ry. Co. as dividends paid or accrued on Stocks of the St. P., M. & M. Ry. Co. and Eastern Ry. Co. of Minnesota owned by it.....

Net.....	\$3,992,737.36
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## IMPROVEMENTS:

Amount transferred to Fund for Perma- nent Improvements and Renewals.....	3,000,000.00
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Total.....	6,992,737.36
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Balance transferred to Income Account	\$10,969,136.68
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## INCOME ACCOUNT

## GREAT NORTHERN RAILWAY COMPANY.

YEAR ENDED JUNE 30th, 1903.

Balance transferred from Revenue Account...	\$10,969,136.68
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## OTHER INCOME :

Interest on Bonds Owned.....	\$396,870.74	
Dividends on Stocks Owned.....	850,266.50	
Rentals of Leased Lines .....	114,384.91	
Bills Receivable (Land Notes).....	1,491.04	
Rental of Equipment and Car Service.....	190,003.41	
Profit on Securities sold during year.....	74,033.93	
Income from Other Sources—ground rents, miscellaneous items, etc.....	212,420.81	1,839,471.34
Total Income.....		<u>\$12,808,608.02</u>

From which have been paid Dividends as follows:

Aug. 1, 1902, 1¼ per cent on \$123,852,900	\$2,167,425.75	
Nov. 1, 1902, 1¼ per cent on 123,895,500	2,168,171.25	
Feb. 1, 1903, 1¼ per cent on 123,930,500	2,168,783.75	
May 1, 1903, 1¼ per cent on 123,976,700	2,169,592.25	8,673,973.00
Balance transferred to Profit and Loss		<u><u>\$4,134,635.02</u></u>

## DETAILS OF OTHER INCOME.

## INTEREST ON BONDS OWNED :

Town of Wadena Bonds .....	\$90.00
Town of Sandness Bonds.....	120.00
Town of Leaf River Bonds.....	60.00
Town of Hutchinson Bonds.....	180.00
Town of Minnesota Falls Bonds.....	120.00
Minnesota Transfer Ry. Co. Bonds.....	640.74
Duluth Terminal Ry. Co. Bonds.....	10,500.00
Willmar & Sioux Falls Ry. Co. Bonds.....	1,050.00
Park Rapids & Leech Lake Ry. Co. Bonds.....	25,000.00
Butte, Anaconda & Pacific Ry. Co. Bonds.....	50,000.00
Spokane Falls & Northern Ry. Co. Bonds.....	154,800.00
Nelson & Fort Sheppard Ry. Co. Bonds.....	77,580.00
Columbia & Red Mountain Ry. Co. Bonds.....	17,460.00
Red Mountain Ry. Co. Bonds.....	13,020.00
Duluth, Superior & Western Terminal Co. Bonds	20,000.00
Duluth & Superior Bridge Co., First Mtge. Bonds	<u>26,250.00</u>
Total.....	\$396,870.74

## DIVIDENDS ON STOCKS OWNED :

Great Northern Ry. Co. Stock.....	\$1,116.50
St. Paul Union Depot Co. Stock.....	1,750.00
Minneapolis Union Ry. Co. Stock.....	50,000.00
Duluth Terminal Ry. Co. Stock.....	3,000.00
Park Rapids & Leech Lake Ry. Co. Stock.....	35,000.00
Willmar & Sioux Falls Ry. Co. Stock.....	280,000.00
Butte, Anaconda & Pacific Ry. Co. Stock.....	29,400.00
Montana Central Ry. Co. Stock—Paid December 1, 1902, out of earnings for year ended June 30, 1902.....	200,000.00
Montana Central Ry. Co. Stock—Paid June 30, 1903, out of earnings for current year....	<u>250,000.00</u>
Total.....	\$850,266.50

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM.  
 (But NOT including Spokane Falls & Northern Ry. System.)  
 FOR THE YEAR ENDED JUNE 30TH, 1903, COMPARED WITH THE PREVIOUS YEAR

DESCRIPTION	1903	1902	INCREASE	
			Amount	Per Cent
<b>FREIGHT TRAFFIC.</b>				
Mileage of Freight Trains.....	7,525,448	6,861,788	663,660	9.6718
Mileage of Mixed Trains.....	547,423	777,704	<i>Decrease</i> 230,281	29.6104
Total.....	8,072,871	7,639,492	<i>Increase</i> 433,379	5.6729
Mileage of Locomotives employed in "helping" Freight and Mixed Trains.....	249,964	307,574	<i>Decrease</i> 57,610	18.7805
Percentage of "helping" to Revenue Train Mileage.....	3.0963	4.0261	13.2982	.....
Mileage of Loaded Freight Cars.....	198,862,152	187,292,985	<i>Increase</i> 11,569,217	6.1771
Mileage of Empty Freight Cars.....	77,990,798	64,312,308	13,678,490	20.9363
Total Car Mileage.....	276,231,950	251,605,293	24,626,707	9.7878
Tons of Freight Carried, Revenue....	16,148,678	13,237,968	2,911,810	21.9961
Company....	2,492,941	1,862,455	630,486	38.8524
Total.....	18,641,614	15,099,818	3,541,796	23.4558
Tons of Revenue Freight Carried One Mile.....	3,606,835,176	3,190,217,482	416,617,694	13.0592
Total Tons Carried One Mile (Revenue and Company Freight).....	4,047,773,982	3,596,900,987	450,872,995	12.5382
Earnings from Freight Traffic.....	\$31,978,216.08	\$27,819,030.10	\$3,560,185.98	12.8004
<b>AVERAGES.</b>				
All Cars Hauled per Freight Train Mile.....	84.22	82.93	1.29	3.9174
Tons Revenue Freight Hauled per Train.....	446.785	417.585	29.190	6.9900
Tons Revenue Freight Hauled per Loaded Car.....	18.137	17.033	1.104	6.4815
Earnings per Freight Train Mile....	\$3.80	\$3.64	<i>Cents</i> 25	6.8681
Earnings per Ton per Mile.....	<i>Cents</i> .857	<i>Cents</i> .859	<i>Cents</i> .002	0.2223

## STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM

*Continued.*

DESCRIPTION	1903	1902	INCREASE	
			Amount	Per Cent
<b>PASSENGER TRAFFIC.</b>				
Mileage of Passenger Trains.....	5,800,304	4,614,850	1,185,454	25.6878
Mileage of Locomotives employed in "helping" Passenger Trains ...	53,485	41,982	11,553	27.5518
Percentage of "helping" to Revenue Train Mileage.....	0.9221	0.9086	0.0746	.....
Passengers Carried.....	4,193,289	3,403,245	699,904	20.0385
Passengers Carried One Mile.....	323,404,529	286,320,423	37,084,106	12.9520
Earnings of Passenger Trains.....	\$9,370,079.68	\$8,194,964.77	\$1,181,114.91	14.4127
<b>AVERAGES.</b>				
Earnings per Passenger Train Mile..	\$1.6165	\$1.5197	Cents 0.68	0.3997
Earnings per Passenger per Mile....	Cents 2.342	Cents 2.327	Cents .015	0.6446
<b>TOTAL TRAINS.</b>				
Mileage of Freight and Passenger Trains.....	13,573,175	12,254,342	1,618,833	13.2103
Earnings from Freight and Passen- ger Trains.....	\$40,749,295.76	\$36,007,994.87	\$4,741,300.89	13.1674
Earnings per Train per Mile .....	2.94	2.94	.....	.....
Expenses per Train per Mile.....	1.45	1.45	.....	.....
Net Traffic Earnings per Train per Mile.....	1.49	1.49	.....	.....

NOTE: The Train, Locomotive and Car Mileage figures given above have been compiled and all computations based upon them made in accordance with the rules of the Interstate Commerce Commission.

STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTHERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR UNDER GUARANTEE.

Outstanding July 1, 1902	BONDS	Outstanding July 1, 1908	Annual Charges Paid 1902-1908
\$7,503,000.00	St. P. M. & M. Ry.: Second Mortgage, 6 per cent.....	\$7,869,000.00	\$446,565.00
5,576,000.00	Dakota Extension, 6 per cent.....	5,569,000.00	284,550.00
13,344,000.00	Consolidated Mortgage, 6 per cent.....	13,344,000.00	300,840.00
20,176,000.00	Consolidated Mortgage, 4½ per cent.....	19,533,000.00	339,950.00
10,185,000.00	Montana Extension, 4 per cent.....	10,185,000.00	407,400.00
14,545,454.54	Pacific Extension, 4 per cent.....	*14,545,454.54	581,818.18
	Total shown on page 27.....		\$3,460,468.18
4,700,000.00	EASTERN RY. OF MINNESOTA: First Division, First Mt'ge. 5 per cent..	4,700,000.00	\$225,000.00
5,000,000.00	Northern Div., First Mt'ge, 4 per cent..	5,000,000.00	200,000.00
6,000,000.00	MONTANA CENTRAL RY.: First Mortgage, 6 per cent.....	6,000,000.00	300,000.00
4,000,000.00	First Mortgage, 5 per cent.....	4,000,000.00	200,000.00
3,646,000.00	WILLMAR & SIOUX FALLS RY.: First Mortgage, 5 per cent.....	3,646,000.00	182,300.00
2,150,000.00	MINNEAPOLIS UNION RY.: First Mortgage, 6 per cent.....	2,150,000.00	129,000.00
650,000.00	First Mortgage, 5 per cent.....	650,000.00	32,300.00
500,000.00	MINNEAPOLIS WESTERN RY.: First Mortgage, 5 per cent.....	500,000.00	25,000.00
\$97,975,454.54	Total Bonds on Railway property.....	\$97,190,454.54	\$4,624,268.18
453,600.00	STOCK: St. P. M. & M. Ry.—6 per cent guaran- teed, unexchanged.....	\$450,600.00	†Net \$27,061.00
\$98,429,054.54	Total.....	\$97,641,054.54	\$4,651,329.18
\$123,853,000.00	Great Northern Railway Company, out- standing.....	\$123,996,750.00	\$3,073,973.00
	Bonds on Railway property, outstanding as above.....		\$97,190,454.54
	Outstanding Capital Stock of Great Northern and St. P., M. & M. Ry. Companies.....		124,447,350.00
	Total Capitalization of System.....		\$221,637,804.54
	Mileage of Track in System, including second, third, fourth, fifth and sixth tracks, covered by above capitalization, as shown on page 85		5,975.63
	Stocks and Bonds per mile of Main Track.....		\$37,090.28
	Mileage of Main Tracks covered by bonds in hands of public.....		4,751.03
	Bonded Debt Outstanding per mile of Main Track covered thereby.....		\$20,456.71

\*Not including \$3,000,000 St. P., M. & M. Ry. Co.'s Pacific Extension Bonds in Treasury of Great Northern Railway Company.

†Difference between an amount of rental accrued under lease and dividends received or accrued on St. P., M. & M. Ry. Stock owned by Great Northern Railway Company.

In addition to the bonds above listed, the Great Northern and Northern Pacific Companies have issued their Joint C. B. & Q. Collateral 4 per cent Bonds to the amount of \$215,180,000.00, secured by the deposit with the Standard Trust Company of New York, as Trustee, of 1,075,000 shares of the Capital Stock of the Chicago, Burlington & Quincy Railroad Company.

CONDENSED GENERAL BALANCE SHEET, JUNE 30, 1903.

BEING A CONSOLIDATION OF THE GENERAL BALANCE SHEETS OF THAT DATE OF THE

ST. PAUL, MINNEAPOLIS & MANITOBA RY. CO., GREAT NORTHERN RY. CO., EASTERN RY. CO. OF MINNESOTA, MONTANA CENTRAL RY. CO., WILLMAR

deducting Par Value of Stocks and Bonds not shown contra.....	49,835,583.14	Great Northern Ry. Co. ....	313,766.00	984,258.79
Joint C. B. & Q. Bonds, as Collateral (1,075,900 Shares C. B. & Q. R. R. Co.'s Capital Stock)—Great Northern Ry. Co. one-half owner.....	109,091,309.76			
<i>Total Capital Assets</i> .....	\$365,543,562.69			
CURRENT ASSETS.				
<i>Of Land Department, St. Paul, Minneapolis &amp; Manitoba Ry. Co.</i>				
Cash .....	\$35,652.59			
Due from Other Companies and Individuals.....	702.11			
<i>Of Great Northern Ry. Co. and Proprietary Companies above named.</i>	36,334.70			
Cash in St. Paul Office.....	\$1,114,016.34			
Cash in New York Office.....	3,662,501.52			
Cash in London Office.....	259,565.76			
Due from Agents.....	1,958,384.55			
Due from U. S. Post Office Department.....	236,567.55			
Due from U. S. Transportation.....	63,264.92			
Due from Canadian Post Office Department.....	74.88			
Advanced Charges.....	50,657.08			
Bills Receivable.....	2,300,416.54			
Due from Other Companies and Individuals.....	1,981,456.31			
Value of Material and Fuel on hand.....	11,626,905.46			
	2,738,849.81			
	\$379,945,652.66			
CONTINGENT LIABILITIES.				
Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from the St. P. M. & M. Ry. Co. and paid for from "Fund for Permanent Improvements and Renewals".....	\$6,275,199.00			
Unexpended Balance of Fund for Permanent Improvements and Renewals.....	2,357,045.11			
Total Amount deducted from Income to provide for future Improvements and Renewals.....	\$8,632,244.11			
Fund for Replacement of Equipment.....	550,643.11			
Insurance Fund.....	298,516.34			
Surplus Funds of Proprietary Companies deposited with Great Northern Ry. Co.....	3,587,184.74			13,068,588.30
PROFIT AND LOSS.				
Balance St. Paul, Minneapolis & Manitoba Railway Co.....	\$2,012,802.45			
Great Northern Ry. Co and above named Proprietary Companies.....	13,028,130.17			15,040,932.62
				\$379,945,652.66



**EQUIPMENT OF GREAT NORTHERN RAILWAY COMPANY AND  
PROPRIETARY LINES.**

FOR YEAR ENDED JUNE 30TH, 1908, AS COMPARED WITH YEAR  
ENDED JUNE 30TH, 1902.

CLASS.	1908.	1902.
Locomotives.....	637	608
<b>PASSENGER EQUIPMENT.</b>		
Sleeping Cars.....	56	48
Parlor Cars.....	5	5
Dining cars.....	24	16
Buffet Smokers.....	8	8
Coaches.....	232	214
Tourist Cars.....	33	24
Passenger and Baggage.....	36	36
Baggage, Mail and Express.....	130	116
Business Cars.....	20	19
<b>Total Passenger Equipment.....</b>	<b>544</b>	<b>486</b>
<b>FREIGHT EQUIPMENT.</b>		
Box Cars.....	17,823	15,915
Combination Box and Stock Cars.....	745	745
Transfer Freight Cars.....	50	50
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Refrigerator Cars.....	404	404
Stock Cars.....	327	627
<b>Total Box and Stock Cars.....</b>	<b>20,807</b>	<b>18,899</b>
Flat and Coal Cars.....	4,118	3,544
Sand Cars.....	600	600
Ore Cars (wood).....	1,501	1,101
Ore Cars (steel).....	1,400	800
<b>Total Flat, Gondola and Ore Cars...</b>	<b>7,619</b>	<b>6,045</b>
Ballast Cars.....	764	764
Caboose Cars.....	415	390
Cinder Cars.....	72	68
Boarding Cars.....	52	52
Derrick and Tool Cars.....	54	47
Steam Shovels.....	19	19
Lidgerwood Unloaders.....	13	13
Ditching Cars.....	1	1
Pile Drivers.....	10	10
Rotary Snow Plows.....	6	6
Snow Dozers.....	20	16
Flangers.....	1	1
Logging Trucks.....	126	126
Other Work Equipment.....	89	88
<b>Total Freight and Work Equipment....</b>	<b>30,068</b>	<b>26,545</b>

## TRACK STATEMENT.

## GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINE OPERATED BY THE GREAT NORTHERN RY. CO.:	Miles.	Main Track Miles.	Total Miles.
Leased from St. P. M. & M. Ry. Co.:			
First Main Track.....		8,801.84	3,801.84
Second Track.....	80.61		
Third Track.....	9.28		
Fourth, Fifth and Sixth Tracks.....	18.05		52.94
Total Main Tracks.....			3,854.78
Side Tracks.....			781.09
Total Miles of Tracks owned by St. P. M. & M. Ry. Co.			4,585.87
Leased from Eastern Ry. Co. of Minnesota.....		482.17	707.87
First Main Track.....			
Second Track.....	40.86		
Side Tracks.....	184.84		
		<i>Side Track</i>	
		<i>Miles.</i>	
Duluth Terminal Ry.....	3.84	1.82	5.66
Leased from Duluth, Superior & Western Terminal Co..	9.80	5.28	14.58
Leased from Park Rapids & Leech Lake Ry. Co.....	7.42	49.04	56.46
Leased from Dakota & Great Northern Ry. Co.....	2.93	40.44	43.37
Tracks of the Montana & Great Northern			
Ry. Co.....	12.40	185.89	197.79
Crows Nest Southern Ry. Co.....	9.21	48.15	57.96
Seattle & Montana R. R. Co.....	52.63	214.50	267.13
Spur to Flathead Lake, at Kalispell, Montana.....			12.91
Total Tracks Operated by Great Northern Ry. Co., June 30, 1908.....		4,826.68	5,948.40
PROPRIETARY COMPANIES:			
Willmar & Sioux Falls Ry. Co.....	48.28	493.41	481.69
Leased tracks between Sioux City, Ia., and South Sioux City, Neb.....		9.32	9.32
Duluth, Watertown & Pacific Ry. Co.....	4.08	69.84	73.92
Montana Central Ry. Co.....	55.39	259.37	314.76
Minneapolis Union Ry. Co.....	4.71	2.63	9.97
Second Track.....	2.68		
Minneapolis Western Ry. Co.....	5.08	1.69	6.77
Total Miles of Road in System as Operated June 30, 1908.		5,598.89	
Total Miles of Track, all kinds, in System as Operated June 30, 1908.....			6,839.83
OPERATED INDEPENDENTLY AS SPOKANE FALLS & NORTHERN RY. SYSTEM:			
Spokane Falls & Northern Ry.....	18.25	180.51	148.76
Nelson & Fort Sheppard Ry.....	2.97	55.42	58.39
Columbia & Red Mountain Ry.....	2.29	7.51	7.80
Red Mountain Ry.....	9.32	9.59	12.91
Washington & Great Northern Ry.....	6.48	69.38	75.86
Vancouver, Victoria & Eastern Ry. & Navigation Co.....	9.00	16.50	19.50
Total Miles of Road and Tracks in System, includ- ing Lines Operated Independently.....		5,887.80	7,162.05
RECAPITULATION OF TRACK MILEAGE:			
First Main Track.....		5,879.20	
Second Track.....		74.10	
Third, Fourth, Fifth and Sixth Tracks.....		22.38	
Total Main Tracks covered by Capitalization given on page 32		5,975.68	
Side and Spur Tracks owned.....		1,108.52	
Leased Tracks: Main Tracks.....	8.60		
Side and Spur Tracks.....	9.80		
Total.....		17.90	
Total Tracks, all kinds, in System, including lines operated independently.....			7,162.05

TRACK STATEMENT—*Continued.*

NOTE.—Total Mileage of Road in System, including lines operated independently, June 30th, 1903, as shown on page 95.....	5,887.80	
Total Mileage of Road in System, June 30th, 1902, as per report for that year.....	5,849.10	
Increase in Mileage.....		<u>38.70</u>
This increase is made up as follows:		
<b>GREAT NORTHERN RY.:</b>		
Line of the Duluth, Superior & Western Terminal Co. from Saunders to Allouez, Wis., leased.....	5.28	
<b>ST. P., M. &amp; M. RY.:</b>		
Line from St. Vincent, Minn., to connection with the Canadian Northern Ry. at the International Boundary.....	2.61	
Change of connection with Bottineau Branch at Rugby, N. D.....	.04	
		<u>2.65</u>
<b>EASTERN RY. OF MINNESOTA:</b>		
Branch lines to the "Kinney-Hawkins," "Jordan," "Croxtan" and "Kinney" Mines.....	14.53	
Connection with D. S. & W. Terminal Co., Saunders.....	.05	
		<u>14.58</u>
Less—Track between Saunders and Pokegama Junction removed.....	2.12	
Change of line at Barclay Junction.....	.12	
		<u>2.24</u>
		12.34
<b>SEATTLE &amp; MONTANA R. R.:</b>		
New line built, Fairhaven to Belleville.....	18.82	
Additional track at Everett, Wash.....	.18	
		<u>19.00</u>
Less—Old line Fairhaven to Samish Lake, removed.....	9.16	
		9.84
<b>MONTANA &amp; GREAT NORTHERN RY.:</b>		
Correction by remeasurement on completion.....	.04	
<b>WASHINGTON &amp; GREAT NORTHERN RY.:</b>		
Branch from Republic, Wash., up Eureka Gulch and Mine spurs from same.....	0.80	
<b>VANCOUVER, VICTORIA &amp; EASTERN RY. &amp; NAV. CO.:</b>		
East Wye at Grand Forks, B. C.....	.21	
Total Increase.....		40.16
Less Decreases in Mileage:		
<b>MONTANA CENTRAL RY.:</b>		
Red Mountain Branch at Helena, Mont., taken up.....	1.14	
<b>CROW'S NEST SOUTHERN RY.:</b>		
Correction by remeasurement on completion.....	.32	
Total Deduction.....		<u>1.46</u>
Net Increase in Mileage.....		<u>38.70</u>

## LAND COMMISSIONER'S REPORT.

*Mr. JAMES J. HILL, President.*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ended June 30th, 1903:

	ACRES.	ACRES.
The total acreage earned is.....		425,664.000
Of which there has been deeded to the Company...	425,660.90	
Total acreage sold to June 30th, 1903, less sales canceled.....		406,022.625
Value of same.....	\$1,308,239.75	
Average price per acre.....	3.22	
Remaining unsold June 30th, 1903.....		<u>19,641.375</u>

## OPERATIONS DURING THE YEAR.

Sales, acres.....	3,698.04
Amount sold for.....	\$19,883.02
Average price per acre.....	5.38
Receipts of Land Department.....	99,609.01
Disbursements of Land Department.....	4,392.29
Amount of deferred payments due Company, which are bearing interest at six and seven per cent.....	397,598.56

CHARLES H. BABCOCK,

*Land Commissioner.*

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY'S  
SINKING FUND ACCOUNT CONSOLIDATED  
MORTGAGE BONDS.

July 1st, 1902. <i>By</i> balance to credit of Sinking Fund as per page 40 of last year's report.....	\$31,082.94
June 30th, 1903. From Land Department, as per Land Commissioner's Report on page 40.....	871,609.54
Revenue Todd County lands.....	1,402.49
Total Credits.....	\$904,094.97

## DEBITS:

*To* Bonds purchased by Trustee and canceled.

AMOUNT.	PRICE.	COST.	
\$4,000.00	109 $\frac{1}{4}$	\$4,370.00	
12,000.00	109 $\frac{1}{2}$	13,140.00	
10,000.00	109 $\frac{3}{4}$	10,975.00	
17,000.00	110 $\frac{3}{8}$	18,763.75	
16,000.00	110 $\frac{1}{2}$	17,680.00	
22,000.00	110 $\frac{5}{8}$	24,337.50	
300,000.00	110 $\frac{3}{4}$	332,250.00	
66,000.00	110 $\frac{7}{8}$	73,177.50	
55,000.00	111	61,050.00	
12,000.00	111 $\frac{1}{8}$	13,335.00	
13,000.00	111 $\frac{1}{4}$	14,462.50	
8,000.00	111 $\frac{3}{8}$	8,910.00	
50,000.00	111 $\frac{7}{8}$	55,937.50	
15,000.00	112 $\frac{1}{4}$	16,837.50	
12,000.00	112 $\frac{3}{8}$	13,485.00	
25,000.00	112 $\frac{1}{2}$	28,125.00	
3,000.00	112 $\frac{5}{8}$	3,378.75	
100,000.00	112 $\frac{3}{4}$	112,750.00	
30,000.00	112 $\frac{7}{8}$	33,862.50	
8,000.00	113	9,040.00	
3,000.00	113 $\frac{3}{8}$	3,401.25	
4,000.00	cost	4,496.83	
Total.....	\$785,000.00	Costing	873,765.58
June 30th, 1903. Balance being funds applicable for further redemption of bonds .....			\$30,329.39

REPORT OF LAND COMMISSIONER, ST. PAUL, MINNEAPOLIS  
& MANITOBA RY. CO.

To MR. LOUIS W. HILL, President,

St. Paul, Minneapolis & Manitoba Ry. Co.

DEAR SIR: I respectfully submit the following report of operation of the Land Department for the year ended June 30th, 1903.

	ACRES.	ACRES.
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 30th, 1903.....	3,221,746.17	
Less deeded to Northern Pacific R. R. Co. by Supreme Court United States, March 2nd, 1891.....	365,860.92	
Deeded to Northern Pacific R. R. Co. in accordance with terms of settlement of November 1st, 1897....	48,916.08	
Redeeded to United States.....	3,351.02	418,128.02
Net Acreage deeded.....		2,803,618.15
Total Acreage sold prior to June 30th, 1903.....		2,991,117.27
Less sales canceled.....		305,104.23
Remaining unsold June 30th, 1903.....		793,598.32

Owing to sales and other disposals of land within the limits of the Grant by the United States prior to the time at which this Company's right attached, a final adjustment of the Grant by the Government, which is approaching completion, will reduce the above area by about 650,000 acres.

During the year ended June 30th, 1903, 23,856.10 acres of land were sold for \$241,098.79, an average of \$10.11 per acre. There were also sold 992 town lots for \$20,002.38, an average price per lot of \$20.16.

The number of land sales during the year was 368, with an average of about 64.82 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDED  
JUNE 30th, 1903.

Cash Sales and Installments of Principal on New Land Contracts.....	\$47,670.11
Amount of Principal received on Old Contracts. ....	693,126.43
Amount received for Trespass, Stumpage, Grass Sales, etc.....	8,706.88
Amount received for Interest on Old and New Contracts. ....	135,476.84
Amount received for Principal and Interest on Town Lot Contracts.....	19,030.67
	\$904,010.93
Less Expense of Land Department and Trustee.....	32,401.39
Net Receipts.....	\$871,609.54
Amount of Deferred Payments due this Company on Land Contracts bearing interest at 7 and 6 per cent. ....	\$2,755,231.68
Amount of Deferred Payments due this Company on Town Lots bearing interest at 7 and 6 per cent. ....	11,241.82
	\$2,766,473.50

Referring to that portion of report for the year ending June 30th, 1893, relating to 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 63,477.92 acres, for which the Company is authorized to locate an equivalent amount elsewhere. The Company has selected, to June 30th, 1903, 57,733.05 acres in lieu of a part of the above amount.

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

40 Acres for \$800.00, an average per acre of.....	\$20.00
Receipts during the year.....	\$21,515.66
Taxes paid, Expenses of Examination and Selection of Land and other Disbursements made during the year in connection with Grant.....	8,512.28

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

CHARLES H. BABCOCK,  
*Land Commissioner.*



114/5  
PROPERTY OF  
HARVEY FISK & SONS,  
STATISTICAL DEPARTMENT.  
NOT TO BE LOANED OR TAKEN FROM OFFICE.

FIFTEENTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

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FISCAL YEAR ENDED

JUNE 30, 1904.



**FIFTEENTH ANNUAL REPORT**

**OF THE**

**GREAT NORTHERN**

**Railway Company.**

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**FISCAL YEAR ENDED**

**JUNE 30, 1904.**



# GREAT NORTHERN RAILWAY COMPANY.

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## DIRECTORS.

JAMES N. HILL (term expires 1904)	ST. PAUL
WILLIAM B. DEAN (term expires 1904)	ST. PAUL
HENRY W. CANNON (term expires 1904)	NEW YORK
JAMES J. HILL (term expires 1905)	ST. PAUL
FREDERICK WEYERHAEUSER (term expires 1905)	ST. PAUL
LOUIS W. HILL (term expires 1905)	ST. PAUL
R. I. FARRINGTON (term expires 1906)	ST. PAUL
EDWARD SAWYER (term expires 1906)	ST. PAUL
M. D. GROVER (term expires 1906)	ST. PAUL

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## OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL
J. D. FARRELL,	ASSISTANT TO PRESIDENT,	SEATTLE
L. W. HILL,	VICE PRESIDENT,	ST. PAUL
R. I. FARRINGTON,	SECOND VICE PRESIDENT,	ST. PAUL
E. T. NICHOLS,	THIRD VICE PRESIDENT. SECRETARY AND ASST. TREASURER,	NEW YORK
J. W. BLABON,	FOURTH VICE PRESIDENT,	ST. PAUL
E. SAWYER,	TREASURER AND ASST. SECRETARY,	ST. PAUL
N. TERHUNE,	ASST. SECRETARY AND ASST. TREASURER,	NEW YORK
J. G. DREW,	COMPTROLLER,	ST. PAUL
M. D. GROVER,	GENERAL COUNSEL,	ST. PAUL
F. E. WARD,	GENERAL MANAGER,	ST. PAUL
G. T. SLADE,	GENERAL SUPERINTENDENT	ST. PAUL
A. H. HOGELAND,	CHIEF ENGINEER,	ST. PAUL
E. A. BERNHOLZ,	TRANSFER AGENT,	NEW YORK
M. H. NILES,	TRANSFER AGENT,	NEW YORK



# FIFTEENTH ANNUAL REPORT

OF THE

# GREAT NORTHERN RAILWAY COMPANY.

*To the Stockholders:*

The President and Directors submit the following report for the year ended June 30, 1904.

### FINANCIAL.

#### CAPITAL STOCK.

There has been no increase in the authorized share capital of the Great Northern Railway Company during the year, and same remains at \$125,000,000.00.

Of the capital authorized there had been issued

to June 30, 1903 (page 5, last year's report) \$123,996,750.00

There have been issued during the year

25 shares, amounting to.....	2,500.00
in completing previous transactions;	

1,300 shares, amounting to.....	130,000.00
---------------------------------	------------

have been transferred to the Great Northern Employees' Investment Company, Limited, under the contract referred to on page 7 of Report for the year ended June 30, 1900.

To June 30, 1904, the Investment Company had subscribed and paid for 6,900 shares (\$690,000) under the contract mentioned.

Total outstanding June 30, 1904.....	\$124,129,250.00
--------------------------------------	------------------

There were held in the Treasury of the Company June 30, 1904, 5,607½ shares of Great Northern stock, not used in acquiring 4,486 shares of Manitoba stock and 3,100 shares of Great Northern stock to be issued only to the Employees' Investment Company as subscribed for.

There has been no change during the year in the amount of Capital Stock of any of the proprietary companies. Pending the completion of the lines now being built by the Dakota & Great Northern, Montana & Great Northern and Washington & Great Northern Railway Companies, and the closing of their construction accounts, the stocks of those companies have not been issued, but this Company has advanced the necessary funds for construction, and is carrying such amounts as advanced to apply on payment for stock. Reference is made later on to the amount of these advances.

#### BONDED DEBT.

There has been a decrease of \$542,000 during the year in the bonded debt of the St. Paul, Minneapolis & Manitoba Railway Company, outstanding in the hands of the public, as will be seen by reference to the table on page 32, made up as follows:

<i>CONSOLIDATED MORTGAGE 4½ PER CENT BONDS</i>	
redeemed and canceled by the Trustee through the operation of the Sinking Fund, as per details on page 38.....	\$542,000
Less Bonds issued—	
In exchange for St. Paul, Minneapolis & Manitoba Railway Company's Second Mortgage Bonds, surrendered and canceled.....	\$198,000
In exchange for St. Paul, Minneapolis & Manitoba Railway Company's Dakota Extension Mortgage Bonds, surrendered and canceled.....	105,000
Total issued.....	303,000
Net reduction in Consolidated Mortgage 4½ per cent Bonds...	\$239,000
<i>SECOND MORTGAGE 6 PER CENT BONDS</i> , canceled as above.....	198,000
<i>DAKOTA EXTENSION MORTGAGE 6 PER CENT BONDS</i> , canceled as above.....	105,000
Total reduction in St. Paul, Minneapolis & Manitoba Railway Company's Bonded Debt.....	\$542,000

There has been no change during the year in the bonded debt of any of the proprietary companies.

During the year \$27,000 Northern Pacific-Great Northern, Joint C. B. & Q. collateral 4 per cent Bonds and \$200 Bond Scrip have been issued in payment for 136 shares of C. B. & Q. R. R. Co.'s stock, making the total amount of these bonds and scrip outstanding June 30, 1904, \$215,207,200. The Chicago, Burlington & Quincy Railway Company has collected the dividends on the 1,076,036 shares of C. B. & Q. R. R. stock deposited as collateral to secure these bonds, and paid the interest on the joint bonds.

To provide funds to pay for equipment ordered and construction of new lines contracted for and under way the Company issued December 1, 1903, its collateral notes to the amount of £1,500,000 sterling, payable December 1, 1905, and drawing interest at the rate of 5 per cent per annum, payable semi-annually, on the first day of June and December in each year. As collateral security for these notes the Company has deposited £2,000,000 St. Paul, Minneapolis & Manitoba Railway Company's Pacific Extension Bonds.

Upon comparison of the balance sheet published in this report (page 33) with that published in last year's report, it will be seen that while the Capital Liabilities, including this issue of sterling notes, have increased \$6,822,726.26, the Capital Assets show an increase of \$14,569,602.96.

No additional permanent capital has been obtained by the Company since the issuance of \$25,000,000 Capital Stock under authority of resolutions adopted by the Board of Directors February 27, 1901. The amount that had been paid out by this Company to June 30, 1904, on account of the purchase of the securities, to acquire which the said stock was issued or advanced in anticipation of the issuance of those securities, amounted to the sum of \$25,745,053.22, or \$745,053.22 in excess of the proceeds from such issue. In addition to that amount, the Company had advanced at the same date to other companies and for the construction of additional mileage, \$4,501,202.96. There has been paid out during the three years from July 1, 1901, for additional equipment for the Great Northern Railway

Company the sum of \$8,241,431.53. There has been expended on capital account by proprietary companies during the past three years the following amounts, as shown in the reports named :

Page 8 of report for year ended June 30, 1902.....	\$3,882,972.55
Page 7 of report for year ended June 30, 1903.....	3,762,880.37
For year ended June 30, 1904, as below.....	2,366,354.20
Total.....	\$10,012,207.12

Making the total amount paid out substantially within three years, for securities, additional mileage and equipment, and additions to the property of proprietary companies \$48,499,894.83, or \$23,499,894.83 in excess of the proceeds from the last stock issue. In addition to that amount the Company has expended during the three years in additions and improvements to the property leased from the St. Paul, Minneapolis & Manitoba Railway Company, the sum of \$5,114,130.88 out of appropriations aggregating \$7,000,000.00 made from its Revenue account.

#### GENERAL.

Expenditures were made during the year on the capital accounts of Proprietary Companies, for work completed or under construction, as follows :

Eastern Railway Company of Minnesota.....	\$424,149.25
Montana Central Railway Company.....(credit)	24,292.90
Willmar & Sioux Falls Railway Company.....	86,554.59
Duluth, Watertown & Pacific Railway Company.....	2,195.55
Seattle & Montana Railroad Company.....	1,859,062.51
Park Rapids & Leech Lake Railway Company.....	1,065.87
Minneapolis Union Railway Company.....	11,476.60
Minneapolis Western Railway Company..	6,142.73
Total.....	\$2,366,354.20

As shown on page 27, there has been appropriated out of the net revenue for the year, \$2,000,000.00 for the "Fund for Permanent Improvements and Renewals"; and there was charged against that fund \$1,432,252.94, the cost of improvements (other than those charged to operation) made during the year to property leased from the St. Paul, Minneapolis & Manitoba Railway Company.

The decision of the United States Supreme Court handed down March 14, last, in the case of the United States vs. The Northern Securities Company and Others, restrained the Great Northern Railway Company from paying any dividends on shares of its stock held and owned by the Northern Securities Company. The amount of the dividend payable May 1, 1904, on shares so owned, remaining unpaid June 30, \$2,067,173.50, has been deposited in a special and separate account and is shown on the balance sheet presented herein, page 33, as a separate item, and is not included with the Company's current assets. The amount of such unpaid dividend is also shown on the balance sheet as a separate item of liability.

The Great Northern Steamship Company's steamship "Minnesota," which was launched at New London, Conn., April 16, 1903, has been completed, and, after taking on a cargo, sailed on September 14, from Philadelphia, Pa., on her voyage to San Francisco and Seattle. Upon her arrival at the latter port she will be at once placed in Oriental trade. Her trial trip showed very gratifying results. Her sister ship, the "Dakota," was launched February 6, 1904, and should be completed and ready for regular service next winter.

The Board respectfully calls attention of the shareholders to the reports of the Vice President and the Comptroller, with the customary balance sheet and statistical tables, and to the report of the Land Commissioner.

JAMES J. HILL,  
President.

## REPORT OF VICE PRESIDENT.

*JAMES J. HILL, President.*

DEAR SIR: Herewith please find report for fiscal year ended June 30, 1904.

**OPERATING EXPENSES, GROSS EARNINGS, VOLUME OF  
TRAFFIC AND RATES.**

Table on page 24 shows that the total Operating Expenses increased over last year \$517,533.88 and "Conducting Transportation" increased \$578,357.71. This last mentioned increase is due to practically three causes: Increases in wages, additional passenger train service and higher price of coal. The accounts for this year show for the first time the effects for a full year of the numerous increases in rates of wages made in all classes of service during 1902-3. The principal increase in cost of train service comes from an additional daily transcontinental passenger train, which increased the cost of engine and train service, operators and station men. The average cost per ton of coal for locomotive fuel was 17 and a fraction cents more this year than during the previous year, amounting to \$229,453.95. The quantity consumed per engine mile run during this year was 1.53 per cent less than last year.

The decrease in "Maintenance of Road and Structures" shows the benefit of work heretofore done, as the reduction in cost is in accounts covering the repairs and renewals of bridges, culverts, buildings, water supply, etc., to which large charges have been made in previous years for permanent work. Charges on account of track maintenance exceed those of the previous year by \$81,895.79, although there has been a material reduction in the amount of improvement work done during the year, as shown

by the tables under "Additions and Improvements," of quantities of material moved.

Freight Earnings show a decrease of \$970,933.97 and Earnings from Freight Traffic of \$981,349.11 or 3.128 per cent. The number of tons of Revenue Freight carried decreased 1,903,544 or 11.7876 per cent, and the number of tons of Revenue Freight carried one mile decreased 255,033,087 or 7.0708 per cent. The quantity of wheat hauled to Eastern terminals from stations east of Minot, N. D., and north of Garretson, S. D., decreased 8,759,114 bushels, equal to 262,773 tons, and the earnings from this traffic decreased \$666,920.16. The quantity of iron ore transported decreased 1,715,499 (net) tons and the earnings \$836,790.99. The earnings from transportation of other classes of traffic decreased as follows: Live Stock \$179,267.53; Lumber, Lath and Shingles \$166,490.72; Agricultural Implements, Machinery, Wagons and Carriages, Household Goods and Furniture \$680,684.05.

There were increases in the Earnings from Transportation of Merchandise and Miscellaneous Freight. To this change in the character of traffic handled is due the increase in the average revenue per ton per mile, from .857 cents last year to .893 cents this year. Numerous rate reductions were made during the year. On September 10, 1903, the rates on Coal from Duluth, Superior and St. Paul were reduced to all points in the State of Minnesota and to several points in North and South Dakota, from 10 to 50 cents per ton, the average reduction being about 11 per cent. At the same time Lumber rates from all Minnesota mills, including Eastern terminals, to points in Minnesota and portions of North and South Dakota, were reduced from 10 to 15 per cent, the average reduction being 12 per cent. Between January 15, and June 10, 1904, the rates on Grain from stations on the line in Nebraska were reduced from 2 to 6 cents per hundred pounds.

June 4, 1904, special distributing tariffs were put into effect at St. Cloud, Fergus Falls, Moorhead and Crookston, Minn., and Fargo, Wahpeton and Grand Forks, N. D., which reduce rates on merchandise affected approximately  $4\frac{1}{2}$  per cent.

While the tonnage hauled decreased 11.7876 per cent, the tons hauled one mile decreased 7.0708 per cent, the mileage of loaded

freight cars 6.7002 per cent and the mileage of freight trains 7.1996 per cent. It will be noticed that the greatest decrease was in heavy traffic usually moving in full carloads.

The earnings of passenger trains increased \$263,851.94, or 2.8141 per cent. Of this amount \$171,670.98 came from passenger fares, \$71,639.13 from transportation of mails and \$25,694.12 from transportation of express matter. There was a decrease of \$5,152.29 in miscellaneous passenger train earnings. On account of putting an additional daily transcontinental passenger train in service, there was an increase of 727,696 miles (or 12.5458 per cent) in passenger train mileage, and on account of the division of the business between the additional trains, a decrease of 13.98 cents, or 8.6483 per cent, in the earnings per passenger train mile. It will be noted, however, that with a passenger train mileage of 6,528,000 miles the earnings per train mile averaged \$1.4767 as against an average of but \$1.2245 per train mile in 1901, when only 4,284,900 passenger train miles were run. The increase of 1.5371 per cent, or from 2.342 cents in 1903 to 2.378 cents in 1904, in the average revenue per passenger train mile, is caused by an increase in local travel; the average distance traveled per passenger in 1904 being 74 miles as against 77 miles in 1903. This is also shown by the fact that while the number of passengers carried increased 5.4925 per cent, the number of passengers carried one mile increased but 0.7231 per cent. There have been no increases in passenger rates during the year.

On account of the late opening of navigation on the Great Lakes this spring, and the consequent delay in moving traffic, due to the strike of Lake masters and pilots, there was a decrease of 1,085,203 gross tons in the quantity of iron ore moved from the mines to ore docks between the beginning of the season and June 30, 1904. Since that date the movement has been greater than the same period last year, and from the present outlook next year's report should show a further increase in the tonnage of iron ore handled. The outlook for transportation of wheat is not so favorable. While no accurate conclusions can be drawn until threshing is completed, it is

probable that the next report will show a decrease in the quantity handled. But with the high prices for wheat now prevailing, and which will undoubtedly continue, there is no reason why the general business conditions in the country served by the Company should not continue good.

The movement of settlers into Minnesota and North Dakota has not been equal in volume to other years, yet there has been a steady settlement of the vacant lands adjacent to the Company's line. The demand for farm lands has resulted in higher prices, and lands heretofore held by speculators are coming under cultivation by experienced and well-to-do farmers from the older states.

The commendable action on the part of the Government in opening up for settlement the Devils Lake and Red Lake Indian Reservations has resulted in this land being acquired by homemakers, who will cultivate the soil, and become producers, adding to the material wealth of the State.

#### NEW LINES.

Of the new lines mentioned in last year's report as being then under construction, the following were opened for operation during the year:

July 3, 1903.	SEATTLE & MONTANA R. R., New in-shore line at Bellingham, Wash., 1.95 miles.
July 18, 1903.	EASTERN RY. OF MINNESOTA, Kelly Lake to Exmoor, Minn., 9.69 miles.
November 23, 1903.	DAKOTA & GREAT NORTHERN RY., Granville to Mohall, N. D., 46.97 miles.
December 21, 1903.	Souris to Westhope, N. D., 16.41 miles.

Branch lines, 3.95 miles in length, were built by the Eastern Railway Company during the year, besides numerous short spurs to mines, which latter are included in side track mileage.

The Montana Central Railway replaced during the year the spur to the Fair Grounds at Helena, Mont., .68 miles, removed during the year ended June 30, 1901.

Lines are now under construction as follows:

By the Minnesota & Great Northern Ry. Co., from Thief River Falls to Greenbush, Minn., a distance of 41.1 miles.

By the Dakota & Great Northern Ry. Co., an extension of the Granville line from Mohall, N. D., northwest, a distance of 14 miles, and an extension of the Lakota line from Edmore to Hampden, N. D., a distance of 12 miles.

It is expected that these three lines will be completed in time to move this year's crops.

By the Crow's Nest Southern Ry. Co., an extension from Swinton to the Coal Creek mines at Fernie, B. C., 9.51 miles. To reach the Michel mines of the same company an extension may be built later from Fernie to Michel, B. C. During the year the Crow's Nest Southern Ry. Co. sold to the Morrissey, Fernie & Michel Ry. Co. its branch line, 4.77 miles in length, from Swinton to Morrissey, B. C.

By the Washington & Great Northern Ry. Co., a line from Curlew to Midway, Wash., about 14 miles long, opening up a new mining camp.

By the Vancouver, Victoria & Eastern Railway & Navigation Co., a branch line from near Grand Forks to Phoenix, B. C., about 22 miles in length, and a branch from Grand Forks to the Granby smelter at that city about 5 miles long. It is expected these two lines will be completed this fall and that they will develop for the Company a large tonnage of copper ore and the products thereof.

Surveys for and locations of other new lines have been made during the year, or are now in progress, some of them being shown upon the map published herewith.

Tracklaying on the Montana & Great Northern Ry. Co.'s line from Columbia Falls to Rexford, Mont., referred to at length in last year's report, was completed August 6, 1904, and all through trains were turned over it about October 2. The work on this line has been very heavy and has been done in the most

substantial manner. A new division yard has been built at Whitefish, Mont., and a 15-stall engine house with blacksmith, boiler and machine shops adjoining it, 70 feet steel turntable, 70 feet cinder pit, store house and office and other buildings are now being completed. A standard station is also being erected at this point.

### EQUIPMENT.

The following equipment has been sold or taken out of service during the year:

- 3 light Great Northern locomotives,
- 9 Eastern Railway of Minnesota wooden ore cars,
- 1 Great Northern and 1 Montana Central derrick car, and
- 126 Seattle & Montana logging trucks.

The report for last year stated that of the equipment ordered, 75 locomotives, 2,400 freight cars and 2 wrecking cars had not been received and taken into account at the end of the year. Of this equipment the following had been received and taken to account at the close of this year:

- 74 locomotives as follows:
  - 9 ten-wheel passenger locomotives, 19''x28'' cylinders, weighing 134,000 pounds on drivers.
  - 55 consolidation freight locomotives, 20''x32'' cylinders, wide fire box, weighing 180,000 pounds on drivers.
  - 10 six-wheel switching locomotives, 19''x26'' cylinders, weighing 135,000 pounds on drivers.
  - 400 forty-feet, 80,000 pounds capacity, standard flat cars; 372 as additional equipment and 28 for replacing cars out of service.
  - 2,000 forty-feet, 80,000 pounds capacity, standard box cars for additional equipment.
  - 2 wrecking cars with steam cranes lifting 60 tons.

All of the above equipment is furnished with air brakes and automatic couplers.

The one remaining locomotive and the equipment ordered during this year, namely, 6 60-foot postal cars, 10 70-foot

baggage, mail and express cars and 500 40-foot, 80,000 pounds capacity, hopper bottom box cars are yet to be delivered.

There were built at the Company's shops for additional equipment:

39 four-wheel caboose cars,  
1 cinder car,  
26 boarding cars, and  
1 snow car.

There was expended during the year for equipment \$3,240,767.58, of which amount \$2,855,125.21 was charged to "Equipment Account."

As equipment is destroyed and taken out of service, Operating Expense is charged and "Fund for Replacement of Equipment" is credited with the cost of replacement. When equipment for replacement is purchased, the cost is charged to the account last mentioned.

#### ADDITIONS AND IMPROVEMENTS.

The work on the new terminals at Seattle, Wash., has been continued during the year. Of the double track tunnel under the city, there remained to be excavated June 30, 1,435 lineal feet, and to be lined with concrete 1,760 lineal feet. The tunnel when completed will be 5,104 feet in length.

Work has been begun on a new brick freight depot 50x1,000 feet.

The new joint passenger station at Seattle is under construction and will, when finished, be one of the best in the West.

The new shops at Dale Street, St. Paul, Minn., referred to in the two last annual reports, were completed and put into operation during October, 1903.

The yard at Kelly Lake, Minn., also referred to last year, has been completed.

An interlocking plant has been built at Emmert, Minn., protecting the crossing of this Company's tracks by those of the Duluth, Missabe & Northern Ry. Co.

A logging spur about four miles long, with sidings, has been laid to Crooked Lake, between Nevis and Akeley, Minn., and a spur at Anacortes, Wash., 5,698 feet long, with five industry tracks from same, laid along the water front.

The station at Adrian, Wash., has been moved east two miles, where a new yard, containing over 12,000 lineal feet of sidings, and a new station, have been built in connection with the Northern Pacific Railway.

In addition to the tracks above enumerated, many additional passing and industrial tracks have been laid and the track facilities at many places increased and improved during the year. The net increase in side track mileage during the year, not including tracks on new lines under construction or opened for operation during the year, was as follows:

Line leased from St. Paul, Minneapolis & Manitoba Ry. Co.	18.43	miles
Line leased from Eastern Ry. Co. of Minnesota	11.76	"
Line leased from Dakota & Great Northern Ry. Co.	.38	"
Montana & Great Northern Ry.	1.49	"
Crow's Nest Southern Ry.	.72	"
Seattle & Montana R. R.	.62	"
Willmar & Sioux Falls Ry.	.37	"
Spokane Falls & Northern Railway System	1.21	"
Total built	34.98	miles
Less: Montana Central Ry., removed on Barker branch, etc.	1.32	miles
Crow's Nest Southern Ry. sold to M. F. & M. Ry.	3.29	"
	4.61	"
Net additional side track mileage on old lines	30.37	miles

During the year tracks have been relaid as follows: 160.51 miles with 77½ pound rail, 9.85 miles with 75 pound rail, 94.96 miles with 67 pound rail (rerolled from 75 pound section), 3.34 miles with 68 pound rail and 12.88 miles with 56 pound rail. The longest stretches of track relaid were from four miles west of St. Cloud to Barnesville, Minn., 136.64 miles with 77½ pound rail, and between Willmar and Pipestone, Minn., on the Willmar & Sioux Falls Ry., with 67 pound rail.

The double track on the Eastern Railway of Minnesota has been extended 3.15 miles between Cloquet and Brookston.

Tie plates are being used on new tracks built or tracks relaid; approximately 800,000 were put into tracks during this year.

A brick passenger station has been built at Bellingham, Wash., on the new in-shore line referred to in last year's report; station grounds filled, tracks laid and the old station building enlarged and rearranged as a freight station.

New depots have been built at the following stations:

Nashwauk, Minn.	East Grand Forks, Minn.	Sioux Falls, S. D.
Stevenson, Minn.	Corson, S. D.	Ray, N. D.
Downer, Minn.	Bancroft, S. D.	Buxton, N. D.
Beltrami, Minn.		

A new freight shed has been built at Chaffee, N. D., the depot buildings at six stations enlarged and rearranged, and improvements made in the buildings at 74 stations.

Section houses have been built at:

Nagonab, Minn.	Leighton, Minn.	Wolf Point, Mont.
Brevator, Minn.	Ashfield, Mont.	Index, Wash.
Bengal, Minn.	Power, Mont.	Bellingham, Wash. (2)
Kelly Lake, Minn.	Belt, Mont. (2)	Cloverdale, B. C.
Emmert, Minn.		

Snow sheds 1,104 feet long have been built at Kilroy, and 576 feet of additional mountain snow sheds between Wellington and Alvin, Wash.

New 50 feet, 80 ton capacity, track scales have been put in at Hibbing, St. Hilaire and Minot.

A 70 feet steel turntable has been put in at Breckenridge, Minn., replacing a 56 feet table; a 56 feet steel turntable at Brown's Valley, Minn., replacing a 50 feet wood turntable; a 54 feet iron turntable at Mound, Minn., and a 50 feet wood turntable at Hutchinson, Minn.

A two stall frame round house has been built at Kelly Lake, Minn., the round house at Breckenridge, Minn., enlarged by the

addition of ten stalls, the heating plant enlarged and improvements made in the round houses at Sioux City, Ia., and Minot, N. D.

Coaling stations equipped with lifting engines and separate tracks have been built at Evansville, Minn., Brockton, Mont., and Sand Point, Id., replacing smaller stations and platforms. A new and modern coaling station has been built at Conrad, Mont. The coaling station at Kelly Lake, Minn., has been enlarged by the addition of ten pockets, and coaling platforms have been built at Mound, Minn., and Poplar, Mont.

Permanent improvements in the water supply are being continued, improved water stations being built during the year at Exmore, Durbin, Neche, Wolf Point, Priest River, Edwall, and Old Mission, some of them being additional and others replacing plants of old pattern. Improvements were made at 27 other water stations.

Loading platforms were built at ten stations, those at three stations extended.

Coal and oil houses were built at eight stations, and those at four stations enlarged; an ice house built at Wenatchee, Wash., and that at Grand Forks, N. D., enlarged.

Stock yards have been built at :

Isanti, Minn.	Eagle Bend, Minn.	Corson, S. D.
Foley, Minn.	Dassell, Minn.	McLean, Neb.
Fergus Falls, Minn.	Lynd, Minn.	Conrad, Mont.
New London, Minn.	Johnson, Minn.	Vaughn, Mont.
Appleton, Minn.	Danvers, Minn.	

The stock yards at eight stations have been enlarged, and improvements made in the stock yards at 34 other stations.

Right of way fence has been built during the year as follows :

Great Northern Railway.....	93.62 miles
Eastern Railway of Minnesota.....	22.92 "
Dakota & Great Northern Railway.....	1.41 "
Willmar & Sioux Falls Railway.....	13.60 "
Duluth, Watertown & Pacific Railway.....	7.57 "
Montana Central Railway.....	9.81 "
Montana & Great Northern Railway.....	20.82 "
Seattle & Montana Railroad.....	46.70 "

Total ..... 216.45 miles

Embankments have been raised to grade and widened on 362.04 miles, and tracks ballasted with gravel on 193.63 miles.

Work is now in progress reducing the east bound grades on the Breckenridge, Willmar and Terminals Divisions to four-tenths of one per cent, requiring the regrading of 44 miles of track. In connection with this work the banks are being widened, sags raised, cuts sloped out and track ballasted with gravel.

Numerous small changes in line have been made to improve the grade or to reduce curvature, some of which require heavy masonry retaining walls.

The widening of embankments, raising sags, sloping cuts and ballasting is now in progress between Hinckley and Nickerson, Minn., on the Superior Division; Deer River and Cass Lake, Minn., on the Mesabi Division; and Larimore and Bartlett, N. D., on the Dakota Division, in all about 115 miles of track.

The replacement of wooden bridges and trestles with steel, or filling them with solid embankments, has been continued during the year, the work done being:

Length of steel bridges built on old lines of Great	
Northern Railway.....	<u>2,768 feet</u>
Lineal feet of bridges filled:	
Great Northern Railway (on old lines).....	6,616 feet
Eastern Railway of Minnesota .....	168 "
Willmar & Sioux Falls Railway.....	112 "
Duluth, Watertown & Pacific Railway.....	851 "
Montana & Great Northern Railway .....	150 "
Seattle & Montana Railroad .....	<u>2,250 "</u>
Total .....	<u>10,147 feet</u>

There was a further reduction by 1,829 feet in the lineal feet of wooden bridges and trestles on the line by the change of line between Elmira and Bonner's Ferry, Id., referred to on page 10 of last year's report.

To provide the necessary waterways in place of bridges filled as above, 48 stone culverts, 11 concrete culverts, 33 pipe culverts and 11 box culverts were built.

So much permanent bridge work has been done in previous years that the effect of the work is shown by the reduction in the annual charges to operating expenses for repairs and renewals of bridges and culverts, the amount charged to that account during the year just ended being \$230,034.66 less than the amount charged during the previous fiscal year.

The following is a close approximation of the quantities of material moved during the year in changes of line, reduction of grades, widening and raising banks, bridge filling and ballasting:

In changes of line and reduction of grades.	111,282 cu. yds.
In widening, raising and generally restoring embankments.....	988,643 "
In filling bridges.....	461,597 "
For ballasting (gravel).....	458,704 "
Total .....	<u>2,020,226 cu. yds.</u>

There were also placed on old lines:

Masonry.....	7,636 cu. yds.
Concrete.....	4,021 "
Riprap.....	24,810 "
Total.....	<u>36,467 cu. yds.</u>

Following the plan of previous years, only such amounts as represented cost of actual additions to and improvements of the property have been charged to "Additions and Improvements," and the entire amount charged to that account during the year on account of the line leased from the St. Paul, Minneapolis & Manitoba Railway Company, or \$1,432,252.94, has been transferred to "Fund for Permanent Improvements and Renewals," so that the Great Northern Railway Company is not carrying on its books as an asset the cost of any additions

to or improvements of the line leased from the Manitoba Company.

All replacements, renewals, etc., have been charged to "Operating Expenses." The amount included in "Maintenance of Road and Structures" this year, for extraordinary improvements, etc., is \$1,410,097.03.

The proof that the efficiency of the railway as a means of transportation is improving each year is the fact that notwithstanding the heavy falling off this year in the tonnage of bulk freight and the increase in less than carload business, a small increase is shown in the average train load.

Respectfully submitted,

L. W. HILL,  
Vice President.

## COMPTROLLER'S REPORT.

*MR. JAMES J. HILL, President:*

DEAR SIR: Herewith I beg to submit statements showing results of operation of the Great Northern Railway Company and its proprietary companies for the fiscal year ended June 30, 1904.

These statements are made in the same form and on the same basis as those submitted with last year's report.

The statements on the pages next following, 24 and 25, show the Earnings, Operating Expenses, Taxes, etc., of the Railway SYSTEM exclusive of the Spokane Falls & Northern Railway System, which is operated separately. The statement on page 26 shows the division of these amounts between the several railways, and includes as a separate item the same information for the Spokane Falls & Northern Railway system. On pages 27 and 28 are given the Revenue and Income Accounts of the Great Northern Railway COMPANY.

The balance sheet on page 33, like the one published last year, presents a complete statement of the property, capitalization and finances of what is known as the Great Northern Railway Line. The finances, etc., of the Spokane Falls & Northern System are not included, that property being operated and its finances kept separate and distinct from those of the balance of the system.

J. G. DREW,  
*Comptroller.*

GROSS EARNINGS, OPERATING EXPENSES, TAXES AND NET EARNINGS OF THE RAILWAY SYSTEM, AND PER MILE OF ROAD OPERATED, FOR THE FISCAL YEAR ENDED JUNE 30, 1904, COMPARED WITH THE PREVIOUS FISCAL YEAR.

NOTE: These figures do NOT include the Spokane Falls & Northern Railway System.

## GROSS EARNINGS.

PER CENT.	1904	CLASS	1903	PER CENT.
74.7536	\$29,944,300.32	..... Freight.....	\$30,915,234.29	75.7993
19.3405	7,747,300.50	..... Passenger.....	7,575,629.52	18.5742
2.5394	1,017,204.25	..... Mail.....	945,565.12	2.3184
1.1857	474,971.35	..... Express.....	449,277.23	1.1016
2.1808	873,576.87	.... Miscellaneous....	899,940.77	2.2065
	\$40,057,353.29	..... Total.. .....	\$40,785,646.93	

## OPERATING EXPENSES.

PER CENT.	1904	CLASS	1903	PER CENT.
52.1514	\$10,740,242.22	Conducting Transportation	\$10,161,884.51	50.6150
15.2405	3,138,693.23	Maintenance of Equipment	3,109,469.45	15.4878
24.6828	5,083,263.91	{ Maintenance of Road and Structures. }	5,273,099.53	26.2616
7.9253	1,632,163.22	... General Expenses....	1,532,375.21	7.6326
	\$20,594,362.58	..... Total.....	\$20,076,828.70	

## SUMMARY OF EARNINGS AND EXPENSES.

1904		1903
\$40,057,353.29	.....Gross Earnings.....	\$40,785,646.93
20,594,362.58	.....Operating Expenses.....	20,076,828.70
\$19,462,990.71	.....Net Earnings.....	\$20,708,818.23
1,417,980.37	.....Taxes.....	1,474,125.65
\$18,045,010.34	.....Income from Operation.....	\$19,234,692.58
51.41	Operating Expenses, per cent of .....Gross Earnings.....	49.23
54.95	Operating Expenses and Taxes, per .....cent of Gross Earnings.....	52.84
\$7,124.12	..Gross Traffic Earnings per Mile of Road..	\$7,429.22
3,662.67	...Operating Expenses per Mile of Road...	3,657.05
\$3,461.45	.....Net Earnings per Mile of Road.....	\$3,772.17
5,622.78	..Average Miles of Road Under Operation..	5,489.90

STATEMENT SHOWING THE REVENUE FOR THE YEAR ENDED JUNE 30, 1904, OF THE GREAT  
NORTHERN RAILWAY COMPANY AND PROPRIETARY COMPANIES.

COMPANIES	GROSS EARNINGS	OPERATING EXPENSES	TAXES	INCOME FROM OPERATION	MISCELLANEOUS INCOME RECEIVED	TOTAL
Great Northern Railway.....	\$36,062,947.30	\$18,069,609.51	\$1,283,464.89	\$16,679,972.90	\$629,275.02	\$17,609,247.92
RAILWAYS:						
Montana Central Ry.....	2,376,126.44	1,828,628.25	52,451.44	965,051.75	25,571.98	1,020,628.73
Willmar & Sioux Falls Ry.....	1,487,158.20	1,091,781.71	75,222.44	320,154.05	4,517.96	324,672.00
Duluth, Watertown & Pacific Ry.....	131,121.35	74,448.11	6,841.90	49,831.64	201.00	50,032.64
Total Railway System Proper.....	\$40,057,353.29	\$20,594,362.56	\$1,417,980.37	\$18,045,010.34	\$656,565.95	\$19,004,576.29
OTHER COMPANIES						
Spokane Falls & Northern Ry. System.....	967,466.50	679,197.56	46,849.25	241,419.69	4,416.99	245,886.68
Minneapolis Union Ry.....	297,454.02	96,122.64	1,095.90	200,235.48	9,688.63	209,924.11
Minneapolis Western Ry.....	58,119.48	37,688.20	1,741.20	18,690.08	8.00	18,698.14
Duluth Terminal Ry.....	84,412.61	20,912.61	.....	18,500.00	.....	18,500.00
Total for System.....	\$41,414,805.90	\$21,428,263.59	\$1,467,666.72	\$18,518,855.59	\$673,679.63	\$19,492,535.22

EXPLANATORY NOTE.

DIVIDENDS:—Out of the net income of the Companies named the following dividends have been declared:

Montana Central Railway Company.....	\$850,000.00
Willmar & Sioux Falls Railway Company.....	280,000.00
Minneapolis Union Railway Company.....	50,000.00
Total.....	\$680,000.00

which amount is not included in the "Miscellaneous Income" of the Great Northern Railway as given in the above table, but is added to the "Miscellaneous Income" in the Income account on page 28.

DULUTH TERMINAL RY. CO.:—This company is the owner of the railway used by the Great Northern Railway to secure entrance into Duluth, and of extensive yards in Duluth. Its stock and bonds are all owned by the Eastern Railway Co. of Minnesota. Under the franchise of the Duluth Terminal Railway Co. its earnings derived from trackage are limited to six per cent on its stock and bonds; the interest and dividends paid, amounting to \$18,500, are not included in the "Miscellaneous Income" above shown.

## REVENUE ACCOUNT

## GREAT NORTHERN RAILWAY COMPANY.

EARNINGS FROM OPERATION OF THE LINES LEASED AND OPERATED BY THE  
GREAT NORTHERN RAILWAY COMPANY.

YEAR ENDED JUNE 30, 1904.

## EARNINGS:

Freight.....	\$26,725,555.67
Passenger.....	7,137,527.44
Mail.....	949,483.76
Express.....	437,146.26
Miscellaneous.....	813,234.17

Gross Earnings.....		\$36,062,947.30
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## OPERATING EXPENSES:

Conducting Transportation.....	\$9,476,038.31
Maintenance of Equipment.....	2,832,632.07
Maintenance of Road and Structures.....	4,347,752.05
General Expenses.....	1,443,087.08

Total Operating Expenses.....	\$18,099,509.51
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TAXES.....	1,283,464.89	19,382,974.40
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Income from Operation.....		\$16,679,972.90
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From which have been paid:

## RENTALS:

To St. P. M. &amp; M. Ry. Co.:

Guaranteed Interest on St. P. M. & M. Ry. Co.'s Bonds, paid and accrued.....	\$3,423,628.18
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(For Details see page 82.)

Guaranteed Dividends of 6 per cent on Capital Stock of St. P. M. & M. Ry. Co.	1,200,000.00
Maintenance of Organization of St. P. M. & M. Ry. Co.....	6,042.92

To Eastern Ry. Co. of Minnesota:

Guaranteed Interest on Bonds and Guar- anteed Dividends of 6 per cent on the Capital Stock of Eastern Ry. Co. of Minnesota, paid or accrued.....	1,395,000.00
Other Rentals.....	81,945.68

Total Rentals.....	\$6,106,616.78
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From which deduct amount received by Great  
Northern Ry. Co. as dividends paid or ac-  
crued on Stocks of the St. P. M. & M. Ry.  
Co., and Eastern Ry. Co. of Minnesota  
owned by it.....

	2,133,014.00
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Net Rentals.....	\$3,973,602.78
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## IMPROVEMENTS:

Amount transferred to Fund for Permanent Improvements and Renewals.....	2,000,000.00
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Total.....		5,973,602.78
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Balance transferred to Income Account...		\$10,706,870.12
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INCOME ACCOUNT  
GREAT NORTHERN RAILWAY COMPANY.

YEAR ENDED JUNE 30, 1904.

Balance transferred from Revenue Account. . . . .		\$10,706,370.12
<b>OTHER INCOME:</b>		
Interest on Bonds Owned . . . . .	\$395,895.84	
Dividends on Stocks Owned . . . . .	751,340.25	
Rentals of Leased Lines . . . . .	119,750.74	
Bills Receivable (Land Notes) . . . . .	1,492.07	
Rental of Equipment and Car Service . . . . .	216,198.52	
Income from Other Sources—ground rents, miscellaneous items, etc. . . . .	138,097.60	1,622,775.02
Total Income . . . . .		\$12,329,145.14
 Against which have been charged—		
INTEREST PAID AND ACCRUED on £1,500,000		
Sterling Loan of December 1, 1903-1905. . . . .	\$212,625.00	
DIVIDENDS, as follows:		
Aug. 1, 1903, 1¼ per cent on \$124,006,700. . . . .	2,170,117.25	
Nov. 1, 1903, 1¼ per cent on 124,026,700. . . . .	2,170,467.25	
Feb. 1, 1904, 1¼ per cent on 124,081,700. . . . .	2,171,429.75	
May 1, 1904, 1¼ per cent on 124,109,200. . . . .	2,171,911.00	8,896,550.25
Balance, transferred to Profit and Loss. . . . .		<u>\$3,432,594.89</u>

## DETAILS OF OTHER INCOME.

## INTEREST ON BONDS OWNED :

Town of Hutchinson Bonds.....	\$120.00	
Town of Minnesota Falls Bonds .....	60.00	
Duluth Terminal Ry. Co. Bonds.....	10,500.00	
Minnesota Transfer Ry. Co. Bonds .....	255.84	
Willmar & Sioux Falls Ry. Co. Bonds.....	1,050.00	
Park Rapids & Leech Lake Ry. Co. Bonds....	25,000.00	
Farmers' Grain & Shipping Co. Bonds.....	3,550.00	
Butte, Anaconda & Pacific Ry. Co. Bonds. ...	50,000.00	
Spokane Falls & Northern Ry. Co. Bonds.....	154,800.00	
Nelson & Fort Sheppard Ry. Co. Bonds.....	77,580.00	
Columbia & Red Mountain Ry. Co. Bonds.....	17,460.00	
Red Mountain Ry. Co. Bonds.....	13,020.00	
Duluth, Superior & Western Terminal Co. Bonds... ..	20,000.00	
Duluth & Superior Bridge Co., First Mortgage Bonds .....	22,500.00	
Total.....		\$395,895.84

## DIVIDENDS ON STOCKS OWNED :

Great Northern Ry. Co. Stock.....	\$127.75	
St. Paul Union Depot Co. Stock.....	3,812.50	
Duluth Terminal Ry. Co. Stock. ....	3,000.00	
Montana Central Ry. Co. Stock.....	350,000.00	
Minneapolis Union Ry. Co. Stock.....	50,000.00	
Willmar & Sioux Falls Ry. Co. Stock.....	280,000.00	
Park Rapids & Leech Lake Ry. Co. Stock. ....	35,000.00	
Butte, Anaconda & Pacific Ry. Co. Stock.....	29,400.00	
Total.....		\$751,340.25

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM  
 (But NOT including Spokane Falls & Northern Ry. System.)  
 FOR THE YEAR ENDED JUNE 30, 1904, COMPARED WITH THE PREVIOUS YEAR.

DESCRIPTION	1904	1903	DECREASE	
			Amount	Per Cent
<b>FREIGHT TRAFFIC</b>				
Mileage of Freight Trains.....	6,968,249	7,525,448	562,199	7.4706
Mileage of Mixed Trains.....	528,411	547,423	19,012	8.4730
Total.....	7,491,660	8,072,871	581,211	7.1996
Mileage of Locomotives employed in "helping" Freight and Mixed Trains.....	204,670	249,964	45,294	18.1202
Percentage of "helping" to Revenue Train Mileage.....	2.7820	3.0663	7.7980	.....
Mileage of Loaded Freight Cars.....	185,538,067	198,862,152	13,324,115	6.7002
Mileage of Empty Freight Cars.....	71,248,067	77,399,798	6,126,731	7.9188
Total Car Mileage.....	256,781,104	276,231,950	19,450,846	7.0415
Tons of Freight Carried, Revenue....	14,245,129	16,148,073	1,903,544	11.7876
Company....	2,328,491	2,492,941	169,450	6.7972
Total.....	16,568,620	18,641,614	2,072,994	11.1202
Tons of Revenue Freight Carried One Mile.....	3,351,802,069	3,606,885,176	255,083,087	7.0708
Total Tons Carried One Mile (Reve- nue and Company Freight).....	3,776,116,879	4,047,778,932	271,657,053	6.7113
Earnings from Freight Traffic.....	\$30,391,866.97	\$31,873,216.08	\$981,349.11	3.1280
<b>AVERAGES</b>				
All Cars Hauled per Freight Train Mile.....	34.28	34.22	<i>Increase</i> 0.06	0.1758
Tons Revenue Freight Hauled per Train.....	447.404	446.785	0.619	0.1385
Tons Revenue Freight Hauled per Loaded Car.....	18.065	18.137	<i>Decrease</i> 0.072	0.3970
Earnings per Freight Train Mile....	\$4.06	\$3.89	<i>Increase</i> Cents 17	4.3702
Earnings per Ton per Mile.....	<i>Cents</i> .893	<i>Cents</i> .857	<i>Cents</i> .036	4.2007

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM  
Continued.

DESCRIPTION	1904	1908	DECREASE	
			Amount	Per Cent
<b>PASSENGER TRAFFIC</b>				
Mileage of Passenger Trains.....	6,528,000	5,800,804	<i>Incr ease</i> 727,696	12.5458
Mileage of Locomotives employed in "helping" Passenger Trains..	60,652	58,485	7,167	18.4000
Percentage of "helping" to Revenue Train Mileage.....	0.9201	0.9221	0.9849	.....
Passengers Carried.....	4,428,551	4,198,289	230,312	5.4925
Passengers Carried One Mile.....	325,748,218	323,404,529	2,338,689	0.7281
Earnings of Passenger Trains.....	\$9,639,981.62	\$9,876,079.68	\$236,851.94	2.8141
<b>AVERAGES</b>				
Earnings per Passenger Train Mile..	\$1.4767	\$1.6165	<i>Decr ease</i> Cents 18.98	8.6488
Earnings per Passenger per Mile ....	Cents 2.378	Cents 2.842	<i>Incr ease</i> Cents 0.086	1.5871
<b>TOTAL TRAINS</b>				
Mileage of Freight and Passenger Trains.....	14,019,060	13,878,175	146,485	1.0550
Earnings from Freight and Passen- ger Trains.....	\$40,081,798.59	\$40,749,295.76	<i>Decr ease</i> \$717,497.17	1.7608
Earnings per Train per Mile.....	2.86	2.94	.08	2.7211
Expenses per Train per Mile....	1.47	1.45	<i>Incr ease</i> .02	1.3798
Net Traffic Earnings per Train per Mile.....	1.89	1.49	<i>Decr ease</i> .10	6.7114

NOTE: The Train, Locomotive and Car Mileage figures given above have been compiled and all computations based upon them made in accordance with the rules of the Interstate Commerce Commission.

STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTHERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY OR UNDER GUARANTEE.

Outstanding July 1, 1903	BONDS	Outstanding July 1, 1904	Annual Charges Paid 1903-1904
	<b>St. P. M. &amp; M. Ry.:</b>		
\$7,899,000.00	Second Mortgage, 6 per cent.....	\$7,171,000.00	\$488,125.00
5,588,000.00	Dakota Extension, 6 per cent.....	5,468,000.00	329,940.00
18,844,000.00	Consolidated Mortgage, 6 per cent.....	18,844,000.00	800,640.00
19,533,000.00	Consolidated Mortgage, 4½ per cent.....	19,294,000.00	870,705.00
10,185,000.00	Montana Extension, 4 per cent.....	10,185,000.00	407,400.00
14,545,454.54	Pacific Extension, 4 per cent.....	*14,545,454.54	581,818.18
	Total shown on page 27.....		\$3,423,628.18
	<b>EASTERN RY. OF MINNESOTA:</b>		
4,700,000.00	First Division, First Mt'ge, 5 per cent.....	4,700,000.00	235,000.00
5,000,000.00	Northern Div., First Mt'ge, 4 per cent.....	5,000,000.00	200,000.00
	<b>MONTANA CENTRAL RY.:</b>		
6,000,000.00	First Mortgage, 6 per cent.....	6,000,000.00	360,000.00
4,000,000.00	First Mortgage, 5 per cent.....	4,000,000.00	200,000.00
	<b>WILLMAR &amp; SIOUX FALLS RY.:</b>		
8,646,000.00	First Mortgage, 5 per cent.....	8,646,000.00	182,300.00
	<b>MINNEAPOLIS UNION RY.:</b>		
2,150,000.00	First Mortgage, 6 per cent.....	2,150,000.00	129,000.00
650,000.00	First Mortgage, 5 per cent.....	650,000.00	32,500.00
	<b>MINNEAPOLIS WESTERN RY.:</b>		
500,000.00	First Mortgage, 5 per cent.....	500,000.00	25,000.00
\$97,190,454.54	Total Bonds on Railway property..	\$96,648,454.54	\$4,787,428.18
	<b>STOCK:</b>		
\$450,600.00	St. P. M. & M. Ry.—6 per cent guaranteed, unexchanged.....	\$448,600.00	†Net \$26,986.00
\$97,641,054.54	..... Total.....	\$97,097,054.54	\$4,814,414.18
\$123,996,750.00	Great Northern Railway Company, outstanding.....	\$124,129,250.00	\$8,688,925.25
	Bonds on Railway property, outstanding as above.....		\$96,648,454.54
	Outstanding Capital Stock of Great Northern and St. P. M. & M. Railway Companies.....		124,577,850.00
	Total Capitalization of System.....		\$221,226,304.54
	Mileage of Main Tracks in System, including second, third, fourth, fifth and sixth tracks, covered by above capitalization, as shown on page 85.....		6,042.18
	Stocks and Bonds per mile of Main Track.....		\$36,613.66
	Mileage of Main Tracks covered by bonds in hands of public.....		4,749.74
	Bonded Debt Outstanding per mile of Main Track covered thereby.....		\$20,973.89

\*Not including \$3,000,000 St. P. M. & M. Ry. Co.'s Pacific Extension Bonds in Treasury of Great Northern Railway Company.

†Difference between amount of rental accrued under lease and dividends received or accrued on St. P. M. & M. Ry. Stock owned by Great Northern Railway Company.

In addition to the bonds above listed, the Great Northern and Northern Pacific Companies have issued their Joint C. B. & Q. Collateral 4 per cent Bonds and Scrip to the amount of \$215,207,300.00, secured by the deposit with the Standard Trust Co. of New York, as Trustee, of 1,076,936 shares of the Capital Stock of the Chicago, Burlington & Quincy Railroad Company.

CONDENSED GENERAL BALANCE SHEET, JUNE 30, 1904.

BEING A CONSOLIDATION OF THE GENERAL BALANCE SHEETS OF THAT DATE OF THE

<p><b>Cost of Properties, Securities and Investments after deducting Par Value of Stocks and Bonds not shown contra.</b>.....</p> <p><b>Cost of Securities in hands of Trustee of N. P.-G. N. Joint C. B. &amp; Q. Bonds and Scrip, as Collateral (1,076,036 Shares C. B. &amp; Q. R. R. Capital Stock—Great Northern Ry. Co. one-half owner).....</b></p> <p><i>Total Capital Assets</i>.....</p> <p><b>CURRENT ASSETS.</b></p> <p><i>Of Land Department, St. Paul, Minneapolis &amp; Manitoba Ry. Co.</i></p> <p>Cash.....</p> <p>Due from Other Companies and Individuals.....</p> <p><i>Of Great Northern Ry. Co. and Proprietary Co's above named.</i></p> <p>Cash in St. Paul Office.....</p> <p>Cash in New York Office.....</p> <p>Cash in London Office.....</p> <p>Due from Agents.....</p> <p>Due from U. S. Post Office Department.....</p> <p>Due from U. S. Transportation.....</p> <p>Due from Canadian Post Office Department.....</p> <p>Advanced Changes.....</p> <p>Bills Receivable.....</p> <p>Due from Other Companies and Individuals.....</p> <p>Special Deposit to Pay the May, 1904, Dividends on Stock of Great Northern Ry. Co., Owned by Northern Securities Co.....</p> <p>Value of Material and Fuel on Hand.....</p>	<p>60,592,926.47</p> <p>108,104,909.76</p> <p><u>\$380,113,165.65</u></p> <p>67,246.65</p> <p>\$352,147.54</p> <p>3,029,694.63</p> <p>299,385.49</p> <p>1,345,446.49</p> <p>252,674.26</p> <p>37,334.74</p> <p>216.38</p> <p>45,027.12</p> <p>2,700,664.96</p> <p>2,398,191.56</p> <p>10,450,783.17</p> <p>2,067,173.50</p> <p>2,691,469.84</p> <p><u>\$395,389,838.81</u></p>
<p><b>Bond Interest, Accrued, not due.</b>.....</p> <p>Rental of St. P. M. &amp; M. Ry., D. S. &amp; W. T. Co., and Eastern Ry. of Minnesota, Accrued not due—Less Accrued Dividends on Stocks of those Companies owned by Great Northern Ry. Co.....</p> <p><b>CONTINGENT LIABILITIES.</b></p> <p>Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from the St. P. M. &amp; M. Ry. Co. and paid for from "Fund for Permanent Improvements and Renewals.".....</p> <p>Unexpended Balance of "Fund for Permanent Improvements and Renewals".....</p> <p>Total Amount deducted from Income to provide for future Improvements and Renewals.....</p> <p>Fund for Replacement of Equipment.....</p> <p>Insurance Fund.....</p> <p>Surplus Funds of Proprietary Companies deposited with the Great Northern Ry. Co.....</p> <p>PROFIT AND LOSS.</p> <p>Balance St. Paul, Minneapolis &amp; Manitoba Railway Co.....</p> <p>Great Northern Ry. Co. and above named Proprietary Companies.....</p>	<p>47,316.66</p> <p>319,381.00</p> <p>1,025,171.86</p> <p>\$7,707,451.94</p> <p>2,950,128.24</p> <p>\$10,657,580.18</p> <p>583,624.93</p> <p>335,098.14</p> <p>5,362,667.43</p> <p>16,948,970.68</p> <p>\$2,034,949.28</p> <p>15,915,621.53</p> <p>17,950,570.81</p> <p><u>\$395,389,838.81</u></p>



**EQUIPMENT OF GREAT NORTHERN RAILWAY COMPANY AND  
PROPRIETARY LINES.**

FOR YEAR ENDED JUNE 30, 1904, AS COMPARED WITH YEAR  
ENDED JUNE 30, 1903.

CLASS.	1904.	1903.
Locomotives.....	708	637
<b>PASSENGER EQUIPMENT.</b>		
Sleeping Cars.....	56	56
Parlor Cars.....	5	5
Dining Cars.....	24	24
Buffet Smokers.....	8	8
Coaches.....	232	232
Tourist Cars.....	33	33
Passenger and Baggage Cars.....	36	36
Baggage, Mail and Express Cars.....	129	130
Business Cars.....	20	20
<b>Total Passenger Equipment.....</b>	<b>543</b>	<b>544</b>
<b>FREIGHT EQUIPMENT.</b>		
Box Cars.....	19,824	17,823
Combination Box and Stock Cars.....	745	745
Transfer Freight Cars.....	50	50
Furniture Cars.....	1,152	1,152
Hay Cars.....	6	6
Refrigerator Cars.....	404	404
Stock Cars.....	628	627
<b>Total Box and Stock Cars.....</b>	<b>22,809</b>	<b>20,807</b>
Flat and Coal Cars.....	4,490	4,118
Sand Cars.....	600	600
Ore Cars (wood).....	1,492	1,501
Ore Cars (steel).....	1,400	1,400
<b>Total Flat, Gondola and Ore Cars.....</b>	<b>7,982</b>	<b>7,619</b>
Ballast Cars.....	764	764
Caboose Cars.....	454	415
Cinder Cars.....	73	72
Boarding Cars.....	78	52
Derrick and Tool Cars.....	54	54
Steam Shovels.....	19	19
Lidgerwood Unloaders.....	13	13
Ditching Cars.....	1	1
Pile Drivers.....	10	10
Rotary Snow Plows.....	6	6
Snow Dozers.....	21	20
Flangers.....	1	1
Logging Trucks.....	0	126
Other Work Equipment.....	90	89
<b>Total Freight and Work Equipment.....</b>	<b>32,375</b>	<b>30,068</b>

**TRACK STATEMENT.**  
**GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.**

LINES OPERATED BY THE GREAT NORTHERN RY. CO.:	<i>Miles.</i>	<i>Main Track Miles.</i>	<i>Total Miles.</i>
Leased from St. P. M. & M. Ry. Co.:			
First Main Track.....		8,801.65	8,801.65
Second Track.....	90.61		
Third Track.....	9.28		
Fourth, Fifth and Sixth Tracks.....	18.06		52.94
Total Main Tracks.....			8,854.59
Side Tracks.....			749.52
Total Miles of Tracks owned by St. P. M. & M. Ry. Co.			4,604.11
Leased from Eastern Ry. Co. of Minnesota:		495.45	796.06
First Main Track.....			
Second Track.....	44.01		
Side Tracks.....	195.00		
		<i>Side Track Miles.</i>	
Duluth Terminal Ry.....	8.84	1.82	5.66
Leased from Duluth Superior & Western Terminal Co.....	9.90	5.28	14.58
Leased from Park Rapids & Leech Lake Ry. Co.....	7.42	49.04	56.46
Leased from Dakota & Great Northern Ry. Co.....	7.68	103.82	111.45
Tracks of the Montana & Great Northern Ry. Co.....			
Crow's Nest Southern Ry. Co.....	13.99	185.25	199.14
Seattle & Montana R. R. Co.....	8.84	49.39	50.02
Spur to Flathead Lake, at Kalispell, Montana.....	53.25	216.45	269.70
Total Tracks Operated by the Great Northern Ry. Co., June 30, 1904.....			4,902.14
June 30, 1904.....			6,059.67
<b>PROPRIETARY COMPANIES:</b>			
Willmar & Sioux Falls Ry. Co.....	48.65	483.41	482.06
Leased Tracks between Sioux City, Ia., and South Sioux City, Neb.....		8.32	8.32
Duluth, Watertown & Pacific Ry. Co.....	4.08	69.84	73.92
Montana Central Ry. Co.....	54.07	249.26	303.33
Minneapolis Union Ry. Co.....	4.71	2.68	9.97
Second Track.....	2.68		
Minneapolis Western Ry. Co.....	5.08	1.69	6.77
Total Miles of Road in System as Operated June 30, 1904.....		5,662.29	
Total Miles of Track, all kinds, in System as Operated June 30, 1904.....			6,989.04
<b>OPERATED INDEPENDENTLY AS SPOKANE FALLS &amp; NORTHERN RY. SYSTEM:</b>			
Spokane Falls & Northern Ry.....	18.95	180.51	149.46
Nelson & Fort Sheppard Ry.....	3.18	55.42	58.60
Columbia & Red Mountain Ry.....	.29	7.51	7.80
Red Mountain Ry.....	3.60	9.59	13.19
Washington & Great Northern Ry.....	6.50	69.38	75.88
Vancouver, Victoria & Eastern Ry. & Nav. Co.....	8.00	16.50	19.50
Total Miles of Road and Tracks in System, including Lines Operated Independently.....		5,951.20	7,263.47
<b>RECAPITULATION OF TRACK MILEAGE:</b>			
First Track.....		5,942.60	
Second Track.....		77.25	
Third, Fourth, Fifth and Sixth Tracks.....		22.33	
Total Main Tracks covered by Capitalization given on page 32		6,042.18	
Side and Spur Tracks owned.....		1,208.89	
Leased Tracks: Main Tracks.....	8.60		
Side and Spur Tracks.....	9.80		
Total Tracks, all kinds, in System, including lines operated independently.....		17.90	7,263.47

## TRACK STATEMENT—Continued.

NOTE.—Total Mileage of Road in System, including lines operated independently, June 30, 1904, as shown on page 35.....	5,951.20		
Total Mileage of Road in System, June 30, 1903, as per report for that year.....	5,887.80		
Increase in Mileage.....			<u>63.40</u>
This increase is made up as follows:			
<b>EASTERN RY. OF MINNESOTA:</b>			
Branch lines to "Crosby" and "Forest" Mines.....	3.95		
Line Kelly Lake to Exmore.....	9.09	13.64	
LESS—Track at Kelly Lake removed.....	.22		
Changes in Track, Cloquet to Brookston.....	.14	.36	13.28
<b>DAKOTA &amp; GREAT NORTHERN RY.</b>			
Extension Sour is to Westhope, N. D.....		16.41	
New Line Granville to Mohall, N. D.....		46.97	63.88
<b>SEATTLE &amp; MONTANA R. R.</b>			
New In-shore Line at Bellingham, Wash.....			1.95
Total Increase.....			<u>78.61</u>
Less Decrease in Mileage:			
<b>MONTANA CENTRAL RY.</b>			
Barker Branch taken up.....	10.79		
Less Fair Grounds Branch relaid.....	.68	10.11	
<b>CROW'S NEST SOUTHERN RY.</b>			
Morrissey Branch, sold.....		4.77	
<b>ST. P. M. &amp; M. RY.</b>			
Change of Line near Naples, distance shortened.....		.19	
<b>MONTANA &amp; GREAT NORTHERN RY.</b>			
Change of Line at Rexford, Mont.....		.14	
Total Deduction.....			<u>15.21</u>
Net Increase in Mileage.....			<u>63.40</u>

## LAND COMMISSIONER'S REPORT.

MR. JAMES J. HILL, *President.*

DEAR SIR: I respectfully submit the following report regarding the *Minneapolis & St. Cloud Land Grant* for the fiscal year ended June 30, 1904:

	ACRES.	ACRES.
The total acreage earned is.....		425,664.000
Of which there has been deeded to the Company..	425,660.90	
Total acreage sold to June 30, 1904, less sales canceled.....		406,615.225
Value of same.....	\$1,307,723.72	
Average price per acre.....	3.216	
Remaining unsold June 30, 1904.....		19,048.775

## OPERATIONS DURING THE YEAR.

Sales, acres.....	1,641.92
Amount sold for.....	\$10,570.28
Average price per acre.....	6.44
Receipts of Land Department.....	85,567.53
Disbursements of Land Department.....	12,768.58
Amount of deferred payments due Company, which are bearing interest at six per cent.....	329,033.91

CHARLES H. BABCOCK,  
*Land Commissioner.*

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY'S  
SINKING FUND ACCOUNT, CONSOLIDATED  
MORTGAGE BONDS.

July 1, 1903. <i>By</i> balance to credit of Sinking Fund, as per page 38 of last year's report.....	\$30,329.39
June 30, 1904. From Land Department, as per Land Commissioner's Report on page 40.....	625,545.66
Revenue Todd County lands.....	1,059.99
Total Credits.....	\$656,935.04

## DEBITS:

*To* Bonds purchased by Trustee and canceled:

AMOUNT.	PRICE.	COST.	
\$5,000.00	106.73	\$5,336.50	
5,000.00	107	5,350.00	
4,000.00	107 $\frac{1}{2}$	4,300.00	
4,000.00	107 $\frac{5}{8}$	4,305.00	
87,000.00	107 $\frac{1}{4}$	93,742.50	
2,000.00	108	2,160.00	
18,000.00	108 $\frac{1}{4}$	19,485.00	
16,000.00	109	17,440.00	
12,000.00	109.73	13,167.60	
3,000.00	109 $\frac{7}{8}$	3,296.25	
32,000.00	110	35,200.00	
50,000.00	110 $\frac{3}{8}$	55,187.50	
143,000.00	110 $\frac{1}{2}$	158,015.00	
25,000.00	110.60	27,650.00	
17,000.00	110 $\frac{5}{8}$	18,806.25	
1,000.00	110 $\frac{3}{4}$	1,107.50	
93,000.00	111	103,230.00	
25,000.00	111 $\frac{1}{4}$	27,875.00	
Total.....	\$542,000.00	Costing	595,654.10
June 30, 1904. Balance, being funds applicable for further redemption of bonds.....			\$61,280.94

REPORT OF LAND COMMISSIONER, ST. PAUL, MINNEAPOLIS  
& MANITOBA RY. CO.

To MR. LOUIS W. HILL, *President,*

*St. Paul, Minneapolis & Manitoba Ry. Co.*

DEAR SIR: I respectfully submit the following report of operation of the Land Department for the year ended June 30, 1904.

	ACRES.	ACRES.
Total acreage of Land Grant computed at ten sections for each mile of road, as formerly construed by the State of Minnesota.....		<u>3,848,000.00</u>
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, 1904.....	3,224,648.97	
Less deeded to Northern Pacific R. R. Co. by Supreme Court United States, March 2, 1891.....	365,860.92	
Deeded to Northern Pacific R. R. Co. in accordance with terms of settlement of November 1, 1897....	48,956.08	
Redeemed to United States.....	4,863.74	419,680.74
Net acreage deeded to Company		<u>2,804,968.23</u>
Total acreage sold prior to June 30, 1904.....	2,996,658.57	
Less sales canceled.....	307,427.48	<u>2,689,231.09</u>
Remaining unsold June 30, 1904.....		<u>790,380.27</u>

Owing to sales and other disposals of land within the limits of the Grant by the United States prior to the time at which this Company's right attached, a final adjustment of the Grant by the Government, which is approaching completion, will reduce the above area by about 650,000 acres.

During the year ended June 30, 1904, 5,541.30 acres of land were sold for \$79,754.37, an average of \$14.39 per acre. There were also sold 51 lots for \$3,010.00, an average price per lot of \$59.02.

The number of land sales during the year was 95, with an average of about 58.33 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR THE YEAR ENDED  
JUNE 30, 1904.

Cash Sales and Installments of Principal on New Land Contracts.....	\$17,795.93
Amount of Principal received on Old Contracts.....	507,997.30
Amount received for Trespass, Stumpage, Grass Sales, etc....	2,125.96
Amount received for Interest on Old and New Contracts.....	115,950.93
Amount received for Principal and Interest on Town Lot Contracts.....	6,071.23
	\$649,931.35
Less Expense of Land Department and Trustee.....	24,385.69
Net Receipts .....	\$625,545.66
Amount of Deferred Payments due this Company on Land Contracts bearing Interest at 7 and 6 per cent.....	\$2,289,245.96
Amount of Deferred Payments due this Company on Town Lots bearing Interest at 7 and 6 per cent.....	8,400.39
	\$2,297,646.35

Referring to that portion of report for the year ending June 30, 1893, relating to lands lying within the limits of the grant on what is now the Dakota side of the Red River, the Company has reconveyed to the United States a total of 64,277.92 acres, for which the Company is authorized to locate an equivalent amount elsewhere. The Company has selected, to June 30, 1904, 62,287.14 acres in lieu of a part of the above amount.

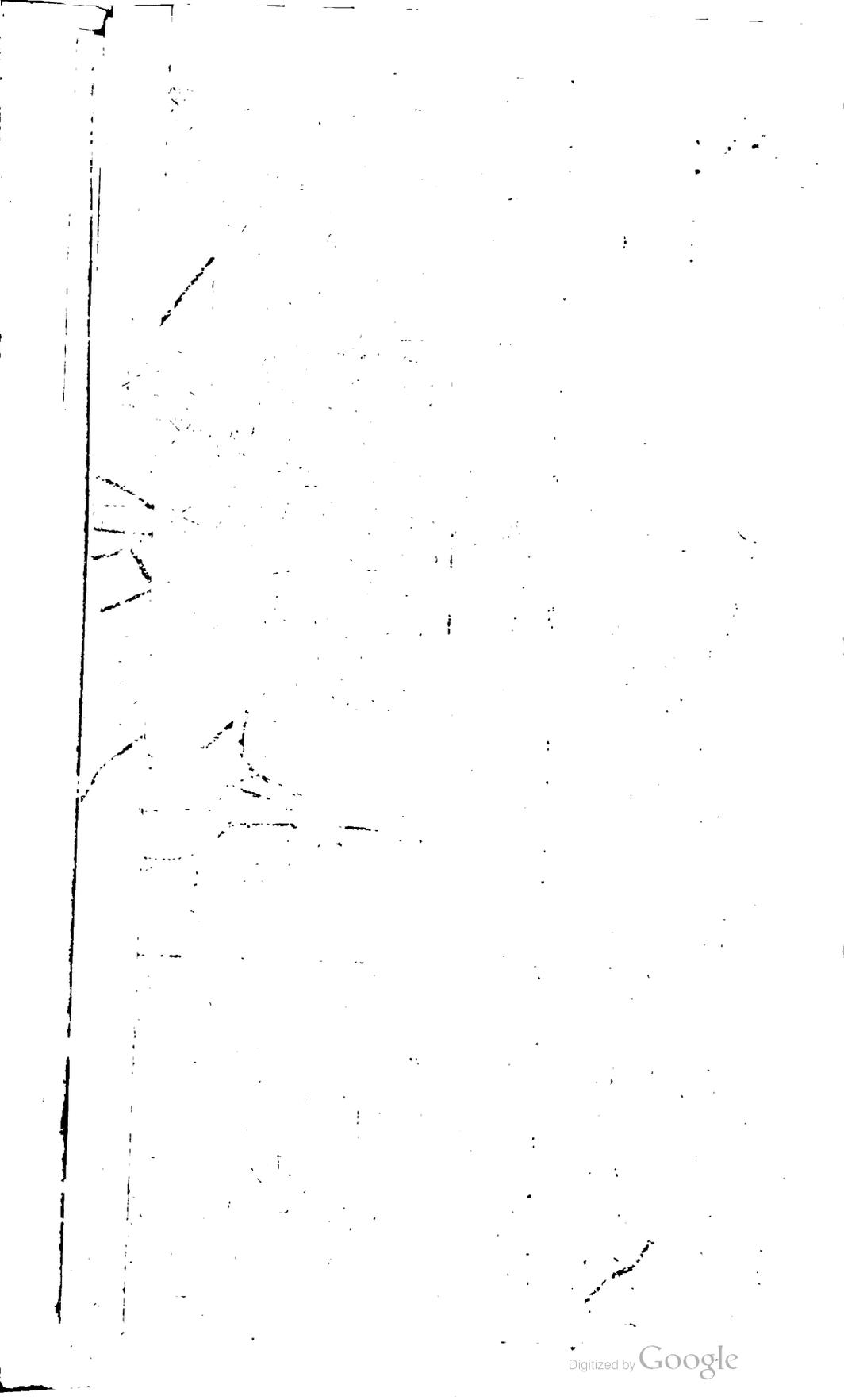
The following are the sales during the year of lands so selected:

1,685.41 acres for \$26,467.32, an average per acre of.....	\$15.70
Receipts during the year.....	\$41,478.58
Taxes paid, Expenses of Examination and Selection of Land and other Disbursements made during the year in connection with Grant.....	19,331.75

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

CHARLES H. BABCOCK,  
*Land Commissioner.*













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ANNEX  
Fall, 1983~~

