FIRST ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30th, 1890.

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

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GREAT NORTHERN RAILWAY COMPANY.

DIRECTORS.

ELECTED OCT. 14, 1890.

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.

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. 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
	$3,361,332.53	

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
	$1,763,343.37	

Gr. No. Ry Co. of 1890, 94, 95.

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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	

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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.

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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

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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

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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.....	14.52
	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.					
	Main Track.	Second Track.	Third Track.	Fourth Track.	Side Tracks.	Total.
Owned.						
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
Under Contract.						
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
Totals	3,005.94	26.92	8.10	8.10	378.85	3,427.91

*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

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EQUIPMENT.

Class.	On Hand June 30, 1889.	Added During Year.	Deducted During Year.	Total on Hand June 30, 1890.
Locomotives	256	3	.....	259
PASSENGER EQUIPMENT—				
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
Total Passenger Equipment	224	1	1	224
FREIGHT EQUIPMENT—				
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
Total Fr't and Work Equip't	8,253	46	.....	8,299

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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.

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A large portion of the Pacific Extension has already been located, leaving the existing Montana Extension line near Fort Assinniboine, 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.

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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 33½ 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.

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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

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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.

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STATEMENT OF THE GREAT

COVERING OPERATION OF ROAD FOR

To 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-

To 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.....	9,005.09	
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

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NORTHERN RAILWAY COMPANY.

FIVE MONTHS ENDING JUNE 30, 1890.

By Earnings		$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	
		621,254.53
		$3,982,587.06

ANCE SHEET.

By Capital Stock		$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	
		1,651,779.57
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	
		445,347.76
Profit and Loss		413,528.84
		$23,355,070.67

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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.

Bonded Debt.	*Bonds.*	*Interest.*
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
Stock.		
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	69.84
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.

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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.

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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.
EARNINGS.				
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	
OPERATING EXPENSES.				
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	
INCOME FROM OTHER SOURCES.				
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	
Balance of Income, Deficit		$174,254.57		
Percentage of Expenses to Earnings—				
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	

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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		
		$987,630.19		$987,630.19

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				
		$12,343,497.22	LIABILITIES.		
Cash in hands of E. Sawyer, Treasurer		71,740.16	Audited Vouchers Unpaid	$91,859.66	
Due from Other Companies and Individuals		18,515.24	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	86,408.57				1,139,690.95
		162,928.01	Taxes not yet due		7,076.37
		$12,646,767.32			$12,646,767.32

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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	9,196.36	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			

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STATEMENT OF THE EASTERN RAILWAY COMPANY OF MINNESOTA FOR THE YEAR ENDING JUNE 30, 1890.

To Operating Expenses		$506,816.48	*By* Earnings	$737,805.37
" Taxes		27,250.51	" Elevator Earnings	79,447.07
" Rent of Lines Leased		89,758.50	" Revenue from Securities Owned	8,254.85
" Interest and Exchange		4,842.64	" Revenue from Other Sources	15,237.21
" Interest Paid and Accrued		217,062.52	" Profit and Loss	4,986.15
		$845,730.65		$845,730.65

GENERAL BALANCE SHEET.

To Cost of Railway	$7,684,600.87		*By* Capital Stock		$5,000,000.00
Cost of Elevators A and X	528,419.98		" First Mortgage Bonds		4,500,000.00
	$8,213,020.85		CURRENT LIABILITIES.		
Cost of Equipment	825,347.53				
Additions and Improvements	57,012.25		Audited Vouchers Unpaid	$105,146.10	
		$9,095,380.63	Unpaid Pay Roll	23,953.67	
Stocks and Bonds Owned		342,695.78	Unpaid Coupons due April 1st and prior	3,625.00	
Real Estate Owned		62,792.00	Due Other Companies and Individuals	141,882.25	
					274,607.02
CURRENT ASSETS.			Accrued Interest not yet due		56,250.00
			Taxes not yet due		1,967.55
Cash in hands of E. Sawyer, Treasurer	$19,689.58				
Cash in hands of E. T. Nichols, Vice President	1,458.69				
Bills Receivable	25,000.00				
Advances to Duluth Terminal Railway	28,973.39				
Due from Other Companies and Individuals	39,295.73				
		114,417.39			
Material Supply		53,039.63			
Profit and Loss	$159,512.99				
Add for Year Ending June 30, 1890	4,986.15				
		164,499.14			
		$9,832,824.57			$9,832,824.57

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SECOND ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30th, 1891.

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GREAT NORTHERN RAILWAY COMPANY.

DIRECTORS.

ELECTED OCT. 14, 1890.

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.

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SECOND ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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REVENUE ACCOUNT.

To Conducting Transportation, Motive Power, Maintenance and General Expenses	$5,063,954.19		*By* Earnings:		
Fund for Permanent Improvements and Renewals	100,000.00		Freight	$7,628,010.71	
		$5,163,954 19	Passenger	1,876,960.18	
Rental Paid Eastern Railway of Minnesota		18,750.00	Mail	292,228.08	
Taxes		299,650.59	Express	126,050.39	
Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued	$2,873,598.34		Miscellaneous	358,464.85	
Guaranteed Dividends on St. P., M. & M. Ry. Stock, Paid and Accrued	1,200,000.00				$10,281,714.21
Maintenance of St. P., M. & M. Ry. Organization	11,073.99				
		4,084,672.33			
Dividends, 1 per cent, Nov. 1, 1890	$200,000.00				
Dividends, 1 per cent, Feb. 1, 1891	200,000.00				
Dividends, 1¼ per cent, May 1, 1891	250.000.00				
		650,000.00			
Balance		64,687.10			
		$10,281,714.21			$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	114,423.80
	$988,621.34		$988,621.34

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GENERAL BALANCE SHEET.

To 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	
		$20,014,252.57
Other Properties and Securities Owned		1,670,376.78
Expended for Construction of Pacific Line	$8,431,272.15	
Interest on Bonds	387,872.00	
	$8,819,144.15	
Expended for Construction of Other Lines	430,728.68	
		9,249,872.83
CURRENT ASSETS.		
Cash in St Paul Office	$645,641.14	
Cash in New York Office	1,379,582.65	
Cash in London Office	176,199.74	
Due from Agents	153,909.84	
Due from United States Postal Department	75,430.63	
Due from United States Transportation	15,662.88	
Advanced Charges	5,361.90	
Due from Other Companies and Individuals	1,531,762.00	
		3,983,550.78
Material Supply		457,925.77
		$35,375,978.73

By 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	$705,257.94	
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	88,183.88	
	$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	64,545.22	
Climax Coal Co	373.78	
Sand Coulee Coal Co	51,070.60	
		561,443.93
Proceeds Pacific Extension Bonds	$8,005,599.40	
Interest Received From Pacific Extension Funds	346,747.88	
		8,352,347.28
St. P., M. & M. Ry. Accounts in Liquidation		153,227.01
Fund for Permanent Improvements and Renewals		267,060.00
Balance		1,402,150.18
		$35,375,978.73

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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	

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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
50.22	Operating Expenses, per cent of Gross Earnings	48.18
53.14	Operating Expenses and Taxes, per cent 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.

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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
	$652,327 58

New Equipment—

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
	$25,797 11
Total Additions and Improvements and New Equipment	$678,124 69

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
	$372,352 50

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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.

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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.*

	Freight.				Passenger.				
Year Ending June 30th.	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	341,539,997	1.95	6,687,934.96	8,572,653.92	68,070,479	2.99	2,033,440.92	1,987,657.99	1883
1884	340,347,879	1.79	6,114,459.51	8,542,731.76	53,494,372	3.11	1,662,430.59	1,562,035.66	1884
1885	395,592,105	1.52	6,013,050.12	9,929,361.84	47,480,095	2.94	1,395,797.32	1,386,418.77	1885
1886	374,985,532	1.49	5,587,284.43	9,412,136.85	58,454,511	2.45	1,431,497.80	1,706,871.72	1886
1887	450,932,489	1.36	6,151,746.69	11,318,405.47	66,807,712	2.24	1,497,809.02	1,950,785.19	1887
1888	559,795,053	1.30	7,277,333.45	14,050,855.83	73,849,169	2.46	1,823,261.80	2,156,395.73	1888
1889	407,068,580	1.49	6,075,636 52	10,217,421.36	72,711,983	2.57	1,869,864.89	2,123,189.90	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	84,015,907	2.30	1,935,207.01	2,453,264.48	1891
Totals	4,249,040,190	1.50	$63,666,952.05	$106,658,355.41	653,851,153	2.61	$17,044,882.59	$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.

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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.

Bonded Debt.	*Bonds.*	*Interest.*
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	$53,129,000.00	$2,867,175.00
Stock.		
Guaranteed Dividends of 6 per cent on Capital Stock	20,000,000.00	1,200,000.00
Grand Total	$73,129,000.00	$4,067,175.00

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.

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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.

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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		$39,440.60
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

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MINNEAPOLIS UNION RAILWAY.

Earnings from Operation		$286,847.56
Operating Expenses	$59,067.93	
Interest Paid and Accrued	156,500.00	
		215,567.93
Balance		$71,279.63

NORTHERN STEAMSHIP COMPANY.

Earnings from Operation		$456,852.07
Operating Expenses		346,396.66
Balance		$110,455.41

SAND COULEE COAL COMPANY.

Coal Sales	$366,696.55	
Income from Other Sources	20,032.20	
		$386,728.75
Operating Expenses		267,379.71
Balance		$119,349.04

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TRACK STATEMENT.

GREAT NORTHERN RY. AND PROPRIETARY COMPANIES.

GREAT NORTHERN RAILWAY. LEASED FROM ST. P., M. & M. RY.	MILES. Main Track.	Second Track.	Third Track.	Fourth Track.	Side Track.	Total.
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	
	2,807.64	26.92	8.10	8.10	379.44	
†Total Main Track G. N. Ry.....	.....	.....	.....	.....	2,850 76	3,230.20
PROPRIETARY COMPANIES.						
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.

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EQUIPMENT STATEMENT.

JUNE 30, 1891.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	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 Equipment	8,991	761	1,274	11,026

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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

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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

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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.

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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:

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:

	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	187,954.46	
Total Acreage Deeded to Company to Date	124,712.64	
Total Acreage Sold Prior to June 30, 1891		54,690.33
Remaining Unsold June 30, 1891		422,173.67

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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.

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

JAS. J. HILL,
President.

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THIRD ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1892.

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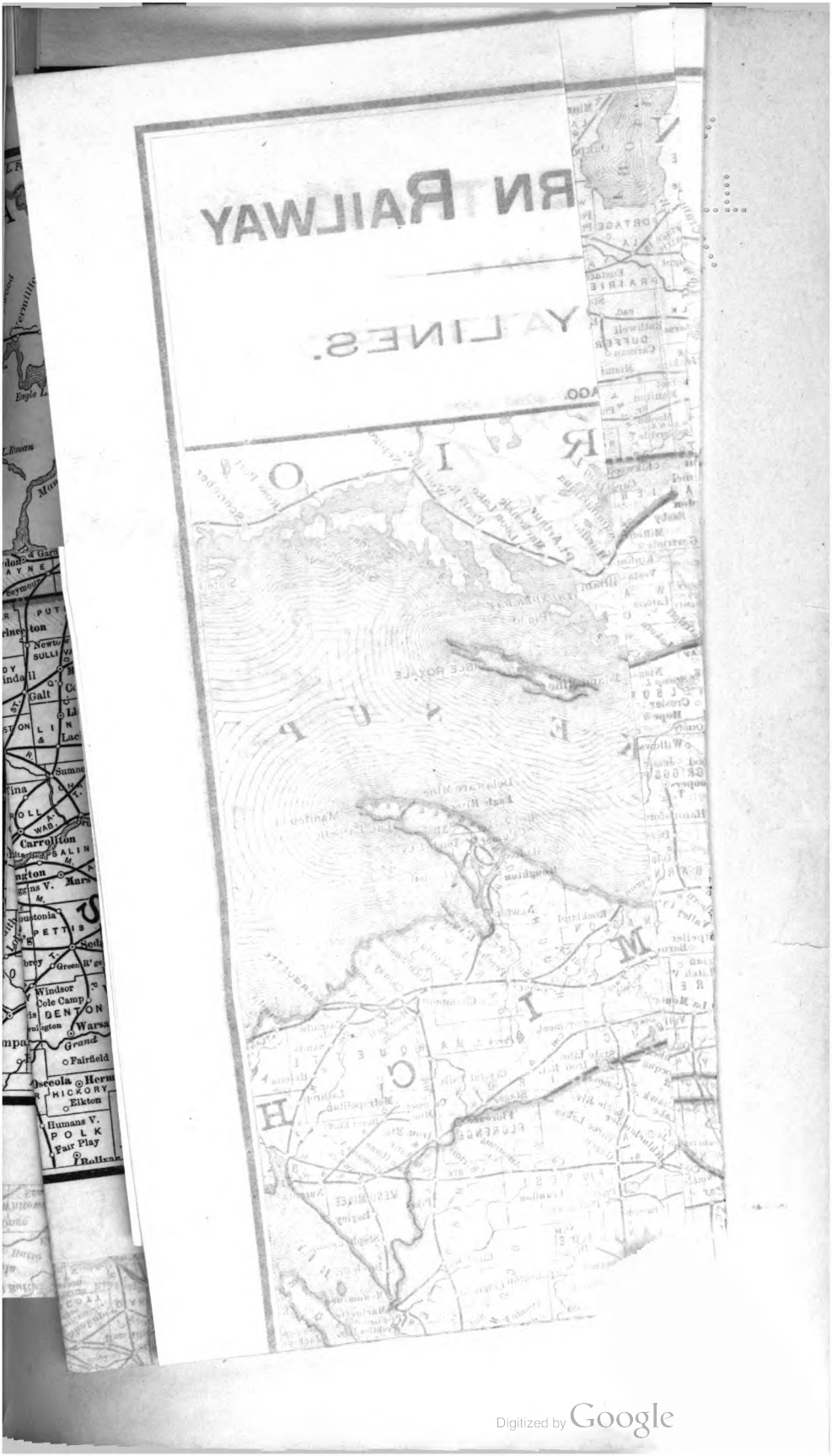

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THIRD ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1892.

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GREAT NORTHERN RAILWAY COMPANY.

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.

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.

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THIRD ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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REVENUE ACCOUNT.

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

To Conducting Transportation, Motive Power, Maintenance and General Expenses	$6,383,298.09		*By* Earnings:		
Fund for Permanent Improvements and Renewals	750,000.00		Freight	$9,720,485.95	
		$7,133,298.09	Passenger	2,028,948.85	
Taxes		367,550.65	Mail	304,171.84	
Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued	$2,890,946.22		Express	153,460.89	
Guaranteed Dividends on St. P., M. & M. Ry. Stock, Paid and Accrued	1,200,000.00		Miscellaneous	397,060.89	
Maintenance of St. P., M. & M. Ry. Organization	8,277.92				$12,604,128.42
		4,099,224.14			
Dividends, 1¼ per cent, Aug. 1, 1891	$250,000.00				
Dividends, 1¼ per cent, Nov. 1, 1891	250,000.00				
Dividends, 1¼ per cent, Feb. 1, 1892	250,000.00				
Dividends, 1¼ per cent, May 1, 1892	250,000.00				
		1,000,000.00			
Balance		4,055.54			
		$12,604,128.42			$12,604,128.42

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
	$943,475.69		$943,475.69

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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	1,237,812.78	
		$20,714,213.43
Other Properties and Securities Owned		1,854,057.01
Expended for Construction of Pacific Line	$20,154,792.93	
Interest on Bonds	969,680.00	
	$21,124,472.93	
Expended for Construction of Other Lines	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	
		4,744,431.00
Material Supply		494,388.02
		$49,330,324.59

By Capital Stock		$20,000,000.00
Proceeds from Lands and Real Estate Sold	$154,298.61	
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	513,295.94	
Northern Steamship Co	163,487.30	
Climax Coal Co	635.94	
Minneapolis Union Ry	101,138.89	
Sand Coulee Coal Co	380,000.00	
		1,777,317.25
Proceeds Pacific Extension Bonds	$11,731,371.66	
Interest Received from Pacific Extension Funds	453,209.26	
		12,184,580.92
Subscription Collateral Trust Bonds		4,297,638.46
St. P., M. & M. Ry. Accounts in Liquidation		155,178.76
Fund for Permanent Improvements and Renewals		1,017,276.64
Balance		2,345,625.87
		$49,330,324.59

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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	397,060.89	.....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	

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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.

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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
	$720,587.02

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	170,166.99	
		181,666.99
		$538,920.03

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New Equipment—

100 Ballast Cars and 4 Ballast Plow Cars	$59,200.00
5 Boarding Cars	2,119.69
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
	$161,040.83
Total Additions and Improvements and New Equipment	$699,960.86

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
	$766,316.62

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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

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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.

Bonded Debt.	*Bonds.*	*Interest.*
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
Total	$53,649,200.00	$2,847,715.50
Stock.		
Guaranteed Dividends of 6 per cent on Capital Stock	20,000,000.00	1,200,000.00
Grand Total	$73,649,200.00	$4,047,715.50
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.

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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.

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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

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MINNEAPOLIS UNION RAILWAY.

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

NORTHERN STEAMSHIP COMPANY.

*Earnings from Operation	$363,786.79
*Operating Expenses	263,184.77
Balance	$100,602.02

*For nine months ending March 31, 1892.

SAND COULEE COAL COMPANY.

Coal Sales	$693,418.44	
Income from Other Sources	22,065.99	
		$715,484.43
Operating Expenses		346,197.76
Balance		$369,286.67

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TRACK STATEMENT.

GREAT NORTHERN RY. AND PROPRIETARY COMPANIES.

GREAT NORTHERN RAILWAY. LEASED FROM ST. P., M. & M. RY.	MILES.					
	Main Track.	Second Track.	Third Track.	Fourth, Fifth and Sixth Track.	Side Track.	Total.
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	
	.....	....	....	....	2,921.17	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.

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EQUIPMENT STATEMENT.

JUNE 30, 1892.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	TOTAL.
Locomotives	289	20	18	327
PASSENGER EQUIPMENT—				
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
Total Passenger Equipment	245	10	13	268
FREIGHT EQUIPMENT—				
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
Total Freight and Work Equipment	9,826	837	1,274	11,937

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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

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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:

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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, 1892:

	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	148,684.82	
*Total Acreage Deeded to Company to Date	111,498.07	
Total Acreage Sold Prior to June 30, 1892		57,863.66
Remaining Unsold June 30, 1892		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 o 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.

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FOURTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1893.

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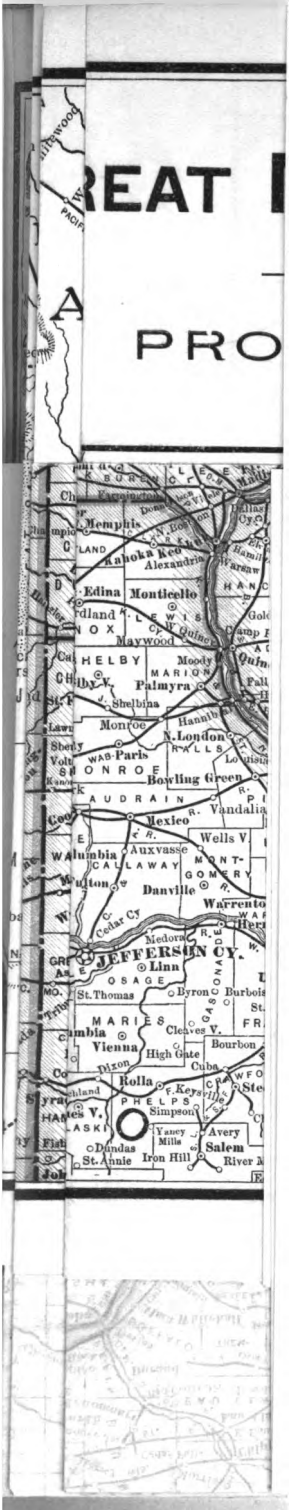

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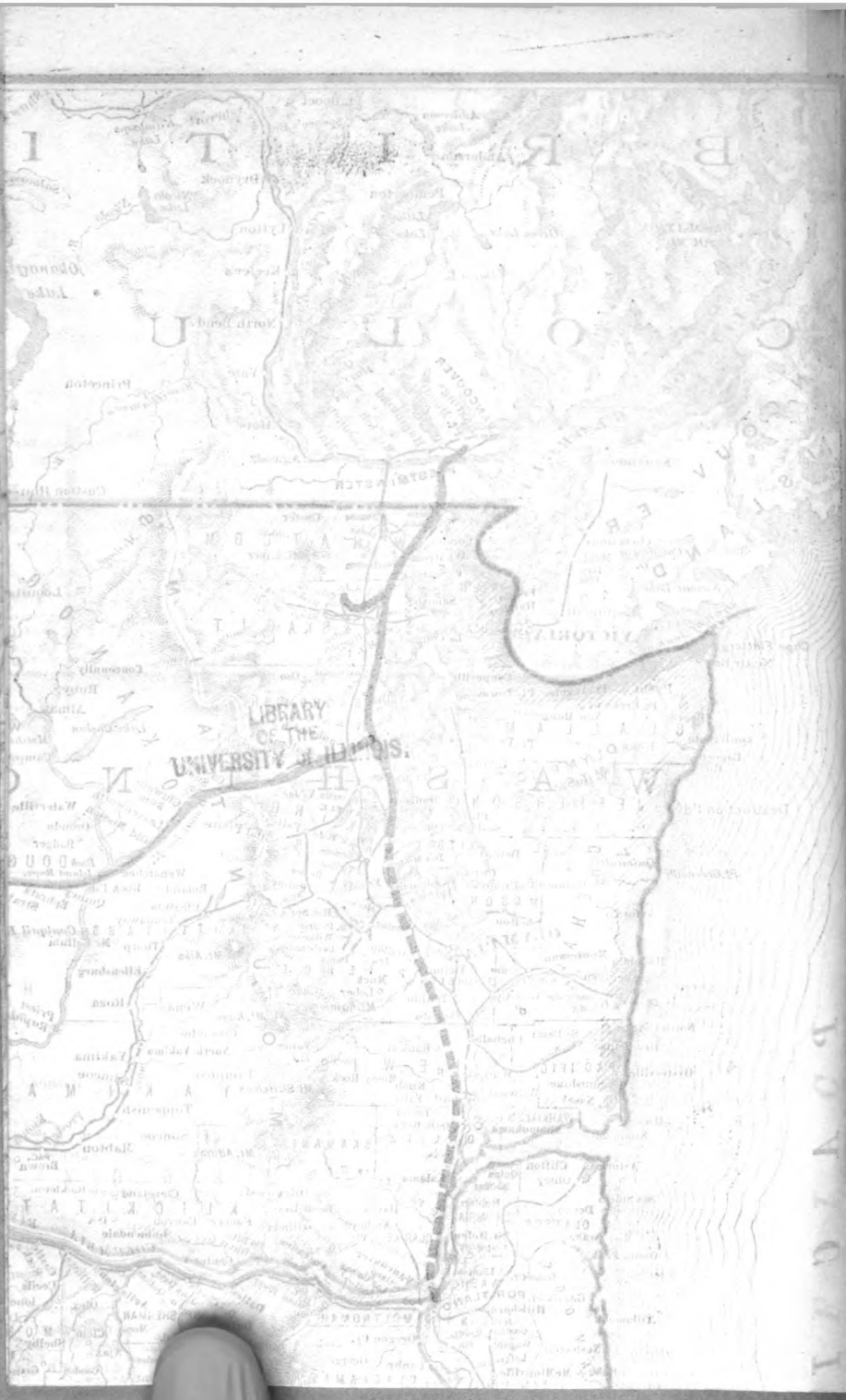
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FOURTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1893.

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GREAT NORTHERN RAILWAY COMPANY.

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.

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.

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FOURTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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REVENUE ACCOUNT.

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

To Conducting Transportation, Maintenance and General Expenses		$7,335,417.15	*By* Earnings:		
Taxes		375,554.33	Freight	$10,522,805.53	
Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued	$3,440,286.41		Passenger	2,145,293.01	
Guaranteed Dividends on St. P., M. & M. Ry. Stock, Paid and Accrued	1,200,000.00		Mail	309,418.40	
Maintenance of St. P., M. & M. Ry. Organization	6,863.17		Express	157,655.42	
		4,647,149.58	Miscellaneous	387,409.12	
Rental Paid for Other Lines Leased		681.45			$13,522,581.48
Dividends, 1¼ per cent, Aug. 1, 1892	$250,000.00				
Dividends, 1¼ per cent, Nov. 1, 1892	250,000.00				
Dividends, 1¼ per cent, Feb. 1, 1893	250,000.00				
Dividends, 1¼ per cent, May 1, 1893	250,000.00				
		1,000,000.00			
Balance		163,778.97			
		$13,522,581.48			$13,522,581.48

INCOME ACCOUNT.

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

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GENERAL BALANCE SHEET.

To Cost of Properties and Securities Acquired from St. Paul, Minneapolis & Manitoba Railway	$19,250,000.00	
New Equipment	1,940,495.40	
Additions and Improvements	184,792.61	
		$21,375,288.01
St. P., M. & M. Ry. Pac. Ext. Bonds in hands of Trustees		15,000,000.00
Other Properties and Securities Owned		1,879,975.38
Expended for Construction of New Lines		8,438,306.89
CURRENT ASSETS.		
Cash in St. Paul Office	$463,918.34	
Cash in New York Office	1,284,391.11	
Cash in London Office	268,259.28	
Due from Agents	307,807.21	
Due from United States Postal Department	84,077 12	
Due from United States Transportation	7,963.21	
Advanced Charges	6,675.91	
Due from Other Companies and Individuals	3,238,852.37	
		5,661,944.55
Material Supply		1,246,532.35
		$53,602,047.18

By Capital Stock		$20,000,000.00
Collateral Trust Bonds		15,000,000.00
Proceeds from Lands and Real Estate Sold	$286,816.52	
Proceeds from Securities Sold	3,690 005.00	
		3,976,821.52
CURRENT LIABILITIES.		
Audited Vouchers Unpaid	$1,390,195.80	
Unpaid Pay Rolls	730,131.34	
Interest Due Under Lease from St. P., M. & M. Ry	1,234,514.95	
Dividends Due Under Lease from St. P., M. & M. Ry	3,004.50	
Unpaid Dividends G. N. Ry. Capital Stock	637.50	
Unpaid Coupons G. N. Ry. Col. Trust Bonds	1,660.00	
Due to Other Companies and Individuals	1,096,418.35	
	$4,456,562.44	
CONSTRUCTION LIABILITIES.		
Audited Vouchers Unpaid	845,045.52	
Unpaid Pay Rolls	11,416.51	
Due to Other Companies and Individuals	5,271.15	
		5,318,295.62
OTHER LIABILITIES.		
Montana Central Ry. Current Account	$70,346.49	
Eastern Ry. of Minnesota Current Account	994,189.94	
Northern Steamship Co	223,515.90	
Climax Coal Co	968.73	
Minneapolis Union Ry	128,976.99	
Sand Soulee Coal Co	520,000.00	
Great Northern Express Co. Current Account	15,000.00	
		1,952,998.05
Taxes, not due		73,232.16
G. N. Ry. Interest Accrued, not due		200,000.00
St. P., M. & M. Ry. Interest Accrued, not due		202,146.67
St. P., M. & M. Ry. Dividends Accrued, not due		200,000.00
Subscription G. N. Ry. Capital Stock		2,075,845.00
St. P., M. & M. Ry. Accounts in Liquidation		156,569.05
Fund for Permanent Improvements and Renewals		918,182.29
Balance		3,527,956.82
		$53,602,047.18

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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	

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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
54.24	Operating Expenses, per cent of Gross Earnings	56.59
57.02	Operating Expenses and Taxes, per cent 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.

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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

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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.

Bonded Debt.	*Bonds.*	*Interest.*
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
Total	$85,310,754.54	$4,095,758.00
Stock.		
Guaranteed Dividends of 6 per cent on Capital Stock.	20,000,000.00	1,200,000.00
Grand Total	$105,310,754.54	$5,295,758.00
Mileage of Main Track		3,758.62
Bonded Debt per Mile	$22,697.36	
Capital Stock per Mile	5,321.10	
		$28,018.46
Interest Charges per Mile	1,089.70	
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	17,868.08	
		28,078.41
Interest Charges per Mile		893.40
Gross Earnings per Mile	$3,403.54	
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	
		30,140.32
Interest Charges per Mile		1,181.27
Gross Earnings per Mile	$909.11	
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.

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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	
		50,662.51
Interest Charges per Mile		1,792.67
*Gross Earnings per Mile	$4,555.38	
*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	
		133,996.40
Interest Charges per Mile		3,246.30
Gross Earnings per Mile	$18,721.31	
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	
		627,376.42
Interest Charges per Mile		30,703.42
Gross Earnings per Mile	$58,300.45	
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.

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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	
		$500,229.26
Operating Expenses and Taxes	$264,062.36	
Interest Paid and Accrued	142,187.50	
		406,249.86
Balance		$93,979.40

DULUTH, WATERTOWN AND PACIFIC RAILWAY.

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

MONTANA CENTRAL RAILWAY.

Earnings from Operation	$1,157,385.11	
Income from Other Sources	2,153.61	
		$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	
		1,553,714.66
Balance		$394,175.94

EASTERN RAILWAY OF MINNESOTA.

Earnings from Operation	$1,355,235.62	
Income from Other Sources	167,527.17	
		$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	
		1,015,089.56
Balance		$507,673.23

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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	
		228,569.60
Balance		$78,591.08

NORTHERN STEAMSHIP COMPANY.

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

* For year ending March 31, 1893.

SAND COULEE COAL COMPANY.

Coal Sales	$570,985.37	
Income from Other Sources	29,284.81	
		$600,270.18
Operating Expenses		406,564.01
Balance		$193,706.17

GREAT NORTHERN EXPRESS COMPANY.

Earnings from Operation		$429,806.41
Operating Expenses	$198,423.61	
Transportation Paid Railways	170,729.13	
		369,152.74
Balance		$60,653.67

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TRACK STATEMENT.

GREAT NORTHERN RY. AND PROPRIETARY COMPANIES.

GREAT NORTHERN RAILWAY. LEASED FROM ST. P., M. & M. RY.	Miles.					
	Main Track	Second Track.	Third Track.	Fourth, Fifth and Sixth Track.	Side Track.	Total.
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
PROPRIETARY COMPANIES.						
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.

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EQUIPMENT STATEMENT.

JUNE 30, 1893.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	TOTAL.
Locomotives	361	20	19	400
PASSENGER EQUIPMENT—				
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
Total Passenger Equipment	263	10	13	286
FREIGHT EQUIPMENT—				
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
Total Freight and Work Equipment	11,292	865	1,274	13,431

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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.

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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.

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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.

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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, 1893.

	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	156,910.45	
*Total Acreage Deeded to Company	128,055.00	
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.

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FIFTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1894.

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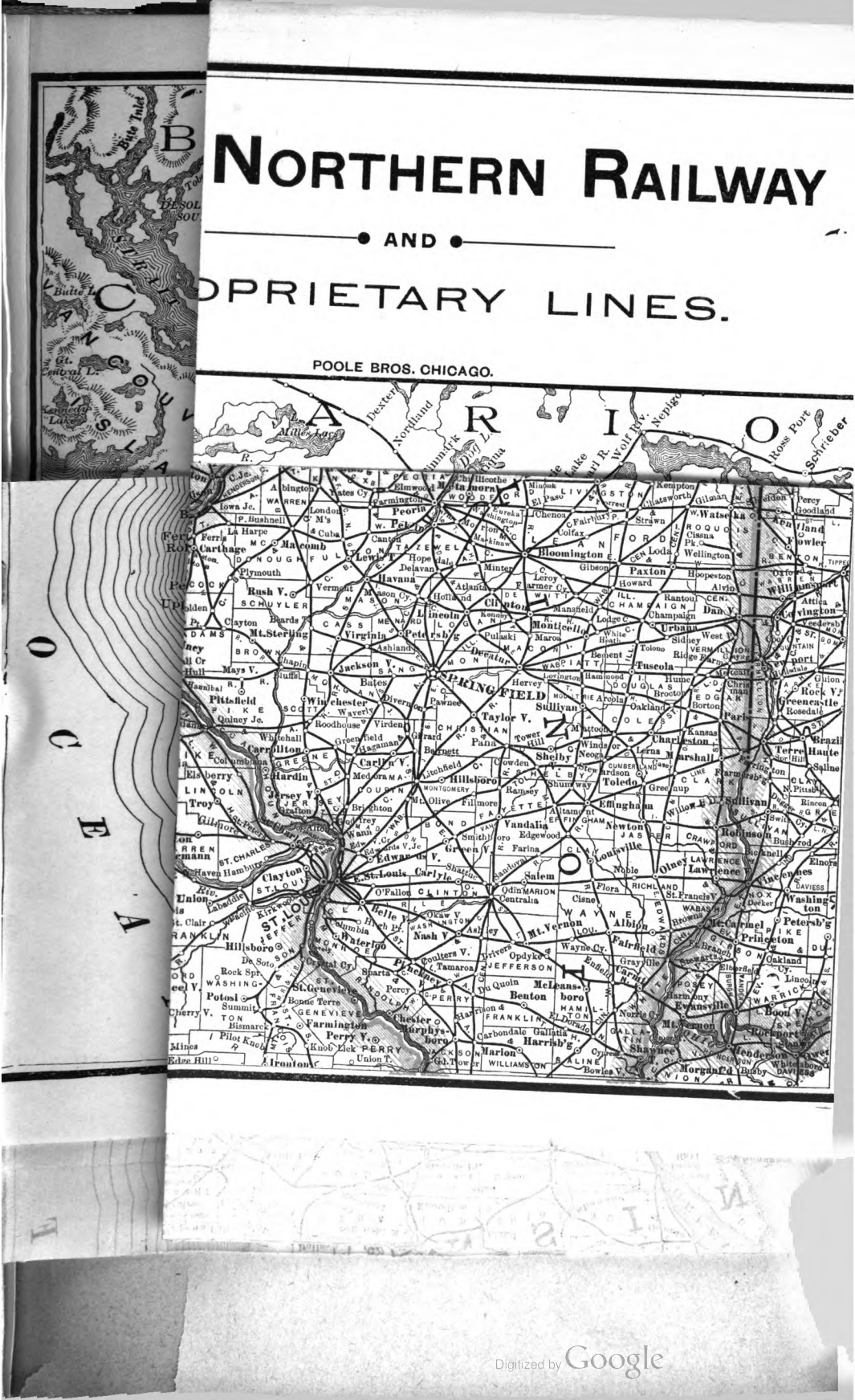
NORTHERN RAILWAY

AND

OPRIETARY LINES.

POOLE BROS. CHICAGO.



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FIFTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1894.

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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,	COMPTROLLER,	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.

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FIFTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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REVENUE ACCOUNT.

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

To Conducting Transportation, Maintenance and General Expenses		$6,488,779.21	*By* EARNINGS:		
Taxes		411,942.83	Freight	$8,762,984 03	
Balance		4,444,634.86	Passenger	1,810,329.85	
			Mail	304,778.58	
			Express	143,993.37	
			Miscellaneous	323,271.07	
					$11,345 356.90
		$11,345,356 90			$11,345,356.90

INCOME ACCOUNT.

To Guaranteed Interest on St. P., M. & M. R'y Bonds, Paid and Accrued	$3,505,973.76		*By* Balance from Earnings		$4,444,634.86
Guaranteed Dividends on St. P., M. & M. R'y Stock, Paid and Accrued	1,200,000.00		OTHER INCOME:		
Maintenance of St. P., M & M. R'y Organization	6,681.15		Interest on Bonds Owned	$133,197.49	
Interest on Great Northern R'y Collateral Trust Bonds, Paid and Accrued (secured by St. P., M. & M. R'y Pacific Extension Bonds)	600,000.00		Dividends on Stocks Owned	1,084,607.25	
		$5,312,654.91	Rental of Leased Lines	236,134.37	
Rental Paid for Other Lines Leased		40,150.00	Interest and Exchange	248,099.46	
			Bills Receivable	109 806.95	
Dividends, 1¼ per cent, Aug. 1, 1893	$250,000.00		Income from Other Sources	179,670.85	
Dividends, 1¼ per cent, Nov. 1, 1893	312,500.00				1,991,516.37
Dividends, 1¼ per cent, Feb. 1, 1894	312,500.00		Balance		104,153.68
Dividends, 1¼ per cent, May 1, 1894	312,500.00				
		1,187,500.00			
		$6,540,304.91			$6,540,304.91

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GENERAL BALANCE SHEET.

To Cost of Properties and Securities, Acquired		
from St. Paul, Minneapolis & Manitoba R'y	$19,250,000.00	
New Equipment	2,496,752.30	
Additions and Improvements	303,368.67	
		$22,050,120.97
St. P., M. & M. R'y Pacific Extension Bonds in hands of Trustees Collateral Trust Mortgage		15,000,000.00
Other Properties and Securities Owned		3,920,867.28
Expended for Construction of New Lines		8,288,291.95
CURRENT ASSETS.		
Cash in St. Paul Office	$666,899.21	
Cash in New York Office	774,333.39	
Cash in London Office	281,228.54	
Due from Agents	232,796.37	
Due from United States Postal Department	108,571 35	
Due from United States Transportation	8,713.62	
Advanced Charges	10,330.47	
Due from Other Companies and Individuals	3,002 684.59	
		5,085,557.54
Material Supply		721,780.07
		$55,066,617.81

By Capital Stock		$25,000,000.00
Collateral Trust Bonds		15,000,000.00
Proceeds from Lands and Real Estate Sold	$295,306.57	
Proceeds from Securities Sold	3,690,005.00	
		3,985,311.57
CURRENT LIABILITIES.		
Audited Vouchers Unpaid	$1,291,548.41	
Unpaid Pay Rolls	533,456.97	
Interest Due Under Lease from St. P., M. & M. R'y	1,224,434.48	
Dividends Due Under Lease from St. P., M. & M. R'y	885.00	
Unpaid Dividends Great Northern R'y Capital Stock	832.50	
Unpaid Coupons Great Northern R'y Collateral Trust Bonds	4,540.00	
Due to Other Companies and Individuals	1,153,258.66	
		4,208,956.02
Taxes not yet due	$98,473.68	
Great Northern R'y Interest Accrued, not due	200,000.00	
St. P., M. & M. R'y Interest Accrued, not due	202,776.67	
St. P., M. & M. R'y Dividends Accrued, not due	200,000.00	
		701,250.35
St. P., M. & M. R'y Accounts in Liquidation	$1,008.43	
Fund for Permanent Improvements and Renewals	926,622.98	
Surplus of Proprietary Companies in hands of Great Northern R'y Co.	1,819,665.32	
		2,747,296.73
Balance		3,423,803.14
		$55,066,617.81

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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 CENT.	1894.		1893.	PER CENT.
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	

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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
57.19	Operating Expenses, per cent of Gross Earnings	54.24
60.82	Operating Expenses and Taxes, per cent 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.

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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 ASSENGER 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

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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.

Bonded Debt.	*Bonds.*	*Interest.*
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	581,808.00
Great Northern Railway Collateral Trust, 4 per cent	15,000,000.00	600,000.00
Total	$85,255,454.54	$4,113,006.00
Stock.		
Guaranteed Dividends of 6 per cent on Capital Stock	20,000,000.00	1,200,000.00
Grand Total	$105,255,454.54	$5,313,006.00
Mileage of Main Track		3,771.36
Bonded Debt per Mile	$22,606.02	
Capital Stock per Mile	5,303.13	
		$27,909.15
Interest Charges per Mile	$1,090.59	
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	
		24,969.55
Interest Charges per Mile		883.07
*Gross Earnings per Mile	$3,173.93	
*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	
		30,140.32
Interest Charges per Mile		1,181.27
Gross Earnings per Mile	$523.19	
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.

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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	33,904.91	
		53,390.49
Interest Charges per Mile		1,929.07
Gross Earnings per Mile	$4,778.82	
Operating Expenses and Taxes per Mile	3,010.22	
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	64,926.09	
		133,996.40
Interest Charges per Mile		3,246.30
Gross Earnings per Mile	$17,612.96	
Operating Expenses per Mile	8,526.97	
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	532,319.39	
		627,376.42
Interest Charges per Mile		30,703.42
Gross Earnings per Mile	$54,804.26	
Operating Expenses and Taxes per Mile	9,932.69	
Net Earnings per Mile		44,871.57

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

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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	
		$590 001.38
Operating Expenses and Taxes	$252,550.87	
Interest Paid and Accrued	164,583.34	
		417,134.21
Balance		$172,867.17

DULUTH, WATERTOWN AND PACIFIC RAILWAY.

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

MONTANA CENTRAL RAILWAY.

Earnings from Operation	$1,226,245.24	
Income from Other Sources	3.301.65	
		$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	
		1,253,521.72
Balance		$23,974.83

EASTERN RAILWAY OF MINNESOTA.

Earnings from Operation	$1,275,002.34	
Income from Other Sources	105,790.05	
		$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	
		936,199.36
Balance		$444,593.03

MINNEAPOLIS UNION RAILWAY.

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

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NORTHERN STEAMSHIP COMPANY.

*Earnings from Operation	$458,057.37	
*Operating Expenses	396,970.24	
Balance		$61,087.13

*For year ending March 31, 1894.

SAND COULEE COAL COMPANY.

Coal Sales	$636,596.15	
Income from Other Sources	31,647.19	
		$668,243.34
Operating Expenses	$491,772.26	
Expenses of Anaconda Gas Test, charged off	21,602.87	
Transferred to Sinking Fund	47,915.83	
		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	149,026.35	
		341,799.63
Balance		$15,175.99

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TRACK STATEMENT.

GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

GREAT NORTHERN RAILWAY. LEASED FROM St. P., M. & M. RY.	Miles.					
	Main Track.	Second Track.	Third Track.	Fourth, Fifth and Sixth Track.	Side Track.	Total.
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	
Total Main Line Track G. N. Ry.....	3,721.20	27.83	9.28	13.05	470.04	
	.....	.....	.....	.....	3,771.36	4,241.40
PROPRIETARY COMPANIES.						
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
Total, all Lines.....	4,327.91	30.46	9.28	13.05	563.49	4,944.19

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

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EQUIPMENT STATEMENT.

JUNE 30, 1894.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	TOTAL.
Locomotives	370	23	19	412
PASSENGER EQUIPMENT—				
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
Total Passenger Equipment	295	10	13	318
FREIGHT EQUIPMENT—				
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
Total Freight and Work Equipment	11,679	865	1,274	13,818

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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

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"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.

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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.

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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.

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SIXTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1895.

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SIXTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1895.

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GREAT NORTHERN RAILWAY COMPANY.

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.

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.

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SIXTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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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.

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

FOR YEAR ENDED JUNE 30, 1895.

EARNINGS:		
Freight		$10,365,031.73
Passenger		1,854,821.94
Mail		376,439.63
Express		163,632.16
Miscellaneous		350,014.36
Gross Earnings		$13,109,939.82
OPERATING EXPENSES:		
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	$7,146,462.15	
TAXES	459,215.54	
		7,605,677.69
NET EARNINGS		$5,504,262.13
From which has been paid—		
RENTALS:		
To St. P., M. & M. Ry. Co., Guaranteed Interest on St. P., M. & M. Ry. Bonds, Paid and Accrued (See detail on page 13.)	$3,514,866.18	
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		5,372,590.20
Surplus from Earnings St. P., M. & M. Ry., transferred to Income Account of Great Northern Ry. Co.		$131,671.93

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
OTHER INCOME:		
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		1,307,836.53
Total Income		$1,439,508.46
From which has been paid Dividends, as follows:		
August 1, 1894, 1¼ per cent	$312,500.00	
November 1, 1894, 1¼ per cent	312,500.00	
February 1, 1895, 1¼ per cent	312,500.00	
May 1, 1895, 1¼ per cent	312,500.00	
		1,250,000.00
Balance, Transferred to Profit and Loss		$189,508.46

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CONDENSED GENERAL BALANCE SHEET, JUNE 30, 1895.

To Cost of Properties and Securities Owned....		$31,905,871.23
St. P., M. & M. Ry. Pacific Extension Bonds in hands of Trustees as Security for Great Northern Ry. Co.'s Collateral Trust Bonds		15,000,000.00
Additions and Improvements to Property Leased from St. Paul, Minneapolis & Manitoba Ry. Co		311,267.13
CURRENT ASSETS.		
Cash in St. Paul Office	$390,215.70	
Cash in New York Office	940,969.67	
Cash in London Office	300,782.73	
Due from Agents	354,028.36	
Due from United States Post Office Department	101,857.60	
Due from United States for Transportation	6,202.72	
Advanced Charges	12,920.58	
Bills Receivable	164,219.22	
Due from Other Companies and Individuals	1,497,926.24	
		3,769,122.82
Value of Material, Fuel and Supplies on Hand		605,692.02
		$51,591,953.20

By Capital Stock		$25,000,000.00
Collateral Trust Bonds		15,000,000.00
CURRENT LIABILITIES.		
Audited Vouchers Unpaid	$884,576.65	
Unpaid Pay Rolls	578,618.32	
Interest due under lease from St. P., M. & M. Ry. Co.	1,230,535.50	
Dividends due under lease from St. P., M. & M. Ry. Co.	1,692.00	
Unpaid Dividends on Capital Stock of Great Northern Ry. Co.	2,480.00	
Unpaid Coupons of Great Northern Ry. Co.'s Collateral Trust Bonds	3,660.00	
Due to Other Companies and Individuals	1,493,009.82	
		4,194,572.29
DEFERRED LIABILITIES.		
Taxes not yet due	$232,907.44	
Great Northern Ry. Bond Interest Accrued, not due	200,000.00	
Rental of St. P., M. & M. Ry. Accrued, not due	402,776.67	
		835,684.11
Excess of Receipts over Payments, St. P., M. & M. Ry., Accounts in Liquidation	$2,591.13	
Fund for Permanent Improvements and Renewals	1,059,125.61	
Surplus Earnings of Proprietary Companies in hands of Great Northern Ry. Co.	1,886,668.46	
Balance — Profit and Loss	3,613,311.60	
		6,561,696.80
		$51,591,953.20

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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.

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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.

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

DESCRIPTION.	1895.	1894.	INCREASE.	
			Amount.	Per Cent.
FREIGHT TRAFFIC.				
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
AVERAGES.				
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	*Decrease.* .037	*Decrease.* .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
PASSENGER TRAFFIC.				
Mileage of Passenger Trains	2,176,297	2,048,427	*Increase.* 127,870	*Increase.* 6.2423
Passengers Carried.....	1,058,798	1,020,976	37,822	3.7044
Passengers Carried One Mile.....	72,700,446	76,663,741	*Decrease.* 3,963,295	*Decrease.* 5.1697
Earnings from Passenger Trains.	$2,541,126.27	$2,389,234.44	*Increase.* $151,891.83	*Increase.* 6.3573
AVERAGES.				
Earnings per Passenger Train Mile.....	$1.1676	$1.1664	*Cents.* .12	.1029
Earnings per Passenger per Mile.....	*Cents.* 2.551	*Cents.* 2.361	.190	8.0474
TOTAL TRAINS.				
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	*Decrease.* $.015	*Decrease.* .7371
Expenses per Train per Mile.....	$1.10	$1.165	$.065	5.5793
Net Earnings per Train per Mile from Traffic.....	$.92	$.87	*Increase.* $.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.

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SHOWING STOCK, BONDED DEBT AND FIXED CHARGES OF THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY COMPANY, GUARANTEED BY GREAT NORTHERN RAILWAY 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
837,185.00	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
	Stock.		
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.

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TRACK STATEMENT.

GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

		Main Track Miles.	*Total Miles.*
LINE LEASED FROM ST. P., M. & M. RY.:			
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 statement			4,245.52
OTHER TRACKS LEASED BY GREAT NORTHERN RY.:			
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	10.05
Main Line operated by Great Northern Ry. Co.		*3,729.99	

PROPRIETARY LINES—	*Side Tracks, Miles.*	*Main Track, Miles.*	
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	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.

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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		3,747.03
Miscellaneous		19,276.37
Gross Earnings		$1,498,447.48
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	
Total Operating Expenses	$766,405.95	
Taxes	44,586.76	
		810,992.71
Net Earnings		$687,454.77
Income from Rents, Elevators, etc		128,622.75
		$816,077.52
Rentals Paid for Lines Leased	$86,402.00	
Interest on Bonds, Paid and Accrued	235,000.00	
		$321,402.00
Surplus		$494,675.52
From which has been paid a Dividend of		450,000.00
Balance, to Profit and Loss		$44,675.52

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
Gross Earnings	$1,550,889.87

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MONTANA CENTRAL RAILWAY COMPANY—*Continued.*

Gross Earnings		$1,550,889.87
OPERATING EXPENSES:		
Conducting Transportation	$539,633.27	
Maintenance of Equipment	159,551.85	
Maintenance of Road and Structures	226,091.45	
General Expenses	101,865.08	
Total Operating Expenses	$1,027,141.65	
Taxes	23,533.93	1,050,675.58
Net Earnings		$500,214.29
Miscellaneous Income		18,916.71
		$519,131.00
Rentals Paid for Lines Leased	$3,600.00	
Interest on Bonds, paid and accrued	495,000.00	498,600.00
Surplus, to Profit and Loss		$20,531.00
Percentage of Operating Expenses to Earnings, Excluding Taxes		66.23
Including Taxes		67.75
Earnings of Great Northern Ry., upon business contributed by Montana Central Ry., during the year		$1,266,024.53

WILLMAR & SIOUX FALLS RAILWAY COMPANY.

Mileage of Main Track	205.25 Miles
Capital Stock (all owned by Great Northern Railway Company)	$1,500,000.00
Bonded Debt	3,625,000.00
Interest Charges per annum	181,250.00

INCOME FOR YEAR ENDED JUNE 30, 1895.

EARNINGS:		
Freight		$257,247.13
Passenger		68,362.55
Mail		19,369.30
Express		9,016.54
Miscellaneous		1,805.14
Gross Earnings		$355,800.66
OPERATING EXPENSES:		
Conducting Transportation	$112,094.09	
Maintenance of Equipment	24,564.76	
Maintenance of Road and Structures	61,769.71	
General Expenses	23,073.73	
Total Operating Expenses	$221,502.29	
Taxes	11,380.33	232,882.62
Net Earnings		$122,918.04
Miscellaneous Income		248.00
		$123,166.04
Interest on Bonds, paid and accrued		181,250.00
Deficit for year, charged against Profit of previous years		$58,083.96
Percentage of Operating Expenses to Earnings, Excluding Taxes		62.25
Including Taxes		65.45
Earnings of Great Northern Ry., Main Line, upon business contributed by W. & S. F. Ry. during the year		$148,811.61

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DULUTH, WATERTOWN & 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.

Earnings:		
Freight		$10,116.36
Passenger		1,773.69
Mail		1,788.15
Express		1,478.24
Miscellaneous		190.28
Gross Earnings		$15,346.72
Operating Expenses:		
Conducting Transportation	$12,065.69	
Maintenance of Equipment	1,219.50	
Maintenance of Road and Structures	10,747.30	
General Expenses	1,371.15	
Total Operating Expenses	$25,403.64	
Taxes	4,918.55	30,322.19
Deficit from Operation		$14,975.47
Miscellaneous Income		28.00
Net Deficit for year, transferred to Profit and Loss		$14 947.47
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
Net Earnings		$249,082.28
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
Balance, credited to Profit and Loss		$13,177.62

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NORTHERN STEAMSHIP COMPANY.

INCOME FOR YEAR ENDED MARCH 31, 1895.

Earnings	$549,463.97
Operating Expenses	665,422.52
Balance, Loss	$115,958.55

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	198,171.26	
		393,845.84
Balance, Surplus Earnings		$45,397.95

SAND COULEE COAL COMPANY.

INCOME FOR YEAR ENDED JUNE 30, 1895.

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

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.

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EQUIPMENT OF GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

JUNE 30, 1895.

CLASS.	G. N. RY.	M. C. RY.	E. RY.	TOTAL.
Locomotives	370	23	19	412
PASSENGER EQUIPMENT—				
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
Total Passenger Equipment	295	10	13	318
FREIGHT EQUIPMENT—				
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
Total Freight and Work Equipment	11,679	865	1,274	13,818

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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

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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.

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LAND COMMISSIONER'S REPORT.

Jas. J. Hill, Esq., President,

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

	Acres.	*Acres.*
Amount of Grant, Hinckley Branch	425,664 00	
Amount of Grant, Willmar Branch	51,200.00	
		476,864.0
Total acreage selected to date	167,465.59	
Total acreage deeded to Company	138,522.08	
Total acreage sold prior to June 30, 1895		64,979.0
Value of same	$198,357.89	
Average price per acre	3.05	
Remaining Unsold, June 30, 1895		411,885.0

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.

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SEVENTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1896.

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SEVENTH ANNUAL REPORT

OF THE

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FISCAL YEAR ENDING

JUNE 30, 1896.

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GREAT NORTHERN RAILWAY COMPANY.

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.

OFFICERS.

J. J. HILL,	President,	St. Paul.
W. P. CLOUGH,	Vice President,	St. Paul.
W. W. FINLEY,	Second Vcie 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 Solictor,	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.

P 25426

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SEVENTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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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.

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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.

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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

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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 $\frac{85}{100}$ 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	7,792	lineal feet.

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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 $2\frac{88}{100}$ cents, while in 1895-'96 it had fallen to $\frac{976}{1000}$ of one cent; or to only a little more than ⅓ 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.

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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.

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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.

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

FOR YEAR ENDING JUNE 30, 1896.

EARNINGS:		
Freight	$12,170,275.74	
Passenger	2,151,295.00	
Mail	396,224.59	
Express	163,029.35	
Miscellaneous	416,628.37	
Gross Earnings		$15,297,453.05
OPERATING EXPENSES:		
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	
Total Operating Expenses	$7,898,980.77	
TAXES	528,053.15	8,427,033.92
NET EARNINGS		$6,870,419.13
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 (See details on page 15.)	$3,486,834.29	
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	
Total		$5,383,015.95
Balance Transferred to Income Account		$1,487,403.18

INCOME ACCOUNT OF GREAT NORTHERN RY. CO.

FOR YEAR ENDING JUNE 30, 1896.

Balance Brought Down		$1,487,403.18
OTHER INCOME:		
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	805,143.96
Total Income		$2,292,547.14
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	1,250,000.00
Balance, Carried Forward		$1,042,547.14

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Balance, Brought Forward	$1,042,547.14
LESS:	
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	$636,922.14

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		$56,195.55
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		$403,631.00

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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.	‡$15,297,453.05	‡$7,898,980.77	‡$528,053.15	‡$6,870,419.13	$405,143.96	$7,275,563.09
RAILWAYS.						
Eastern Ry. of Minnesota	1,899,445.66	881,716.19	52,659.24	965,070.23	57,198.77	1,022,269.00
Montana Central Ry.	1,766,035.54	1,139,005.85	27,610.84	599,418.85	8,070.05	607,488.90
Willmar & Sioux Falls Ry	626,648.53	270,672.05	19,401.16	336,575.32	696.25	337,271.57
Duluth, Watertown & Pacific Ry.	22,981.55	40,333.61	5,112.70	*Def. 22,464.76*	122.00	*Def. 22,342.76*
Total Railway System Proper.	$19,612,564.33	$10,230,708.47	$632,837.09	$8,749,018.77	$471,231.03	$9,220,249.80
OTHER COMPANIES.						
Minneapolis Union Ry. (Union Depot Property)	291,326.63	47,548.49	3,005.03	240,773.11	272.41	241,045.52
Minneapolis Western Ry.* (Switching Railway)	63,948.25	29,081.30	1,278.08	33,588.87	10,888.67	44,477.54
Duluth Terminal Ry.	44,328.67	30,828.67		13,500.00		13,500.00
Northern Steamship Co†.	622,492.05	681,810.92		*Def. 59,318.87*		*Def. 59,318.87*
Great Northern Express Co.	495,775.42	405,051.50	369.24	90,354.68		90,354.68
Sand Coulee Coal Co.	689,263.76	550,086.41	1,616.20	137,561.15	26,841.00	164,402.15
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 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 to cover their replacement. These Sinking Funds now amount to $184,045 28.

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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.
	ST. P., M. & M. RY.—		
$2,120,900.00	First Mortgage, 7 per cent	$419,800.00	$73,745.19
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
18,963,000.00	Consolidated Mortgage, 4½ per cent	20,318,000.00	†897,870.92
7,805,000.00	Montana Extension, 4 per cent	7,805,000.00	312,200.00
14,545,454.54	Pacific Extension, 4 per cent	* 14,545,454.54	581,818.18
	Total shown on Page 12		$3,486,834.29
	GREAT NORTHERN RY.—		
15,000,000.00	Collateral Trust, 4 per cent	$15,000,000.00	$600,000.00
	EASTERN RY. OF MINNESOTA—		
4,700,000.00	First Mortgage, 5 per cent	4,700,000.00	235,000.00
	MONTANA CENTRAL RY.—		
6,000,000.00	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
	WILLMAR & SIOUX FALLS RY.—		
3,625,000.00	First Mortgage, 5 per cent	3,625,000.00	181,250.00
	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	650,000.0	32,500.00
	MINNEAPOLIS WESTERN RY.—		
500,000.00	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

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 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.

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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.

To 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	3,978,590.24
Value of Material and Fuel on Hand		952,289.53
		$73,035,797.69

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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.		
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. 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	
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

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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	

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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

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

DESCRIPTION.	1896.	1895.	INCREASE.	
			Amount.	Per Cent.
FREIGHT TRAFFIC.				
Mileage of Freight Trains	5,680,711	4,633,790	1,046.921	22 5932
Mileage of Mixed Trains	653,468	700,601	*Decrease.* 47,133	*Decrease.* 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	136,383,277	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
AVERAGES.				
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	*Decrease.* .069	*Decrease.* .5282
Earnings per Freight Train Mile	$2.55	$2.52	*Increase.* $0.03	*Increase.* 1 1904
	Cents.	*Cents.*	*Decrease.* Cents	*Decrease.*
Earnings per Ton per Mile	.976	.984	.008	.8130
PASSENGER TRAFFIC.			*Increase.*	*Increase.*
Mileage of Passenger Trains	2,971,338	2,649,585	321,753	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
AVERAGES.				
Earnings per Passenger Train Mile	$1.1636	$1.1591	.0045	.3882
	Cents.	*Cents.*	*Decrease.* Cents	*Decrease.*
Earnings per Passenger per Mile	2.671	2.680	.009	.3358
TOTAL TRAINS.			*Increase.*	*Increase.*
Mileage of Freight and Passenger Trains	9,305,517	7,983,976	1,321,541	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	$0.03	1.4493
			Decrease.	*Decrease.*
Expenses per Train per Mile	$1.10	$1.15	$0.05	4.3478
Net Earnings per Train per Mile from Traffic	$1.00	$0.92	*Increase.* $0.08	*Increase.* 8.6956

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TRACK STATEMENT.

GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINE LEASED FROM ST. P., M. & M. RY. CO.:		*Main Track, Miles.*	*Total Miles.*
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	
Kalispell Division		506.62	
Cascade Division		312.21	
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
Total Main Tracks St. P., M & M. Ry. leased			3,770.42
Side Tracks			487.56
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
Main Line operated by Great Northern Ry. Co		3,729.62	

PROPRIETARY COMPANIES:	*Side Track, Miles.*	*Main Track, Miles.*	
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	
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	
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	
Total Miles Main Tracks		4,547.34

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	
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	
	6.86	
Less Tracks between Everett and Fleming, removed	4.75	
Net increase		2.11

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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
PASSENGER EQUIPMENT—		
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
Total Passenger Equipment	332	318
FREIGHT EQUIPMENT—		
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
Total Freight and Work Equipment	14,709	13,818

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

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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:

	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	169,476.84	
Total acreage deeded to Company	138,522.08	
Total acreage sold prior to June 30, 1896		66,913.32½
Value of same	$210,517.93	
Average price per acre	3.14	
Remaining Unsold, June 30, 1896		409.950.67½

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.

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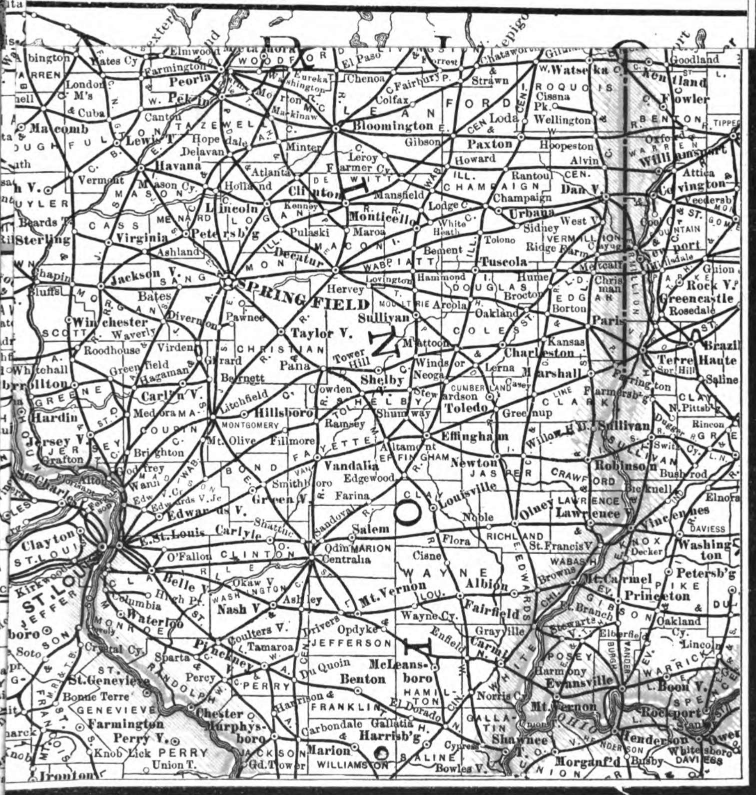
ORTHERN RAILWAY

AND

RIETARY LINES.

POOLE BROS. CHICAGO.



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DICK BROS & CO.

EIGHTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1897.

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EIGHTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1897.

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GREAT NORTHERN RAILWAY COMPANY.

DIRECTORS.

J. KENNEDY TOD (term expires 1897)	NEW YORK.
EDWARD SAWYER (term expires 1897)	ST. PAUL.
M. D. GROVER (term expires 1897)	ST. PAUL.
LORD STRATHCONA and MOUNT ROYAL (term expires 1898)	GLENCOE, SCOTLAND.
JABOB 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.

OFFICERS.

J. J. HILL,	PRESIDENT,	ST. PAUL.
W. P. CLOUGH,	VICE PRESIDENT,	ST. PAUL.
W. H. NEWMAN,	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.
R. HARDING,	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.
F. W. BOBBETT,	TRANSFER AGENT,	NEW YORK.

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EIGHTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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.

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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-feet 60,000 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.

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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.

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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 Walhalla, 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.

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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 9,238 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.

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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.

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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.

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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
	$19,436,060.57		$19,612,564.33	

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
	$10,701,871.40		$10,230,708.47	

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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

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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	52,733.48	888,253.70	42,207.12	930,460.82
Montana Central Ry	1,930,652.53	1,305,086.67	24,900.62	600,665.24	2,221.21	602,886.45
Willmar & Sioux Falls Ry	616,087.51	267,610.93	17,322.54	331,154.04	*Dr. 1,952.83*	329,201.21
Duluth, Watertown & Pacific Ry	39,242.39	40,733.71	5,486.50	*Def. 6,977.82*	121.00	*Def. 6,856.82*
Total Railway System Proper	$19,436,060.57	$10,701,871.40	$602,648.69	$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.*	63,364.00	28,504.15	1.266.00	33,593.85	10,007.28	43,601.13
Duluth Terminal Ry	31,138.46	17,638.46	....	13,500.00	....	13,500.00
Northern Steamship Co.*	808,008.06	891,165.29	.....	*Def. 83,157.23*	....	*Def. 83,157.23*
Great Northern Express Co	473,366.69	390,857.85	366.00	82,142.84	....	82,142.84
Sand Coulee Coal Co	684,117.71	549,656.73	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	$600,000.00
Willmar & Sioux Falls Ry. Co.	150,000.00
Minneapolis Union Ry. Co	30,000.00
Sand Coulee Coal Co.	150,000.00
Total	$930,000.00

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 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 to cover their replacement. The Sinking Funds now amount to $222,602.81.

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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	502,205.55	8,676,096.09
NET EARNINGS		$6,318,445.32
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 (See details on page 21)	$3,483,408.78	
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. 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	7,170.57	
Other Rentals	90,150.00	
Total		$5,380,729.35
Balance Transferred to Income Account		$937,715.97

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INCOME ACCOUNT,

GREAT NORTHERN RAILWAY COMPANY.

FOR YEAR ENDING JUNE 30, 1897.

Balance Transferred from Revenue Account		$937,715.97
OTHER INCOME:		
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		$2,457,267.23
From which have been paid Dividends, as follows:		
August 1, 1896, 1¼ per cent	$312,500.00	
November 1, 1896, 1¼ per cent	312,500.00	
February 1, 1897, 1¼ per cent	312,500.00	
May 1, 1897, 1¼ per cent	312,500.00	1,250,000.00
Balance Transferred to Profit and Loss		$1,207,267.23

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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	
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	2,866.67	
Sand Coulee Coal Co. Stock	150,000.00	
Willmar & Sioux Falls Ry. Co. Stock	150,000.00	
Eastern Ry. Co. of Minnesota Stock	690,000.00	
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	
Total		$1,000,547.67

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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.

To Cost of Properties and Securities Owned by Great Northern Ry. Co.	$33,937,255.10	
Less Capital Stock and Bonds of Proprietary Companies, owned by Great Northern Ry. Co. and not shown contra	14,355,000.00	$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, Equipment, 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.	2,204,813.82	
Minneapolis Union Ry.—Union Depot, Railway, Etc.	3,289,787.61	
Minneapolis Western Ry.	740,571.81	
	$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 Minnesota, and not shown contra	316,779.63	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 Property 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	761,466.48	
Due from Other Companies and Individuals	614,369.88	
Advances in Current Account to Other Proprietary Companies	327,787.52	3,776,377.67
Value of Material and Fuel on hand		991,494.96
		$76,229,114.81

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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.

		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 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
		$76,229,114.81

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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.
FREIGHT TRAFFIC.				
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
Mileage of Loaded Freight Cars	116,801,076	124,007.236	7,206.160	5.8111
Mileage of Empty Freight Cars.	36,482,666	43,648,618	7,165,952	16.4174
Total Car Mileage	153,283,742	167,655.854	14,372,112	8.5724
Tons of Freight Carried, Revenue	7,471,894	7,521.159	49,265	.6550
			Increase.	*Increase.*
Company.	1,169,799	1,102,676	67,123	6.0873
			Increase.	*Increase.*
Total	8 641,693	8,623,835	17,858	.2071
Tons of Revenue Freight Carried One Mile	1,657,223,725	1,622,877,423	*Increase.* 34,346,302	*Increase.* 2.1164
			Decrease.	*Decrease.*
Earnings from Freight Traffic	$16,096,509.87	$16,124,404.68	$27,894.81	.1730
AVERAGES.				
All Cars hauled per Freight Train Mile	26.00	26.47	.47	1.7756
Tons Revenue Freight hauled per Train	281.097	256.210	*Increase.* 24.887	*Increase.* 9.7135
Tons Revenue Freight hauled per Loaded Car	14.188	13.087	1.101	8.4129
Earnings per Freight Train Mile	$2.73	$2.55	$0.18	7.0588
	Cents.	*Cents.*	*Decrease—Cents*	*Decrease.*
Earnings per Ton per Mile	.956	.976	.020	2.0492
PASSENGER TRAFFIC.				
			Increase.	*Increase.*
Mileage of Passenger Trains	3,205,238	2,971,338	233,900	7.8719
			Decrease	*Decrease.*
Passengers Carried	1,498,310	1,528,369	30,059	1.9667
Passengers Carried One Mile	97,543,773	99,178,028	1,634,255	1.6478
Earnings from Passenger Trains	$3,314,836.71	$3,457,411.73	$142,575.02	4.1237
AVERAGES.				
Earnings per Passenger Train Mile	$1.0342	$1.1636	$0.1294	11.1206
	Cents.	*Cents.*	*Cents.*	
Earnings per Passenger per Mile	2.591	2.671	.080	2.9951
TOTAL TRAINS.				
Mileage of Freight and Passenger Trains	9,100.798	9,305,517	204,719	2.2000
Earnings from Freight and Passenger Trains	$19,411,346.58	$19,581,816.41	$170,469.83	.8705
			Increase.	*Increase.*
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
			Decrease.	*Decrease.*
Net Earnings per Train per Mile from Traffic	$0.96	$1.00	$0.04	4.0000

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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, 1896.	BONDS.	Outstanding July 1, 1897.	Annual Charges Paid 1896-97.
	ST. P., M. & M. RY.—		
$419,800.00	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
	GREAT NORTHERN RY.—		
15,000,000.00	Collateral Trust, 4 per cent	$15,000,000.00	$600,000.00
	EASTERN RY. OF MINNESOTA—		
4,700,000.00	First Mortgage, 5 per cent.	4,700,000.00	235,000.00
	MONTANA CENTRAL RY.—		
6,000,000.00	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
	WILLMAR & SIOUX FALLS RY.—		
3,625,000.00	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
$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	230.72
Mileage of Main Tracks, covered by bonds in hands of the public		4,378.05
Bonded Debt, per mile of Main Track		$24,230.07
Capital Stock, St. P., M. & M. Ry., per mile of Main Track (3,830.72 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 $943,234.98; the difference between this amount and that shown above, viz.: $378.61, 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.

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TRACK STATEMENT.

GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES LEASED FROM ST. P., M. & M. Ry. Co.:		*Main Track, Miles.*	*Total Miles.*
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
OTHER TRACKS LEASED BY GREAT NORTHERN RY.:			
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	

PROPRIETARY COMPANIES:	*Side Track, Miles.*	*Main Track, Miles.*	
Eastern Ry. of Minnesota	47.18	72.39	
Second Track	6.00		
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	21.02	159.10	
Minneapolis Western Ry.	4.00	1.69	
Total First Main Tracks, Proprietary Lines		769.42	769.42
Total Second Main Tracks and Side Tracks, Proprietary Lines	153.83		153.83
Total Miles of Road in System		4,559.34	
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

NOTE.—Total miles of Road in System, June 30, 1897, as shown above 4,559.34

Total miles of Road in System, June 30, 1896, per report that year 4,497.91

Increase in mileage 61.43

This increase is made up as follows;

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	.99	
Increase in Mileage		61.43

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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
PASSENGER EQUIPMENT—		
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
Total Passenger Equipment	332	332
FREIGHT EQUIPMENT—		
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
Total Freight and Work Equipment	15,424	14,709

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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:

	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	138,546.62	
Total acreage sold prior to June 30, 1897		68,337.73½
Value of same	$218,116.65	
Average price per acre	3.19	
Remaining Unsold June 30, 1897		408,526.26½

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. BABCOCK,
Ass't Land Commissioner

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ORTHERN RAILWAY

AND

RIETARY LINES.

POOLE BROS. CHICAGO.

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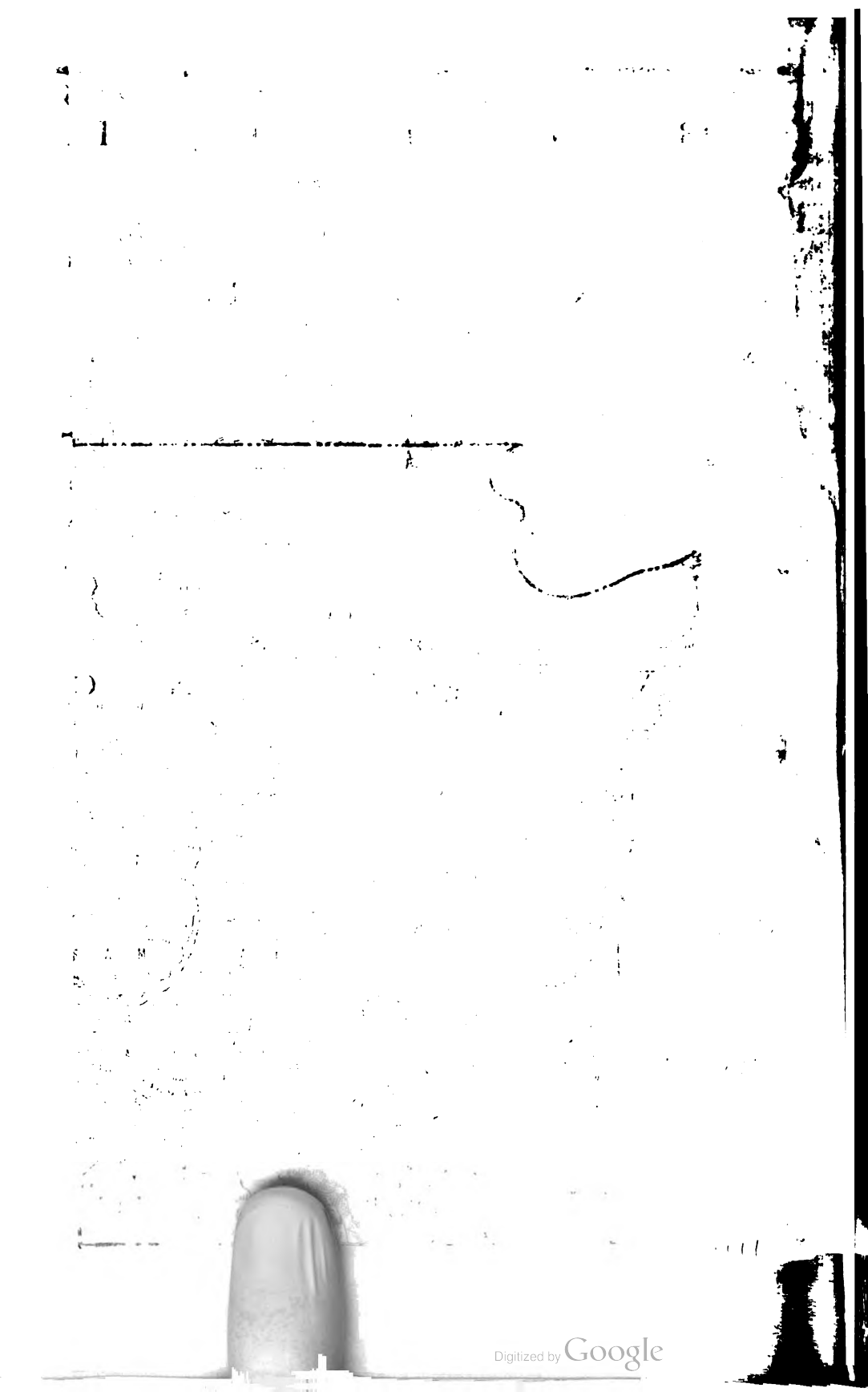
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NINTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1898.

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NINTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1898.

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GREAT NORTHERN RAILWAY COMPANY.

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.

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.

P 25928

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NINTH ANNUAL REPORT

OF THE

GREAT NORTHERN RAILWAY

COMPANY.

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

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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.

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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

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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.

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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

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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.

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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″x26″, 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.

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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.

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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-feet 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-

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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

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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.

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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-feet 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.

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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 roadbed 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.

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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 6½ 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 12¾ 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

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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

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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.

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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.

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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	$18,056,046.88	.....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	

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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
48.08	Operating Expenses, per cent of Gross Earnings	55.06
51.18	Operating Expenses and Taxes, per cent 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

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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.)	$17,639,770.07	$8,316,219.80	$586,384.15	$8,737,166.12	$1,356,465.86	$10,098,631.98
RAILWAYS.						
Eastern Ry. of Minnesota	2,018,031.50	1,095,402.41	57,251.60	865,377.49	121,081.30	986,458.79
Montana Central Railway	2,126,342.49	1,150,942.41	31,324.89	944,075.19	11,990.88	956,066 07
Willmar & Sioux Falls Ry.	740,160.27	260,457.67	19,894.14	459,808.46	694.24	460,502 70
Duluth Watertown & Pacific Ry.	53,239.86	31,683 34	6,086 50	15,470.02	124.00	15,594.02
Total Railway System Proper	$22,577,544.19	$10,854,705.63	$700,941.28	$11,021,897.28	$1,490,356.28	$12,512,253.56
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	1,327.63	37,545 22	8,643.81	46,189 03
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	543,245.32	423,009.57	3,136.36	117,099.39		117,099 39
Sand Coulee Coal Company	755,386.89	598,945 16	1,582.05	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	150,000.00
Minneapolis Union Ry. Co.	25,000.00
Sand Coulee Coal Co.	150,000.00
Total	$1,125,000.00

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 Account on page 26.

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 $13,500.00, 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 $300,242.16.

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REVENUE ACCOUNT.

GREAT NORTHERN RAILWAY COMPANY.

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

FOR YEAR ENDING JUNE 30, 1898.

EARNINGS:		
Freight	$13,774,831.74	
Passenger	2,785,601.59	
Mail	403,623.16	
Express	179,085.73	
Miscellaneous	496,627.85	
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	
Total Operating Expenses	$8,316,219.80	
TAXES	586,384.15	8,902,603.95
Income from Operation		$8,737,166.12
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 (For details see page 31.)	$3,499,940.12	
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	
Total	$5,396,863.27	
Amount transferred to—		
Fund for Permanent Improvements and Renewals	1,500,000.00	
Fund for Construction of Cascade Tunnel, etc.	750,000.00	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		$1,090,302.85
OTHER INCOME:		
Interest on Bonds Owned	$69,418.50	
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		$3,571,768.71
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		$2,071,768.71

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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	
Total		$69,418.50

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., Prf'd Stock	95,642.00	
Total		$1,259,357.00

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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.

To Cost of Properties and Securities Owned by Great Northern Ry. Co.	$29,387,116.04	
Less 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	2,168,981.11	
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

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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
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.....	200,915.86	
		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
		$78,743,408.94

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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.
FREIGHT TRAFFIC.				
Mileage of Freight Trains	5,541,497	5,442,659	98,838	1.8160
Mileage of Mixed Trains	585,687	452,901	132,786	29.3190
Mileage of Loaded Freight Cars.	131,344,692	116,801,076	14,543,616	12.4516
			Decrease.	*Decrease.*
Mileage of Empty Freight Cars..	36,325,887	36,482,666	156.779	.4297
			Increase.	*Increase.*
Total Car Mileage	167,670,579	153,283,742	14,386,837	9.3858
Tons of Freight Carried, Revenue	8,089,593	7,471,894	617,699	8 2670
Company	1,220,417	1,169,799	50,618	4.3271
Total	9,310,010	8,641,693	668,317	7.7336
Tons of Revenue Freight Carried one Mile	1,937,955,894	1,657,223.725	280,732.169	16.9399
Earnings from Freight Traffic	$18,344,387.31	$16,096,509 87	$2,247,877.44	13.9650
AVERAGES.				
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
			Decrease.	*Decrease.*
Earnings per Ton per Mile	*Cents.* .932	*Cents.* .956	*Cents.* .024	2.5105
PASSENGER TRAFFIC.				
			Increase.	*Increase.*
Mileage of Passenger Trains	3,351,746	3,205,238	146,508	4.5708
Passengers Carried	1,715,664	1,498,310	217,354	14.5066
Passengers Carried One Mile	149,041,326	97,543,778	51,497.553	52.7943
Earnings from Passenger Trains	$4,212,499.27	$3,314,836.71	$897,662.56	27.0801
AVERAGES.				
Earnings per Passenger Train Mile	$1.2568	$1.0342	$0.2226	21.5239
			Decrease.	*Decrease.*
Earnings per Passenger per Mile	*Cents.* 2.222	*Cents.* 2.591	*Cents.* .369	14 2416
TOTAL TRAINS.				
			Increase.	*Increase.*
Mileage of Freight and Passenger Trains	9,478,930	9,100,798	378,132	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
			Decrease.	*Decrease.*
Expenses per Train per Mile	1.14	1.17	.03	2.5641
			Increase.	*Increase.*
Net Traffic Earnings per Train per Mile	1.24	.96	.28	29.1667

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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, 1897.	BONDS.	Outstanding July 1, 1898.	Annual Charges Paid 1897-'98.
	ST. P., M. & M. RY.—		
$61,400.00	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
21,262,000.00	Consolidated Mortgage, 4½ per ct.	22,250,000.00	980,641.94
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.....		$3,499,940.12
	GREAT NORTHERN RY.—		
15,000,000.00	Collateral Trust, 4 per cent.....	$15,000,000.00	$600,000.00
	EASTERN RY. OF MINNESOTA.—		
4,700,000.00	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	.....
	MONTANA CENTRAL RY.—		
6,000,000.00	First Mortgage, 6 per cent	6,000,000.00	360,000.00
2,700,000.00	First Mortgage, 5 per cent.....	3,300,000.00	150,000.00
	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
$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 32.....		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	230.72
Mileage of Main Tracks covered by bonds in hands of the public.....		4,516 97
Bonded Debt per mile of Main Track.....		$24,943.59
Capital Stock, St. P., M. & M. Ry., per mile of Main Track (3,864.75 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 £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.

‡ Bonds bear date of April, 1898; no interest paid to June 30, 1898.

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TRACK STATEMENT.

GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

LINES LEASED FROM ST. P., M. & M. RY. CO.:		*Main Track, Miles.*	*Total Miles.*
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		360.31	
Cascade Division		307.60	
Total First Main Track		3,813.90	3,813.90
	Miles.		
Second Track	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			523.11
Total Tracks covered by the Bonded Debt of the St. P., M. & M. Ry., as shown by statement on page 31.			4,387.86
OTHER TRACKS LEASED BY GREAT NORTHERN RY.:			
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		3,823.95	
PROPRIETARY COMPANIES:	*Side Track Miles.*	*Main Track Miles.*	
Eastern Ry. of Minnesota	65.90	172.33	
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	21.37	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

NOTE.—Total Miles of Road in System, June 30, 1898, as shown above 4,698.26

Total Miles of Road in System, June 30, 1897, per report that year 4,559.34

Increase in Mileage 138.92

This increase is made up as follows:

Langdon to Hannah, constructed	21.06	
Cavalier 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

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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
PASSENGER EQUIPMENT—		
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
Total Passenger Equipment	372	332
FREIGHT EQUIPMENT—		
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
Total Freight and Work Equipment	17,850	15.424

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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	425,664.00	
Amount of Grant, Willmar Branch	51,200.00	
		476,864.00
Total acreage selected to date	169,501.38	
Total acreage deeded to Company	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.

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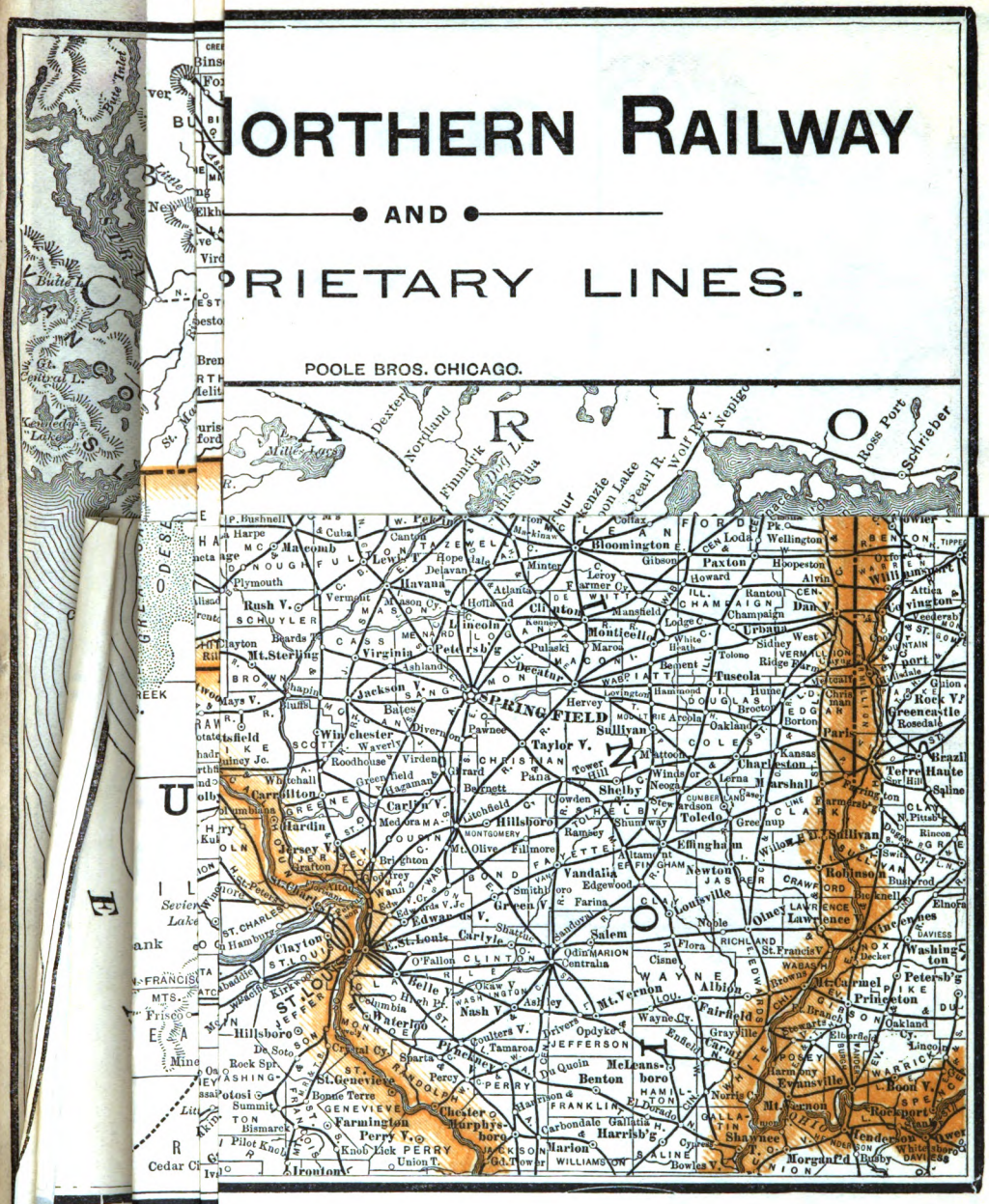

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TENTH ANNUAL REPORT

OF THE

GREAT NORTHERN

Railway Company.

FISCAL YEAR ENDING

JUNE 30, 1899.

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GREAT NORTHERN RAILWAY COMPANY.

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.

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.

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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 1/10 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

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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

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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..... (These bonds were shown as a special item on balance sheet for last and previous years.)	$15,000,000.00
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.....	$58,173,062.79

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.

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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-

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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.

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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

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via Elk River and Milaca. The line is being built in the most substantial manner, and laid with steel rails weighing 77½ 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.

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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.

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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.

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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,

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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.

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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.

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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

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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

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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.

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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.*

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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 Westminster, 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.

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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	

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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
48.62	Operating Expenses, per cent of Gross Earnings	48.08
52.33	Operating Expenses and Taxes, per cent 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

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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	$9,396,647.55	$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	99,320.83	1,631,649.18	252,931.02	1,884,580.20
Montana Central Railway	1,908,163.53	1,128,199.89	36,318.53	743,645.11	22,529.88	766,174.99
Willmar & Sioux Falls Ry.	919,428.93	284,973.24	27,645.91	606,809.78	975.56	607,785.34
Duluth, Watertown & Pacific Railway	83,015.41	35,669.29	5,132.66	42,213.46	158.00	42,371.46
Total Railway System Proper	$25,017,903.66	$12,164,001.79	$927,359.43	$11,926,542.44	$950,419.61	$12,876,962.05
OTHER COMPANIES:						
Minneapolis Union Ry	231,501.02	48,186.94	1,993.21	181,320.87	31.29	181,352.16
Minneapolis Western Ry.*	100,126.50	47,647.41	2,106.89	50,372.20	*Dr.* 17.28	50,354.92
Duluth Terminal Ry	33,704.67	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	698,766.15	539,036.65	10,410.40	149,319.10	.....	149,319.10
Sand Coulee Coal Co	514,121.74	348,373.51	2,952.80	162,795.43	2,367.27	165,162.70
Total for System	$27,598,572.19	$13,916,285.83	$944,822.73	$12,737,463.63	$952,800.89	$13,690,264.52

*For eighteen months ended June 30, 1899. †For year ended December 31, 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

which amount is not included in the "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 railways 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.

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 $315,470.82.

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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
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	
TAXES	758,941.50	10,155,589.05
Income from Operation		$8,902,224.91
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 (For Details see page 31.)	$3,505,045.68	
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.	6,686.47	
Other rentals	123,566.67	
Total Rentals	$4,835,298.82	
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	
Total Charges	$4,916,510 34	
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	
Net Amount	$4,137,824.34	
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.....	53,268.23	2,673,825.15
Total Income.....		$5,638,225.72
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	1,301,457.50	3,851,033.76
Balance transferred to Profit and Loss...		$1,787,191.96

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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	19,642.50	
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. Prf'd Stock	95,642.00	
Total		$2,134,620.00

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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.

To Cost of Properties and Securities Owned by Great Northern Ry. Co.	$87,560,178.83	
Less 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	
	$47,551,327.31	
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	
		13,867,706.64
Value of Material and Fuel on Hand		1,632,253.99
		$133,785,446.12

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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		$89,226,610.00
FUNDED DEBT IN HANDS OF PUBLIC.		
Great Northern Ry. Co., Collateral Trust Bonds, *Called*	$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 Permanent Improvements and Renewals"	$3,073,924.42	
Unexpended Balance of Fund for Permanent Improvements 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	$5,404,828.85	
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
		$133,785,446.12

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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.
FREIGHT TRAFFIC.				
Mileage of Freight Trains	5,809,762	5,541,497	268,265	4.8410
Mileage of Mixed Trains	610,202	585,687	24,515	4.1857
Mileage of Loaded Freight Cars	136,894,981	131,344,692	5,550,289	4.2257
Mileage of Empty Freight Cars	41,236,920	36,325,887	4,911,033	13.5194
Total Car Mileage	178,131,901	167,670,579	10,461,322	6.2392
Tons of Freight Carried, Revenue	10,002,810	8,089,593	1,913,217	23.6503
Company.	1,318,076	1,220,417	97,659	8.0021
Total	11,320,886	9,310,010	2,010,876	21.5991
Tons of Revenue Freight Carried One Mile	2,158,212,794	1,937,955,894	220,256,900	11.3654
Earnings from Freight Traffic	$20,064,812.47	$18,344,387.31	$1,720,425.16	9.3785
AVERAGES.				
All Cars hauled per Freight Train Mile	27.75	27.37	.38	1.3884
Tons Revenue Freight hauled per Train	336.172	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
			Decrease.	*Decrease.*
Earnings per Ton per Mile	*Cents.* .916	*Cents.* .932	*Cents.* .016	1.7167
PASSENGER TRAFFIC.				
			Increase.	*Increase.*
Mileage of Passenger Trains	3,757,818	3,351,746	406,072	12.1152
Passengers Carried	2,024,293	1,715,664	308,629	17.9889
Passengers Carried One Mile	169,882,867	149,041,326	20,841,541	13.9837
Earnings from Passenger Trains	$4,934,159.62	$4,212,499.27	$721,660.35	17.1314
AVERAGES.				
Earnings per Passenger Train Mile	$1.3130	$1.2568	$0.0562	4.4717
			Decrease.	*Decrease.*
Earnings per Passenger per Mile	*Cents.* 2.208	*Cents.* 2.222	*Cents.* .014	.6301
TOTAL TRAINS.				
			Increase.	*Increase.*
Mileage of Freight and Passenger Trains	10,177,782	9,478,930	698,852	7.3727
Earnings from Freight and Passenger Trains	$24,998,972.09	$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

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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, 1898.	BONDS.	Outstanding July 1, 1899.	Annual Charges Paid 1898-99.
	ST. P., M. & M. RY.—		
$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.....	.....	$3,505,045.68
	GREAT NORTHERN RY.—		
15,000,000.00	Collateral Trust (Called), 4 per cent	$36,000.00	$81,211.52
	EASTERN RY. OF MINNESOTA.—		
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
	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.....	3,300,000.00	165,000.00
	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
$112,669,454.54	.....Total.....	$97,239,454.54	$4,915,057.20
	STOCK.		
$20,000,000.00	ST. P., M. & M. Ry.—6 per cent, Guaranteed, 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.....	4,697.23
Bonded Debt Outstanding per mile of Main Track covered thereby.....	$20,698.57

*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.

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TRACK STATEMENT.

GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

			Main Track, Miles,	*Total Miles.*
LINES LEASED FROM ST. P. M. & M. RY. CO.:				
Terminals Division			20.17	
Fergus Falls Division (not including line leased from Park Rapids & Leach Lake Railway Co.)			596.21	
Willmar Division			271.28	
Breckenridge Division			579.25	
Northern Division			566.76	
Dakota Division (not including line leased from Eastern Ry. Co. of Minn.)			461.18	
Montana Division			713.36	
Kalispell Division			360.31	
Cascade Division (not including line of Seattle & Montana R. R. Co.)			307.60	
Total First Main Track			3,816.12	3,816.12
		Miles.		
Second Track		27.88		
Third Track		9.28		
Fourth, Fifth and Sixth Tracks		13.05		50.21
Total Main Tracks covered by lease				3,866.33
Side Tracks				567.52
Total Tracks covered by the Bonded Debt of the St. P. M. & M. Ry. as shown on page 31				4,433.85
OTHER TRACKS LEASED BY THE GREAT NORTHERN RY. CO.:				
	Miles.	*Side Track Miles.*		
Oregon R. R. & Nav. Co., Spokane Union Depot Co., and Spokane & Seattle Ry. in Spokane Washington	4.80			
Everett and Monte Cristo Ry., Everett, Washington	5.25		10.05	10.05
Eastern Ry of Minnesota—Fosston to Cass Lake		5.91	59.77	65.68
Park Rapids & Leech Lake Ry.—Park Rapids to Cass Lake		4.07	49.04	53.11
TRACK OPERATED BY THE GREAT NORTHERN RY. CO.:				
Seattle & Montana R R., Seattle, Washington, to South Westminster, B. C		24.88	159.10	183.98
Main Line Operated by Great Northern Ry Co.,			4,094.08	
PROPRIETARY COMPANIES:	*Side Track.*	*Main Track.*		
Eastern Ry. of Minnesota	111.44	412.92		
Less leased to Great Northern Ry Co.	5.91	59.77		
	105.53	353.15	105.53	353.15
Second Track			8.55	
Duluth Terminal Ry			3.57	1.78
Leased, Superior Belt Line & Terminal Ry			.21	5.87
Montana Central Ry			50.62	261.95
Willmar & Sioux Falls Ry			16.98	205.25
Duluth, Watertown & Pacific Ry			4.08	69.84
Minneapolis Union Ry			4.70	2.63
Second Track			2.63	
Minneapolis Western Ry			4.69	1.69
Total First Main Track, Proprietary Lines				902.16
Total Second Main Tracks and Side Tracks Proprietary Lines			201.56	201.56
Total Miles of Road in System, June 30th, 1899			4,996.24	
Total Miles of Tracks, all kinds, in System				5,850.39

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TRACK STATEMENT—*Continued.*

	Main Track Miles.	*Total Miles.*
Total Main Tracks St. P. M. & M. Ry	3,866.33	
First Main Track Seattle & Montana R. R	159.10	
First Main Track Proprietary Companies	1,005.10	
Second Main Track Proprietary Companies	11.18	
Total Main Tracks		5,041.71
NOTE.—Total Mileage of Road in System, June 30th, 1899, as shown on page 32	4,996.24	
Total Mileage of Road in System, June 30th, 1898, per report for that year	4,698.26	
Increase in Mileage		297.98
This increase is made up as follows:		
ST. P. M. & M. RY.		
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	
	2.43	
Less change of line at Des Lacs Hill, North Dakota	.21	2.22
EASTERN RY. OF MINNESOTA:		
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	98.59	
Nemadji Junction to Cloquet	27.53	
Hinckley to Fridley (nearly completed.)	64.72	
	240.59	
Leased. Superior Belt Line & Terminal Ry., St. Louis River Bridge to Saunders	5.87	246.46
MONTANA CENTRAL RY.:		
Extension Cottonwood Branch		.26
PARK RAPIDS & LEECH LAKE RY. (Leased by Great Northern Ry. Co.)		49.04
Increase in Mileage		297.98

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.

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EQUIPMENT OF GREAT NORTHERN RAILWAY AND PROPRIETARY LINES.

FOR YEAR ENDING JUNE 30th, 1899, COMPARED WITH YEAR ENDING JUNE 30th, 1898.

CLASS	1899	1898
Locomotives	541	482
PASSENGER EQUIPMENT		
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
FREIGHT EQUIPMENT.		
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

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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	7,965.42½
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.

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