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Annual report of the Minneapolis, St. Paul & Sault Ste. ...

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

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FIRST PUBLISHED ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1900.

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FIRST PUBLISHED ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1900.

MINNEAPOLIS:
TRIBUNE PRINTING COMPANY,
1900.

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

DIRECTORS.

THOMAS LOWRY,	Minneapolis, Minn.
JOHN MARTIN,	Minneapolis, Minn.
W. D. WASHBURN,	Minneapolis, Minn.
J. S. PILLSBURY,	Minneapolis, Minn.
C. H. PETTIT,	Minneapolis, Minn.
F. H. PEAVEY,	Minneapolis, Minn.
SIR WM. C. VAN HORNE,	Montreal, Quebec.
T. G. SHAUGHNESSY,	Montreal, Quebec.
R. B. ANGUS,	Montreal, Quebec.
W. H. BRADLEY,	Tomahawk, Wis.
WM. B. DEAN,	St. Paul, Minn.

OFFICERS.

THOMAS LOWRY, *President.*
JOHN MARTIN, *Vice Pres't.*
C. F. CLEMENT, *Sec'y and Treas.*
C. W. GARDNER, *Auditor.*
E. PENNINGTON, *General Manager.*

Transfer and Fiscal Agents, AGENTS' BANK OF MONTREAL, Wall Street, New York.
Registrar of Stock and Bonds, CENTRAL TRUST CO., New York.

Annual Meeting, Third Tuesday in September at Minneapolis, Minn.

(RECAP) JUL 31 1915 343291
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FIRST PUBLISHED ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1900.

This being the first printed report the Company has issued it is proper to give a brief history of the organization.

The Minneapolis, Sault Ste. Marie & Atlantic Railway Company was organized in the year 1883, under the general incorporation laws of the State of Wisconsin, and, during the years from 1884 to 1887, constructed and operated the line of road extending from Minneapolis to Sault Ste. Marie, a distance of 494 miles; the Minneapolis & Pacific Railway Company was organized in 1884 and the Minneapolis & St. Croix Railway Company in the year 1885, under the laws of Minnesota; the former Company constructed the line from Minneapolis to Boynton, N. D., in 1886 and 1887, about 288 miles. The Aberdeen, Bismarck & Northwestern Railway Company was organized in the year 1883, under the general incorporation laws of the Territory of Dakota; this Company graded and bridged a line from Aberdeen to Bismarck and acquired terminal properties in both places, but never laid any track.

In the year 1888 the above Companies were consolidated, and all their rights, properties and franchises united and vested in one single corporation, the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, under the statutes and general laws of the states above referred to. The Consolidated Company thus acquired about 800 miles of road in operation. Its stock was issued to the extent of 140,000 shares Common and 70,000 Preferred, in exchange for the stock of the several constituent Companies.

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The Minneapolis & Pacific Railway Company had issued $4,290,000 and the Minneapolis, Sault Ste. Marie & Atlantic Railway Company $10,000,000 five per cent. bonds.

The Consolidated Company executed a mortgage providing for the issuance of $21,000,000 of bonds on the 800 miles of road already constructed and $20,000 per mile on each additional mile thereafter constructed; sufficient of the bonds were reserved to retire at par value the bonds of the constituent Companies.

In 1890 an arrangement was effected whereby the holders of the outstanding Consolidated Bonds surrendered fifteen per cent. of the same and received in lieu thereof Income Certificates to the amount of $771,000, due in 1900, and at the same time a reduction of the rate of interest from five to four per cent., the Canadian Pacific Company guaranteeing the latter amount; the same privilege, i. e., the Canadian Pacific Company's guarantee of four per cent. was extended to the holders of the M. & P. and M., S. Ste. M. & A. Bonds, and finally the entire issue of bonds was thus reduced to a four per cent. basis.

Since the consolidation the Company has extended its lines in Dakota to the Canadian boundary, where it connects with the Canadian Pacific Railway at Portal, thus making a through Pacific Coast Route from the Twin Cities, and has also extended the Boynton Line towards Bismarck to Braddock, a portion of the old grade of the Aberdeen, Bismarck & Northwestern being thus utilized; additional mileage has been added in Wisconsin and Michigan, so that the Company now owns 1,278 miles of road, all in excellent condition.

Sufficient mileage has been constructed to entitle the Company to issue $1,128,000 of its first consolidated mortgage bonds and which are available for extensions or improvements when required.

The Gross Earnings as compared with the previous year show an increase of 18.4 per cent.; Operating Expenses, 3.7 per cent.; Net Earnings, 37.7 per cent.; Fixed Charges, Taxes and Terminal Rentals, 13.6 per cent.; Surplus Earnings, 134.9 per cent.; Passenger Earnings, 32.3 per cent., and Freight Earnings, 16 per cent.

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The Fixed Charges were increased during the year by the issuance of $3,500,000 of four per cent. (4%) second mortgage bonds; the proceeds of these bonds were used to retire Income and Interest Dividend Certificates, aggregating $970,241.58, payment of the amount advanced by the Canadian Pacific Railway Company for Construction and Equipment Account, payment of Car Trust Notes, purchase and improvement of the Minneapolis Terminals, purchase of additional Equipment, etc.

During the year the line from Rapid River north to Trenary, a distance of twenty-four miles, was completed.

The Company purchased grounds for Freight Terminals at Minneapolis, and a Freight House, 50x500, with two-story office at one end, is now building; also a Passenger Station for the accommodation of local trains.

The grounds are centrally located and as convenient and desirable as any in the city; they will contain three miles of tracks, including main line and storage tracks, which will be ample to take care of the business at that point; the grounds are now being graded and the entire plant will be ready for occupancy by October 1st. A considerable saving of Terminal Rental will thus be effected.

During the year forty (40) miles of sixty-pound steel rails were re-laid with seventy-two pound steel, and an additional thirty-three (33) miles are now being replaced with eighty-pound rails; when completed, the Company will have two hundred (200) miles of heavy steel between Minneapolis and Gladstone; the line from Valley City to Portal, N. D., a distance of 262.86 miles, was provided with seventy-two pound rails when constructed; the balance of the line is laid with sixty-pound rails.

During the year 2,641 lineal feet of wooden bridges were filled with earth, and eight wooden span bridges were replaced with steel spans, thus making further repairs unnecessary; the cost of the wooden spans was charged to Operating Expenses. One hundred (100) miles of road was ballasted with gravel.

The Company's Equipment is in excellent condition, and was increased during the year by the purchase of two hundred (200) Freight Cars, of sixty thousand pounds capacity

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each, equipped with air brakes and automatic couplers; also, forty (40) new Refrigerator Cars.

The Company's large, general shops at Shoreham received generals repairs, including new roofs and four new steam boilers; also, extensive repairs were made to the Coal, Merchandise, Flour and Ore Docks at Gladstone, Mich., thus insuring decreased maintenance expenses; the high standard of the balance of the buildings has been maintained, and, in fact, the road-bed, buildings and other fixtures were never in better condition and repair than at present.

The work of the Industrial Development Department during the past few years is apparent in the substantial increase in settlers and farm acreage and the establishment of numerous industries along the line, all of which have contributed toward the increased earnings of the year.

The average rate per ton per mile was 6.58 mills as compared with 5.80 mills during the preceding year. The average miles operated during the year was 1,285.74; the Gross Earnings per mile were $4,006.39 as compared with $3,470.07 per mile during the previous year, and $2,446.32 during the year 1894 on an average of 1,188.71 miles.

Following will be found statements in detail of the Earnings, Expenses and other statistical information.

Respectfully submitted,

THOMAS LOWRY, *President.*

E. PENNINGTON *General Manager.*

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MILEAGE.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich....to Portal, N. D.....	1,038.30	miles
Northtown Jct.....to Camden Place, Minneapolis	1.01	"
Hankinson.....to Hebard, N. D.....	182.11	"
Dresser Jct.....to St. Croix Falls, Wis.....	4.05	"
Cardigan Jct.....to St. Paul, Minn.....	5.34	"
Rapid River .....to Trenary, Mich.....	24.43	"
	1,255.24	"
Add Logging Lines and Spurs.....	22.91	'
Total mileage June 30, 1900.....	1,278.15	"

In addition to the above, the Company has trackage facilities over 19.80 miles of terminal property in Minneapolis and St. Paul.

EARNINGS AND EXPENSES.

Gross earnings and expenses were as follows:

Passenger.....	$ 822,908.78	
Freight	3,974,398.70	
Express, mail and miscellaneous	353,880.43	
		$5,151,187.91
OPERATING EXPENSES—		
Maintenance of way and structures.....	$ 537,647.15	
Maintenance of equipment	445,792.52	
Conducting transportation	1,459,516.97	
General expenses.....	111,626.35	
		$2,554,582.99
Net earnings.....		$2,596,604.92
OTHER PAYMENTS—		
Interest on bonds.....	$1,320,360.00	
Taxes and revenue.....	241,809.26	
Rental of terminals.....	129,158.94	
Other interest charges and accounts charged off	24,404.91	
		$1,715,733.11
Surplus earnings..		$ 880,871.81

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CONDENSED GENERAL BALANCE SHEET, JUNE 30, 1900.

Debits.

Cost of road, acquired lines, extensions and equipment		$53,792,294.81
Real estate owned		414,093.11
Stocks and bonds owned—		
St. Paul Union Depot Stock	$43,750.00	
Western Express Company stock	25,000.00	
Sault Ste. Marie Bridge Co. Stock	500.00	
Minn. Transfer Ry. Co. stock and bonds	15,000,00	
Treasury stock, this Company	225,600.00	
Chapin Mining Co. bonds	40,200.00	
		$350,050.00
Material and supplies on hand		669,576.77
Due from—		
Foreign roads	$74,218.76	
Agents and conductors	265,082.33	
U. S. Postoffice Department	50,089.74	
Bills and accounts receivable	127,421.59	
Cash—Minneapolis, New York, London and Montreal	1,217,568.51	
Total cash and cash assets		$1,734,380.93
Other advances and accounts		21,361.15
		$56,981,756.77

Credits.

Capital Stock—		
Common	$14,000,000.00	
Preferred	7,000,000.00	
		$21,000,000.00
Funded Debt—		
First Mortgage M. & P. bonds, 4%	$3,089.000.00	
First Mortgage M., S. S. M. & A. bonds, 4%	8,239,000.00	
First Consol. Mortgage bonds, 4%	18,180,000.00	
Second Mortgage bonds, 4%	3,500,000.00	
		33,008,000.00
Income and interest certificates outstand'g		35,023.40
Bills payable—		
Car Trust notes	668,697.31	
Western Express Co.	25,000.00	
Mortgage notes on real estate	83,000.00	
		776,697.31
Interest accrued on bonds due July 1st		587,280.00
Taxes accrued, not yet due		105,411.43
Current liabilities—		
Vouchers and accounts payable	$591,888.46	
Pay rolls	216,576.06	
		808,464.52
Income account		660,880.11
		$56,981,756.77

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INCOME ACCOUNT, JUNE 30, 1900.

To Balance June 30, 1899	$ 219,991.70
Operating Expenses	2,554,582.99
Interest on Bonds	1,320,360.00
Terminal Rentals	129,158.94
Taxes	241,809.26
Interest on Equipment Notes	9,324.46
Interest, Discount and Exchange	199.09
Accounts charged off	17,646.36
Balance	660,880.11
	$5,153,952.91

By Freight Earnings	$3,974,398.70
Passenger Earnings	822,908.78
Mail Earnings	195,144.67
Express Earnings	80,744.06
Miscellaneous Earnings	77,991.70
Dividends on Stock owned	2,625.00
Interest on Bonds owned	140.00
	$5,153,952.91
By Balance June 30, 1900	$ 660,880.11

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Detailed Statemenet of Earnings and Expenses, Comparative.

EARNINGS.	1898.	1899.	1900.
From Freight	$3,287,309.25	$3,426,985.96	$3,974,398.70
From Passengers	562,791.38	621,792.95	822,908.78
From Mails	157,356.03	177,193.96	195,144.67
From Express and Miscellaneous	125,242.58	122,612.17	158,735.76
Total Gross Earnings	$4,132,699.24	$4,348,585.04	$5,151,187.91
OPERATING EXPENSES.			
MAINTENANCE OF WAY AND STRUCTURES.			
Repairs of Roadway	$246,524.47	$283,362.51	$283,805.61
Renewals of Rails	6,428.04	2,700.10	Cr. 460.08
Renewals of Ties	72,912.02	94,964.33	115,427.83
Repairs and Renewals, Bridges and Culverts	54,716.98	75,633.23	71,729.33
Repairs and Renewals, Fences, Road Crossings, Signs and Cattle Guards	6,467.65	7,018.76	7,143.05
Repairs and Renewals, Buildings and Fixtures	44,769.68	53,432.36	37,829.94
Repairs and Renewals, Docks	5,283.08	10,129.30	12,788.27
Repairs and Renewals, Wharfs	226.01	190.65	.....
Repairs and Renewals, Telegraph	6,922.64	8,571.88	9,042.85
Stationery and Printing	532.30	460.69	340.35
Other Expenses	49.55	.....	.....
Total	$444,832.37	$536,463.81	$537,647.15
MAINTENANCE OF EQUIPMENT.			
Superintendence	$11,077.18	$5,730.06	$5,735.12
Repairs and Renewals, Locomotives	131,003.08	145,398.30	178,108.41
Repairs and Renewals, Passenger Cars	48,109.31	58,876.51	54,790.56
Repairs and Renewals, Freight Cars	191,273.42	208,694.49	165,548.41
Repairs and Renewals, Work Cars	10,895.52	8,346.92	13,049.56
Repairs and Renewals, Shop Machinery and Tools	14,249.26	19,013.38	14,251.92
Stationery and Printing	1,465.38	1,167.96	1,410.67
Other Expenses	10,974.96	15,494.25	12,897.87
Total	$419,048.11	$462,721.87	$445,792.52
GENERAL EXPENSES.			
Salaries General Officers	$27,943.68	$25,083.25	$25,055.49
Salaries, Clerks and Attendants	37,236.79	42,511.91	43,615.55
General Office Expenses and Supplies	13,478.86	13,888.11	11,089.35
Insurance	12,943.72	12,498.65	10,776.27
Law Expense	13,476.37	13,672.49	11,636.39
Stationery and Printing	2,764.31	2,496.88	3,638.50
Other Expenses	4,501.72	6,653.57	5,814.80
Total	$112,345.45	$116,804.86	$111,626.35
CONDUCTING TRANSPORTATION.			
Superintendence	$57,143.68	$61,152.48	$59,307.75
Engine and Round House Men	228,426.70	251,929.14	253,185.33
Fuel for Locomotives	262,024.77	278,858.08	366,453.56
Water Supply for Locomotives	12,537.58	13,595.55	14,381.71
Oil, Tallow and Waste for Locomotives	8,081.00	10,058.50	9,190.44
Other Supplies for Locomotives	3,178.06	3,982.93	3,020.51
Freight Train Service	125,609.89	142,364.76	142,056.75
Freight Train Supplies and Expenses	16,966.22	19,171.16	14,658.30
Passenger Train Service	42,038.02	48,976.19	44,457.85
Passenger Train Supplies and Expenses	20,931.61	24,776.57	25,965.84
Switchmen, Flagmen and Watchmen	37,571.84	38,984.98	37,780.54
Telegraph Expenses	48,304.35	52,747.06	50,345.00
Station Service	* 175,523.92	154,894.67	105,538.92
Station Supplies	10,185.59	13,514.98	10,647.38
Switching Charges, Balance	220.71	Cr. 2,897.99	Cr. 495.63
Car Mileage Balance ..... Credit	40,116.87	55,429.05	32,862.35
Hire of Equipment	2,920.56	Cr. 3,868.17	Cr. 4,291.86
Damage and Loss of Freight and Baggage	8,681.34	16,845.41	5,418.13
Damage to Property, Including Live Stock	4,798.50	2,853,16	8,944.02
Injuries to Persons	15,590.94	29,981.07	25,867.12
Clearing Wrecks	1,561.43	3,805.34	3,081.30
Operating Gladstone Ore Docks	8,235.78	5,178.59	7,981.74
Operating Gladstone Flour and Mdse. Docks	* 5,846.30	27,364.94	87,264.33
Operating Gladstone Coal Docks	3.42	.....	.....
Operating Ferry Dock	.....	2,043.77	.....
Advertising	9,499.29	12,812.13	12,242.79
Outside Agencies	93,613.08	94,692.86	85,873.14
Stock Yards and Elevators	5,656.82	5,706.61	6,101.87
Rents of Buildings and Other Property ..... Credit	2,901.61	2,531.99	2,284.49
Stationery and Printing	14,569.94	12,949.15	18,851.14
Other Expenses	8,338.87	6,460.80	7,994.37
Dining Car Expenses	84.86	Cr. 1,370.46	.....
Operating Yards, Tracks and Terminals	76,353.07	77,721.66	92,841.47
Total	$1,261,479.66	$1,347,324.88	$1,459,516.97
Total Operating Expenses	$2,237,705.59	$2,463,315.42	$2,554,582.99
Net Earnings	$1,894,993.65	$1,885,269.62	$2,596,604.92
Percentage of Expenses to Earnings	54.1 per cent.	56.6 per cent.	49.6 per cent.

*The increase in "Operating Gladstone Docks" is occasioned by a change in method of accounting, this expense having formerly been charged to Station Service.

EXPENDITURES ACCOUNT OF BETTERMENT AND IMPROVEMENT TO MAIN LINE.

Year Ending June 30, 1900.

Right of Way Main Line		$ 5,760.32
Grading—Filling Wooden Bridges		37,152.11
Ballasting		5,812.54
Fencing in North Dakota		287.56
Telegraph Line—Brantwood, Armstrong Ck., and Rudyard		613.54
Additions to Water Supply and Coaling Plants		3,493.36
Steel Span Bridges (8)	$ 57,798.50	
Less charged against Operating	38,382.22	19,416.28
New Rails (40 miles) difference between 60 and 72 lb. steel		17,829.64
Automatic Freight Conveyers at Gladstone, Mich.		9,380.71
Terminal Tracks and Facilities at Rhinelander—Improvments to same		17,876.64
Improvements to miscellaneous buildings		479.46
Shoreham Yards—Additional Tracks and Improvements		8,455.05
Spaulding Spur track		8,890.45
Additional Passing and Side Tracks		36,905.04
		$ 172,352.70
Less material taken from track		4,662.07
		$ 167,690.63

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COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES.

EARNINGS.

	1900.	1899.	1898.	1897.	1896.	1895.	1894.
Freight	$3,974,398.70	$3,426,985.96	$3,287,309.25	$2,867,224.88	$3,009,713.73	$1,975,818.59	$2,172,895.99
Passenger	822,908.78	621,792.95	562,791.38	477,148.23	475,704.15	389,819.37	546,622.10
Mail	195,144.67	177,193.96	157,356.03	155,547.73	160,333.34	132,962.38	88,646.28
Express	80,744.06	58,430.14	52,593.79	40,305.12	32,016.98	10,292.02	12,799.01
Miscellaneous	77,991.70	64,182.03	72,648.79	58,136.10	58,104.00	48,383.13	86,999.76
Total	$5,151,187.91	$4,348,585.04	$4,132,699.24	$3,598,362.06	$3,735,872.20	$2,557,275.49	$2,907,963.14

EXPENSES.

Maintenance of way and structures	$537,647.15	$536,463.81	$444,832.37	$404,984.55	$388,232.86	$358,477.63	$453,172.09
Maintenance of Equipment	445,792.52	462,721.87	419,048.11	396,289.19	450,927.41	267,647.18	324,415.16
Conducting transportation	1,459,516.97	1,347,324.88	1,261,479.66	1,240,638.21	1,252,066.79	968,559.62	1,068,725.97
General expenses	111,626.35	116,804.86	112,345.45	117,383.18	119,356.97	119,370.08	292,017.82
Total	$2,554,582.99	$2,463,315.42	$2,237,705.59	$2,159,295.13	$2,210,584.03	$1,714,054.51	$2,138,331.04
Percentage earnings and expenses	49.6 per cent	56.6 per cent	54.1 per cent	60 per cent	59.1 per cent	67 per cent	73.5 per cent
Net earnings	$2,596.604.92	$1,885,269.62	$1,894,993.65	$1,439.066.93	$1,525,288.17	$843,220.98	$769,632.10
Fixed charges and other items, taxes and terminal rentals	$1,715,733.11	$1,510,212.37	$1,492,806.56	$1,442,366.35	$1,520,923.50	$1,357,220 26	$1,163,646.79
Surplus	880,871.81	375,057.25	402,187.09	.....	4,364.67	.....	.....
Deficit	.....	.....	.....	3,299.42	.....	513,999.28	394,014.69
Average miles operated	1,285.74	1,253.17	1,195	1,184.86	1,188.71	1,188.71	1,188.71
Earnings per mile	$4,006.39	$3,470.07	$3,458.32	$3,036,95	$3,142.80	$2,151.30	$2,446.32

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ADDITIONS AND IMPROVEMENTS TO EQUIPMENT.

Year Ending June 30th, 1900.

200 Box Cars—60,000 lbs. capacity	$153,071.89
375 Cars, equipped with M. C. B. Couplers	5,475.67
392 Cars, equipped with Air Brakes	22,237.69
40 Refrigerator Cars	37,627.62
Equipment for New Dining Car	642.55
	$219,055.42

EQUIPMENT RENEWAL ACCOUNT.

35 Box Cars destroyed, less 10 Rebuilt	$ 9,114.79	
4 Flat Cars destroyed	1,500.24	
8 Locomotives sold and scrapped	66,533.00	
2 Cabooses destroyed	1,650.00	
6 Ore Cars destroyed	2,712.00	81,510.03
Net Additions for one year		$137,545.39

TRAFFIC AND MILEAGE STATISTICS, 1900.

TRAIN MILEAGE.		
Freight revenue trains	(Miles)	1,618,312
Passenger revenue trains	"	845,602
Mixed revenue trains	"	386,270
Non-revenue trains	"	105,591
Total train mileage		2,955,775
FREIGHT TRAFFIC.		
Tons of freight carried		3,102,244
Tons of freight carried one mile		603,856,370
Tons of freight carried one mile per mile of road		469,656
Average distance haul of one ton	(miles)	194.65
Average amount received for each ton of freight		$1.28
Average rate per ton per mile		6.58 mills
Freight Earnings per mile of road		$3,095.17
Freight Earnings per train mile		$1.98½
PASSENGER TRAFFIC.		
Number of passengers carried earning revenue		436,813
Number of passengers carried one mile		37,543,998
Number of passengers carried one mile per mile of road.		29,200
Average distance carried	(miles)	85.95
Average amount received from each passenger		$1.88
Average rate per passenger per mile	(cents)	2.19
Passenger Earnings per mile of road		$888.96
Passenger Earnings per train mile	(cents)	92.78
MISCELLANEOUS.		
Gross Earnings per mile of road		$4,006.39
Operating Expenses per mile of road		$1,986.86
Mileage of Passenger Cars		5,867,640
Average number of passenger cars per train		4.76
Average number of passengers per train		30
Mileage of loaded freight cars—North or East		19,340,001
Mileage of loaded freight cars—South or West		20,562,326
Mileage of empty freight cars—North or East		5,886,641
Mileage of empty freight cars—South or West		5,649,500
Average number of freight cars in train		25.66
Average number of loaded cars in train		19.91
Average number of tons freight in train		301.24
Average number of tons freight in each loaded car		15.13
Average mileage operated during the year		1,285.74

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EQUIPMENT OWNED JUNE 30th, 1900.

Locomotives	97
Passenger Cars—	
First Class Coaches	12
Second Class Coaches	14
Combination Cars	6
Sleepers	8
Tourist Sleepers	20
Diners	4
Buffet	2
Baggage, Mail and Express	18
Official	2
Total Passenger Cars	86
Freight Cars—	
Caboose	70
Box	5,555
Flat	682
Ore	144
Stock	98
Refrigerator	73
Charcoal	49
Ballast	51
Logging	20
Furniture	10
Total Freight Cars	6,752
Miscellaneous—	
Tool Cars	3
Steam Shovels	3
Pile Drivers	2
Ditchers	2
Rotary Snow Plows	1
Total Miscellaneous	11

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Wall St. Jour. Apr 29/09

SOO LINE DEVELOPMENTS.

Through this bond issue of $5,000,000, Soo Line will be converted from a second class to a first class property. It will become much more valuable to Canadian Pacific as a feeder at Sault Ste. Marie on the east and Portal (Canadian boundary line) on the west. But it will be judged entirely on its own merits. Its statements show that with the $5,000,000 to be raised it ought to earn dividends all right, but it will be judged entirely by what it does and not by what it has done. According to the resolution passed by the Canadain Pacific, $3,500,000 are to be spent as follows:

For terminal yards and facilities at Minneapolis, increased accommodation at divisional and intermediate points, permanent bridges and general additions and improvements	$950,000.00
For redemption of interest bearing securities, coming due, and for payments on account of rolling stock equipment already purchased, and for additional equipment estimated to be required	1,675,000.00
For payment of floating debt incurred for additions and improvements to the property, including amount advanced by the Canadian Pacific Railway Company for that purpose, but not including amount advanced by that company on account of interest on bonds which will be distributed over a term of years	875,000.00
	$3,500,000.00

The remainder of the said bonds, namely, one million five hundred thousand dollars, or its equivalent in sterling money, is to be afterwards certified by the trustees from time to time in such amounts as the Soo Company, by resolution of its board of directors may direct, the written concurrence and approval of this company having been first obtained; provided that the said remainder of the said bonds or any part thereof shall not be disposed of. or the proceeds therof applied, except as Canadian Pacific from time to time first authorize and approve of in writing.

As a matter of fact, the $1,500,000 will be used for extension work. Soo Line now has a branch running to Kulm, N. D., a good wheat country, and it will certainly be extended to Bismark, N. D., where it will connect with Northern Pacific. This extension of about 27 miles may not be built before next year. Later on the line may be extended beyond Bismarck, and eventually connect with the Canadian Pacific further West. It is destined to be a much more powerful competitor of Northern Pacific and Great Northern for wheat traffic than it has ever been.

The following stock of the Soo Line is held by the Canadian Pacific, which also holds a corresponding control of Duluth, South Shore & Atlantic:

Four per cent. consolidated mortgage, guaranteed ..	$3,679,000
Preferred stock (constituting a majority)	3,533,400
Ordinary stock (constituting a majority)	7,066,000

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THE NEW YORK NEWS BUREAU.

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1 Broad St—Tel 981 Broad. Saturday, May 20, '99—No. 26

"SOO" BOND ISSUE.

An offering of $3,500,000 Minneapolis, St. Paul & Sault Ste. Marie second mortgage 4 per cent. gold bonds, guaranteed by the Canadian Pacific, is being made at £196 per $1,000 bond in the London market.

THE NEW YORK NEWS BUREAU.

41 Broad St—Tel 981 Broad. Wednesday, June 28, '99—No. 60

"SOO" INCOME ANTICIPATION.

The Minneapolis, St. Paul & Sault Ste. Marie Railway Company will anticipate the payment of its income certificates, amounting to $771,000. These certificates mature July 1, 1900, but they will be paid July 1 next, less one year's interest at 4 per cent.

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NEWS BULLETINS. THE WALL STREET JOURNAL.
ELECTRIC PAGE NEWS TICKER SERVICE
42-44 BROAD STREET, NEW YORK. Telephone No. 1845 BROAD.
Thursday. July 6, 1899. No. 9

NEW FEEDER FOR SOO.

The Soo Line has arranged for the construction of a 30 mile branch from Rabid River, six miles east of Gladstone, northwesterly, at a cost of $200,000. It will penetrate a rich hard wood timber and new agricultural territory. The contract has been let.

DOW, JONES & CO.
NEWS BULLETINS. THE WALL STREET JOURNAL.
ELECTRIC PAGE NEWS TICKER SERVICE.
42-44 BROAD STREET, NEW YORK. Telephone No. 1845 BROAD.
Saturday. October 21, 1899. No. 7

"SOO" ANNUAL REPORT.

Report for year ending June 30 shows as follows:

	1899.	1898.	Changes.	
Gross earnings	$4,348,585	$4,135,600	Inc.	$212,98
Operating expenses	2,589,604	2,371,163	Inc.	218,44
Net earnings	$1,758,981	$1,764,437	Dec.	$5,45
Charges	1,383,924	1,362,250	Inc.	21,67
Surplus	$375,057	$402,187	Dec.	$27,13

In Minnesota the passenger and freight earnings amounted t $1,525,208.06. The percentage of expenses to earnings on th whole system was 59.55. In Minnesota the percentage was 51.89 The increase in earnings on the whole line, as compared with th earnings of 1898, were $2,634,145. The Soo employed during th year 2,618 persons, whose compensation aggregated $1,617,590.1 Average tons to freight train, 308; average tons to loaded car, 1 During the year only one passenger was injured, and none wer killed. There were 64 employees injured through trespassing. Th Soo operates 1,272.57 miles of track, not including second or side tracks.

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Peoria Journal,
Oct. 21, 1899.

New York, Oct. 21.—As a free lance the Soo Line has been a thorn in the sides of all the roads between Chicago and St. Paul, as well as those running east from Chicago, through its ability to manipulate rates. Every effort to bring it into line with the other roads has been a failure. As an ally of the Boston & Maine, its close relations with the Boston & Maine, and through its strategic position, it has been an arbiter in Eastern rates. Although an American road and operated on American soil, it is recognized as part and parcel of the Canadian Pacific, and has never failed to give that road substantial support in the execution of any plan that might be formed for the purpose of fighting American railroads. Its controlling securities are believed to be held by the Canadian corporation. During the past eight months the Soo has played an important part in the contests affecting the Chicago-St. Paul lines, and their Eastern connections. It has been able to name rates not dependent upon Eastern acceptances or restrictions, secured mastery of the situation and captured what is regarded as more than its legitimate share of competitive business. On more than one occasion it has been able to compel the Chicago-St. Paul lines to meet its tariff rates. These in turn have found it necessary to make a demand upon their Eastern connections to help them meet the situation, though not, as a rule, with success, owing to the disposition of the Trunk Line Association roads not to engage in any deals that would have a tendency to disturb the Eastern rate situation. The Soo has never been induced to enter the traffic association and with equal persistency and pertinacity refused to join in any understanding that was calculated to curtail its liberty or limit its completion. In view of this record no very great surprise will follow a rumor that a new move is under way to check its operations and bring it under a control that will not permit a continuation of its tactics. This rumor says that individual holdings of Soo Line stock have been bought up through brokers, with the ultimate purpose of getting a sufficient amount to influence the management of the road in the matter of making terms with American railroads. This movement, it is stated, has been going on both in the East and the West, and while it may take some little time to accomplish the purpose of the men who have its direction in hand, they are confident that they will be able to at least restrict the present and past policy of the road, if they cannot have actual control of its management. It is said that there is an inside pool on both the common and preferred stock, and being desirous of unloading it, has been able to readily do so, owing to

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mentioned. Last February Soo preferred had fallen to 39 points. In the spring it developed an upward tendency and about the middle of May it had reached 72, which was high water mark, and the pool is supposed to have taken advantage of the opportunity presented to realize on their holdings. Under the effect of this the common also made a substantial advance. There is an authorized issue of $7,000,00 of preferred stock in shares of $100 each. Up to September 1, 30,481 shares had been transferred upon the books, in addition to 45,617 shares of the common. So far none of the transactions has revealed the identity of the buyers back of the brokers acting for them.

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THE NEW YORK NEWS BUREAU.

5 Broad St—Tel 1378 Cort. Wed., April 25, 1900—No 45

SOME FACTS AS TO "SOO" STOCKS.

Some interesting memoranda have been prepared by Sig. H. Rosenblatt & Co. regarding the Minneapolis, St. Paul & Saulte Ste. Marie Railway Company, the common stock of which was strong yesterday (and more active than late) in the face of an irregular stock market. The company's net earnings from January 1 to February 28, 1900, were $281,-941, against $113,336 for the same period in the previous year. Its net earnings for the first eight months of the fiscal year beginning July 1 last amounted to $1,769,229, against $1,224,358 in the corresponding period of the previous year. If the company's returns continue to show the same ratio of gain, the present year's net earnings will be $2,653,000. As the fixed charges, including interest on car trust bonds, amount to $1,352,000, the year would show a surplus of $1,300,000 applicable to the stock, or about equal to the full 7 per cent. on the $7,000,000 preferred stock and 6 per cent. on the $14,000,000 common stock. The preferred stock is non-cumulative and is entitled to any excess equally with the common after payment of 7 per cent. on the common. The Canadian Pacific Railroad Company owns $3,553,000 of the preferred and $7,066,000 of the common stock of the two companies.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1901.

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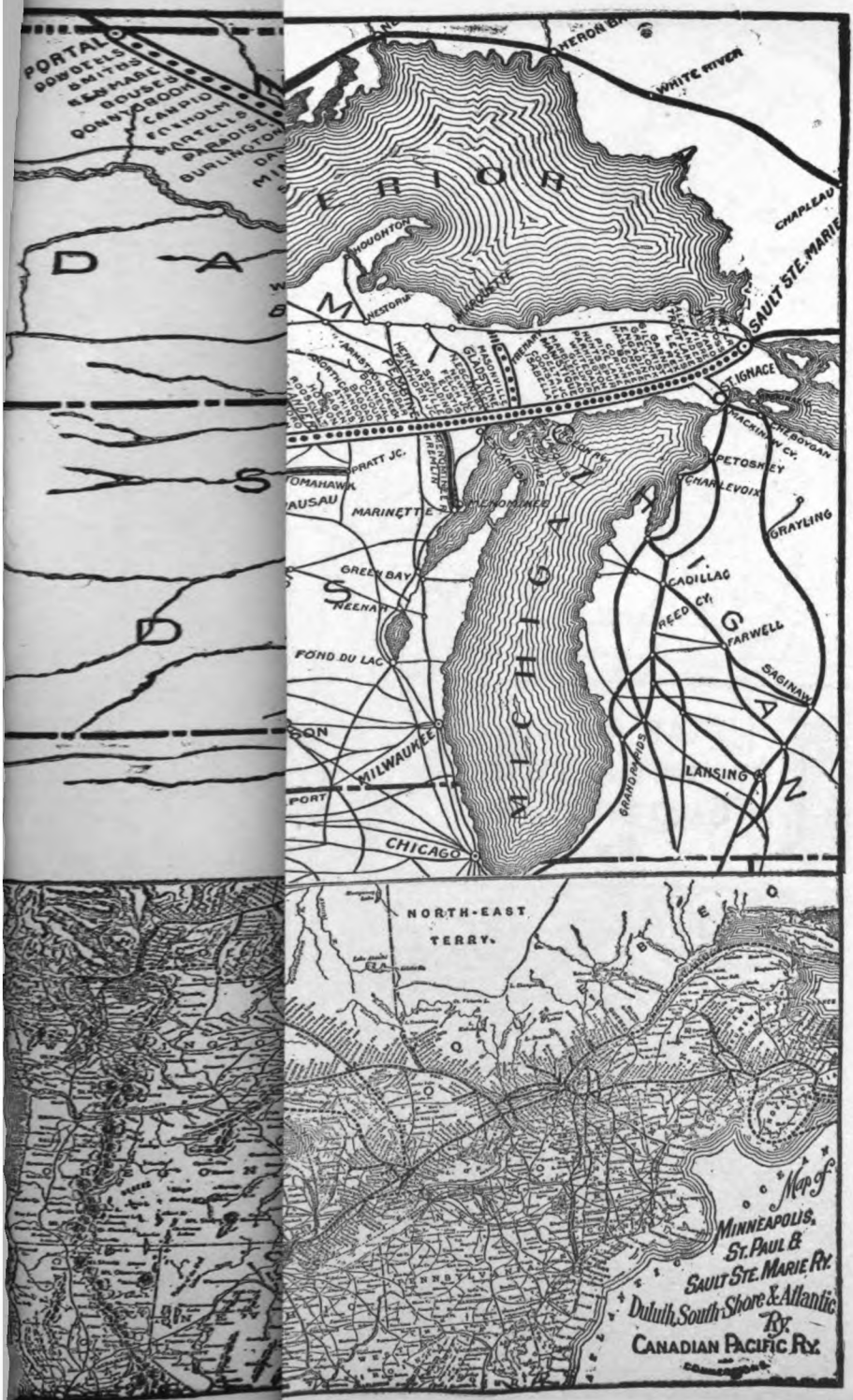

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1901.

MINNEAPOLIS:
TRIBUNE PRINTING COMPANY.

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

DIRECTORS.

THOMAS LOWRY,	Minneapolis, Minn.
JOHN MARTIN,	Minneapolis, Minn.
W. D. WASHBURN,	Minneapolis, Minn.
J. S. PILLSBURY,	Minneapolis, Minn.
C. H. PETTIT,	Minneapolis, Minn.
F. H. PEAVEY,	Minneapolis, Minn.
SIR WM. C. VAN HORNE,	Montreal, Quebec.
T. G. SHAUGHNESSY,	Montreal, Quebec.
R. B. ANGUS,	Montreal, Quebec.
W. H. BRADLEY,	Tomahawk, Wis.
WM. B. DEAN,	St. Paul, Minn.

OFFICERS.

THOMAS LOWRY, *President.*
JOHN MARTIN, *Vice Pres't.*
C. F. CLEMENT, *Sec'y and Treas.*
C. W. GARDNER, *Auditor.*
E. PENNINGTON, *General Manager.*

Transfer and Fiscal Agents, AGENTS' BANK OF MONTLEAL, Wall Street, New York.

Registrar of Stock and Bonds, CENTRAL TRUST CO., New York.

Annual Meeting, Third Tuesday in September at Minneapolis, Minn.

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ANNUAL REPORT

of the

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

FOR THE YEAR ENDING JUNE 30, 1901.

In submitting the following report showing operations for the year ending June 30th, we wish to call attention to the large decrease in Gross Earnings and Surplus, occasioned by the disastrous failure of the grain crop of 1900 on the line west of Minneapolis. This grain shortage and the loss of traffic incident thereto occasioned a loss of probably $750,000.00.

The Company's Gross Earnings from all sources were	$4,537,296.11
Operating Expenses	2,564,337.16
Net Earnings	1,972,958.95
Fixed Charges, etc	1,645,085.73
Which leaves a surplus of	327,873.22

The Gross Earnings per mile of road were $3,442.05, compared with $4,006.39, and the Operating Expenses $1,954.05 compared with $1,986.86 per mile of road the the previous year. The average rate per ton per mile was 6.17 mills compared with 6.58 mills the previous year. The reduction in rate per ton per mile is occasioned by the reduction of grain tonnage, otherwise the rate per ton per mile would have shown an increase.

The Operating Expenses were 56.1 per cent of the Gross Earnings compared with 49.6 per cent the preceding year, 56.6 per cent in 1899 and 54.1 per cent in 1898.

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Improved motive power and road bed resulted in the more economical handling of freight, the average number of freight cars per train being 27.37 compared with 25.66 the previous year. The average tons of freight per train was 314.49, previous year 301.24. Average tons freight per car 15.24, previous year 15.13.

The mileage was increased during the year 24.96 miles by the purchase of the Rice Lake, Dallas & Menominee Ry., Cameron to Rice Lake, Wis., 6.63 miles, and the construction of a line from Barron to Ridgeland, Wis. 18.33 miles. This line runs through a very rich farming territory and should prove a good feeder to the main line. The total mileage under operation June 30th, was 1,301.90 miles.

The Company's new Minneapolis Terminals, mentioned in the last report, were completed at a cost, including the land, of $356,147.92. In addition to the direct benefits derived from the improved facilities thus obtained, there is a saving of over $16,000.00 per year in rentals after allowing 4 per cent interest on the cost of the plant.

Thirty-four and sixty-eight hundredths miles of sixty-pound rails were replaced with eighty-pound rails. Fifty miles of road were ballasted with gravel during the year, the cost of the same being charged to Operating Expenses. Three steel bridges were built to replace wooden structures. The original cost of the wooden structures, $35,389.05, being charged to Operating Expenses. Two additional bridges are building and will be completed before the fall traffic is moved.

The Company purchased three consolidated, and one decapod locomotives, and three huudred ninety-nine box cars.

The Company sold 1,141 of its Consolidated Bonds, dating from January 1st, 1901, and the proceeds are being used in the construction of 109.2 miles of road in North and South Dakota and Wisconsin, all of which will be completed by October 30th, 1901.

To handle the traffic of this increased mileage and on account of the large tonnage promised by the bountiful grain crop of this year, just harvested, there have been purchased three hundred more freight cars and four consolidat-

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ed locomotives of the latest, most improved type. All of this equipment will be delivered during the fall of 1901. The Company's road bed, buildings and equipment are all in excellent condition.

Following will be found tables showing the financial condition of the Company and the results of its operation in detail, all of which are respectfully submitted.

THOMAS LOWRY, *President.*
E. PENNINGTON, *General Manager.*

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MILEAGE.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich....to Portal, N. D.	1,038.88	miles
Northtown Jct.....to Camden Place, Minneapolis	1.01	"
Hankinson.....to Hebard, N. D.	182.11	"
Dresser Jct.....to St. Croix Falls, Wis.	4.05	"
Cardigan Jct.....to St. Paul, Minn.	5.34	"
Rapid River.....to Trenary, Mich.	24.43	"
Barron.....to Ridgeland, Wis	18.53	"
Cameron.....to Rice Lake, Wis.	6.63	"
	1,280.78	"
Add Spur Lines	21.12	"
Total mileage, June 30, 1901	1,301.90	"

In addition to the above, the Company has trackage facilities over 18.52 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

EARNINGS AND EXPENSES.

Gross earnings and expenses are as follows:

Passenger	$875,948.37	
Freight	3,298,651.28	
Express, mail and miscellaneous	342,476.01	
		$4,517,075.66
OPERATING EXPENSES—		
Maintenance of way and structures	$620,494.72	
Maintenance of equipment	476,248.11	
Conducting transportation	1,351,868.50	
General expenses	115,725.83	
		$2,564,337.16
Net earnings from operation		$1,952,738.50
REVENUE FROM OTHER SOURCES—		
Interest, discount and exchange	$17,255.45	
Interest on bonds and stocks owned	2,965.00	
		$20,220.45
Total income		$1,972,958.95
OTHER PAYMENTS—		
Interest on bonds	$1,320,360.00	
Taxes and revenue	207,462.13	
Rental of terminals	102,898.53	
Interest on equipment notes	11,078.69	
Accounts charged off	3,286.38	
		$1,645,085.73
Surplus earnings		$327,873.22

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CONDENSED GENERAL BALANCE SHEET, JUNE 30, 1901.

Debits.

Cost of road, acquired lines, extensions and equipment		$54,590,329.18
Real estate owned		413,912.88
Stocks and bonds owned—		
Treasury stock, this Company	$225,600.00	
St. Paul Union Depot Stock	43,750.00	
Sainte Marie Union Depot Stock	25,000.00	
Western Express Company stock	25,000.00	
Sault Ste. Marie Bridge Co. stock	500.00	
Minnesota Transfer Railway stock	7,000.00	
Minnesota Transfer Railway bonds	9,000.00	
Chapin Mining Co. bonds	40,200.00	
		$376,050.00
Material and supplies on hand		490,632.14
Due from—		
Foreign roads	$136,264.84	
Agents and conductors	254,053.02	
U. S. Postoffice Department	46,701.34	
Bills and accounts receivable	183,118.37	
Cash—Minneapolis, New York, Montreal and London	1,765,675.26	
Total cash and cash assets		$2,385,812.83
Other advances and accounts		14,328.64
		$58,271,065.67

Credits.

Capital Stock—		
Common	$14,000,000.00	
Preferred	7,000,000.00	
		$21,000,000.00
Funded Debt—		
First mortgage M. & P. bonds, 4%	$461,000.00	
First mortgage M., S. S. M. & A. bonds, 4%	8,239,000.00	
First consol mortgage bonds, 4%	21,949,000.00	
Second mortgage bonds, 4%	3,500,000.00	
		$34,149,000.00
Income and interest certificates outstanding		31,056.71
Bills Payable—		
Car trust notes	$504,151.13	
Western Express Co	25,000.00	
Mortgage notes on real estate	83,000.00	
		$612,151.13
Interest accrued on bonds due July 1		611,460.00
Taxes accrued, not yet due		109,799.45
Current Liabilities—		
Vouchers and accounts payable	$561,162.15	
Pay rolls	207,682.90	
		$768,845.05
Income account		988,753.33
		$58,271,065.67

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INCOME ACCOUNT, JUNE 30, 1901.

To Operating Expenses	$2,564,337.16
Interest on Bonds	1,320,360.00
Terminal Rentals	102,898.53
Taxes	207,462.13
Interest on Equipment Notes	11,078.69
Accounts Charged off	3,286.38
Balance	988,753.33
	$5,198,176.22

By Balance June 30, 1900	$ 660,880.11
Freight Earnings	3,298,651.28
Passenger Earnings	875,948.37
Mail Earnings	190,130,30
Express Earnings	76,363.89
Miscellaneous Earnings	75,981.82
Dividend on Stock owned	2,625.00
Interest on Bonds owned	340.00
Interest on Advances	17,255.45
	$5,198,176.22
By Balance, June 30, 1901	$ 988,753.33

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Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.	1899.	1900.	1901.
From Freight	$3,426,985.96	$3,974,398.70	$3,298,651.28
From Passengers	621,792.95	822,908.78	875,948.37
From Mails	177,193.96	195,144.67	190,130.30
From Express and Miscellaneous	122,612.17	158,735.76	152,345.71
Total Gross Earnings	$4,348,585.04	$5,151,187.91	$4,517,075.66
OPERATING EXPENSES.			
MAINTENANCE OF WAY AND STRUCTURES.			
Repairs of Roadway	$ 283,362.51	$ 283,805.61	$ 305,070.68
Renewals of Rails	2,700.10	Cr. 460.08	49.69
Renewals of Ties	94,964.33	115,427.83	145,975.84
Repairs and Renewals, Bridges and Culverts	75,633.23	71,729.33	83,702.01
Repairs and Renewals, Fences, Road Crossings, Signs and Cattle Guards	7,018.76	7,143.05	6,081.15
Repairs and Renewals, Buildings and Fixtures	53,432.36	37,829.94	35,939.84
Repairs and Renewals, Docks	10,129.30	12,788.27	36,219.37
Repairs and Renewals, Wharfs	190.65	.....	.....
Repairs and Renewals, Telegraph	8,571.88	9,042.85	7,018.73
Stationery and Printing	460.69	340.35	437.41
Other Expenses	.....	.....	.....
Total	$ 536,463.81	$ 537,647.15	$ 620,494.72
MAINTENANCE OF EQUIPMENT.			
Superintendence	$5,730.06	$ 5,735.12	$ 4,530.70
Repairs and Renewals, Locomotives	145,398.30	178,108.41	170,421.95
Repairs and Renewals, Passenger Cars	58,876.51	54,790.56	64,155.53
Repairs and Renewals, Freight Cars	208,694.49	165,548.41	197,413.92
Repairs and Renewals, Work Cars	8,346.92	13,049.56	8,324.76
Repairs and Renewals, Shop Machinery and Tools	19,013.38	14,251.92	16,096.54
Stationery and Printing	1,167.96	1,410.67	1,277.36
Other Expenses	15,494.25	12,897.87	14,027.35
Total	$ 462,721.87	$ 445,792.52	$ 476,248.11
GENERAL EXPENSES.			
Salaries, General Officers	$25,083.25	$25,055.49	$ 25,642.05
Salaries, Clerks and Attendants	42,511.91	43,615.55	40,829.52
General Office Expenses and Supplies	13,888.11	11,089.35	10,913.42
Insurance	12,498.65	10,776.27	14,823.83
Law Expenses	13,672.49	11,636.39	14,461.71
Stationery and Printing	2,496.88	3,638.50	3,719.20
Other Expenses	6,653.57	5,814.80	5,336.10
Total	$ 116,804.86	$ 111,626.35	$ 115,725.83
CONDUCTING TRANSPORTATION.			
Superintendence	$ 61,152.48	$ 59,307.75	$ 58,326.08
Engine and Round House Men	251,929.14	253,185.33	247,286.13
Fuel for Locomotives	278,858.08	366,453.56	367,113.05
Water Supply for Locomotives	13,595.55	14,381.71	14,007.56
Oil, Tallow and Waste for Locomotives	10,058.50	9,190.44	9,576.61
Other Supplies for Locomotives	3,982.93	3,020.51	2,935.45
Freight Train Service	142,364.76	142,056.75	125,970.52
Freight Train Supplies and Expenses	19,171.16	14,658.30	12,980.66
Passenger Train Service	48,976.19	44,457.85	43,849.09
Passenger Train Supplies and Expenses	24,776.57	25,965.84	25,253.70
Switchmen, Flagmen and Watchmen	3,8984.98	37,780.54	41,220.16
Telegraph Expenses	52,747.06	50,345.00	48,368.17
Station Service	154,894.67	105,538.92	118,115.21
Station Supplies	13,514.98	10,647.38	10,386.73
Switching Charges, Balance	Cr. 2,897.99	Cr. 495.63	Cr. 3,523.89
Car Mileage, Balance ..... Credit	55,429.05	32,862.35	57,393.33
Hire of Equipment	Cr. 3,868.17	Cr. 4,291.86	Cr. 3,698.95
Damage and Loss of Freight and Baggage	16,845.41	5,418.13	14,595.01
Damage to Property, Including Live Stock	2,853.16	8,944.02	5,078.73
Injuries to Persons	29,981.07	25,867.12	17,166.05
Clearing Wrecks	3,805.34	3,081.30	2,646.69
Operating Gladstone Ore Docks	5,178.59	7,981.74	7,154.33
Operating Gladstone Flour and Mdse. Docks	27,364.94	87,264.33	65,509.87
Operating Gladstone Coal Docks	.....	.....	.....
Operating Ferry Docks	2,043.77	.....	.....
Advertising	12,812.13	12,242.79	15,788.53
Outside Agencies	94,692.86	85,873.14	79,574.65
Stock Yards and Elevators	5,706.61	6,101.87	5,603.14
Rents of Buildings and Other Property ..... Credit	2,531.99	2,284.49	12,199.73
Stationery and Printing	12,949.15	18,851.14	15,352.32
Other Expenses	6,460.80	7,994.37	5,420.64
Dining Car Expenses	Cr. 1,370 46	.....	.....
Operating Yards, Tracks and Terminals	77,721.66	92,841.47	69,405.32
Total	$1,347,324.88	$1,459,516.97	$1,351,868.50
Total Operating Expenses	$2,463,315.42	$2,554,582.99	$2,564,337.16
Net Earnings	$1,885,269.62	$2,596,604.92	$1,952,738.50
Percentage of Expenses to Earnings	56.6 per cent.	49.6 per cent.	56.1 per cent.

*The increase in "Operating Gladstone Docks" is occasioned by a change in method of accounting, this expense having formerly been charged to Station Service.

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COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES.

EARNINGS.

	1901	1900	1899	1898	1897	1896	1895	1894
Freight	$3,298,651.28	$3,974,398.70	$3,426,985.96	$3,287,309.25	$2,867,224.88	$3,009,713.73	$1,975,818.59	$2,172,895.99
Passenger	875,948.37	822,908.78	621,792.95	562,791.38	477,148.23	475,704.15	389,819.37	546,622.10
Mail	190,130.30	195,144.67	177,193.96	157,356.03	155,547.73	160,333.34	132,962.38	88,646.28
Express	76,363.89	80,744.06	58,430.14	52,593.79	40,305.12	32,016.98	10,292.02	12,799.01
Miscellaneous	75,981.82	77,991.70	64,182.03	72,648.79	58,136.10	58,104.00	48.383.13	86,999.76
Total	$4,517,075.66	$5,151,187.91	$4,348,585.04	$4,132,699.24	$3,598,362.06	$3,735,872.20	$2,557,275.49	$2,907,963.14

EXPENSES.

	1901	1900	1899	1898	1897	1896	1895	1894
Maintenance of way and structures	$620,494.72	$537,647.15	$536,463.81	$444,832.37	$404,984.55	$388,232.86	$358,477.63	$453,172.09
Maintenance of Equipment	476,248.11	445,792.52	462,721.87	419,048.11	396,289.19	450,927.41	267,647.18	324,415.16
Conducting transportation	1,351,868.50	1,459,516.97	1,347,324.88	1,261,479.66	1,240,638.21	1,252,066.79	968,559.62	1,068,725.97
General expenses	115,725.83	111,626.35	116,804.86	112,345.45	117,383.18	119,356.97	119,370.08	292,017.82
Total	$2,564,337.16	$2,554,582.99	$2,463,315.42	$2,237,705.59	$2,159,295.13	$2,210,584.03	$1,714,054.51	$2,138,331.04
Percentage earnings and expenses	56.1 per cent	49.6 per cent	56.6 per cent	54.1 per cent	60 per cent	59.1 per cent	67 per cent	73.5 per cent
Net earnings	$1,952,738.50	$2,596,604.92	$1,885,269.62	$1,894,993.65	$1,439,066.93	$1,525,288.17	$843,220.98	769,632.10
Fixed charges and other items, taxes and terminal rentals	$1,624,865.28	$1,715,733.11	$1,510,212.37	$1,492,806.56	$1,442,366.35	$1,520,923.50	$1,357,220.26	$1,163,646.79
Surplus	327,873.22	880,871.81	375,057.25	402,187.09	.....	4,364.67	.....	.....
Deficit	.....	.....	.....	.....	3,299.42	.....	513,999.28	394,014.69
Average miles operated	1,312.32	1,285.74	1,253.17	1,195	1,184.86	1,188.71	1,188.71	1,188.71
Earnings per mile	$3,442.05	$4,006.39	$3.470.07	$3,458.32	$3,036.95	$3,142.80	$2,151.30	$2,446.32

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EXPENDITURES ACCOUNT

CONSTRUCTION OF NEW LINES AND EQUIPMENT.

Rice Lake, D. & M. Ry., including line to Ridgeland	$233,515.94
Polk County Line	94,452.73
Rice Lake & Northern Line	23,869.57
Missouri River Extension	78,214.11
Wishek Extension	9,522.01
Rapid River Branch	60,390.11
Minneapolis Terminals	97,732.28
Rolling Stock, (see detailed statement, page 16)	104,581.88
Betterment to Main Line, (see statement page 14)	94,304.85
Advances Account Union Depots at St. Paul and Sault Ste. Marie	1,342.85
Preliminary Surveys	108.04
	$798,034.37

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EXPENDITURES ACCOUNT OF BETTERMENTS AND IMOROVEMENTS TO MAIN LINE.

Year Ending June 30, 1901.

New Rails (34-68 miles) difference between cost of 60 lb. and 80 lb. rails		$42,358.83
Steel Span Bridges (3)	$47,738.02	
Less amount charged agaist working expenses	35,389.05	
		12,348.97
Additional Side Tracks and Spurs		10,919.99
Coal Plants at Gladstone aud Shoreham		8,046.57
New Buildings,		
Enlarged Depot at Hankinson	5,448.59	
Rapid River Depot	2,068.19	
Freight Conveyors, Gladstone	1,434.77	
Other Miscellaneous Buildings	819.16	
		9,770.71
Fencing, No. Dakota		1,647.83
Right of Way		1,491.56
Filling Bridges, Crossings and other miscellaneous items		7,720.39
		$94,304.85

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TRAFFIC AND MILEAGE STATISTICS.

	1900.	1901.
TRAIN MILEAGE.		
Freight revenue trains (Miles)	1,618,312	1,454,336
Passenger revenue trains "	845,602	1,001,925
Mixed revenue trains "	386,270	246,853
Non-revenue trains "	105,591	71,544
Total train mileage	2,955,775	2,774,658
FREIGHT TRAFFIC.		
Tons of freight carried	3,102,244	2,973,310
Tons of freight carried one mile	603,856,370	535,017,533
Tons of freight carried one mile per mile of road	469,656	407,687
Average distance haul of one ton (miles)	194.65	179.94
Average amount received for each ton of freight	$1.28	$1.10
Average rate per ton per mile	6.58 mills	6.17 mills
Freight Earnings per mile of road	$3,095.17	$2,518.29
Freight Earnings per train mile	$1.98¼	$1.94¼
PASSENGER TRAFFIC.		
Number of passengers carried earning revenue	436,813	478,016
Number of passengers carried one mile	37,543,998	39,375,793
Number of passengers carried one mile per mile of road	29,200	30,005
Average distance carried (miles)	85.95	82.37
Average amount received from each passenger	$1.88	$1.83
Average rate per passenger per mile (cents)	2.19	2.22
Passenger Earnings per mile of road	$888.96	$904.21
Passenger Earnings per train mile (cents)	92.78	95.34
MISCELLANEOUS.		
Gross Earnings per mile of road	$4,006.39	$3,442.05
Operating Expenses per mile of road	$1,986.86	$1,954.05
Mileage of Passenger Cars	5,867,640	6,141,591
Average number of passenger cars per train	4.76	4.92
Average number of passengers per train	30	32
Mileage of loaded freight cars—North or East	19,340,001	16,820,611
Mileage of loaded freight cars—South or West	20,562,326	18,295,805
Mileage of empty freight cars—North or East	5,886,641	6,917,310
Mileage of empty freight cars—South or West	5,049,500	4,531,447
Average number of freight cars in train	25.66	27.37
Average number of loaded cars in train	19.91	20.64
Average number of tons freight in train	301.24	314.49
Average number of tons freight in each loaded car	15.13	15.24
Average mileage operated during the year	1,285.74	1,312.32

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ADDITIONS TO EQUIPMENT.

399 Box Cars	$154,141.32
300 Draw Bar Springs for Cars Now Building	5,112.60
1 Decapod Locomotive	19,836.40
3 Consolidated Locomotives	48,303.25
Freight Charges on Refrigerator Cars	50.00
	$227,443.57

LESS, SOLD, DESTROYED, ETC.

4 Box Cars Destroyed	$ 3,240.49	
13 Flat Cars Destroyed	3,614.33	
1 Locomotive Sold	7,630.00	
Received to apply on purchase of 15 Tourist Cars and 51 Ballast Cars	108,376.87	
		$122,861.69
Net Additions for Year		$104,581.88

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EQUIPMENT OWNED JUNE 30, 1901.

Locomotives	100
Passenger Cars	12
Second Class Coaches	14
Combination Cars	6
Sleepers	8
Tourist Sleepers	5
Diners	4
Buffet	2
Baggage, mail and express	18
Official	2
Total passenger Cars	71
Freight Cars—	
Caboose	70
Box	5,950
Flat	698
Ore	144
Stock	98
Refrigerator	73
*Charcoal	20
Logging	20
Furniture	10
Total freight cars	7,083
Miscellaneous—	
Tool cars	3
Steam Shovels	3
Pile Drivers	2
Ditchers	2
Rotary Snow Plows	1
Total miscellaneous	11

* 29 Charcoal Cars converted into Flat Cars.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1902

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1902.

MINNEAPOLIS:
TRIBUNE PRINTING COMPANY.

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

DIRECTORS.

THOMAS LOWRY	Minneapolis, Minn.
JOHN MARTIN	Minneapolis, Minn.
W. D. WASHBURN	Minneapolis, Minn.
C. H. PETTIT	Minneapolis, Minn.
E. PENNINGTON	Minneapolis, Minn.
G. R. NEWELL	Minneapolis, Minn.
SIR WM. C. VAN HORNE	Montreal, Quebec.
SIR T. G. SHAUGHNESSY	Montreal, Quebec.
R. B. ANGUS	Montreal, Quebec.
W. H. BRADLEY	Tomahawk, Wis.
E. A. YOUNG	St. Paul, Minn.

OFFICERS.

THOMAS LOWRY, *President.* C. F. CLEMENT, *Sec'y and Treas.*
JOHN MARTIN, *Vice President.* C. W. GARDNER, *Auditor.*
E. PENNINGTON, *2nd Vice Pres't and General Manager.*

Transfer and Fiscal Agents, AGENTS' BANK OF MONTREAL, Wall Street, New York.

Registrar of Stock and Bonds, CENTRAL TRUST CO., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30, 1902.

We submit herewith the annual report of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the year ending June 30, 1902.

Gross Earnings from all sources were	$6, 257,591.47
Operating Expenses	2,941,627.40
Net Earnings	3,315,964.07
Fixed Charges, Taxes, etc	1,729,462.59
Leaving a surplus of	1,586,501.48

During the year 1901 a fair grain crop was harvested along the Company's road, which, coupled with the excellent general business conditions, resulted in a substantial increase in Gross, Net and Surplus Earnings.

The mileage was increased by the completion of the following lines: From Wishek, N. D., to Pollock, S.D., a distance of 69.82 miles; from Summit Junction to Frederick, Wis., 22.43 miles; an extension of the Rice Lake branch to Birchwood, Wis., 16.19 miles, and two or three small spurs aggregating 2.01 miles—making a total increase in mileage of 110.45 miles, or about 8.5 per cent. The Gross Earnings

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show an increase of 37.7 per cent, the Net Earnings 68 per cent and the Surplns 383.8 per cent over 1901.

The Operating Expenses were 47.3 per cent of the Gross Earnings—compared with 56.1 per cent the preceding year, 49.6 per cent in 1900, 56.6 per cent in 1899 and 54.1 per cent in 1898. Notwithstanding the decreased percentage of expenses, the property and equipment has been maintained in excellent condition.

During the early spring and summer of 1902 there was a very large immigration into the Northwest. Your company has received a very liberal percentage of these settlers, and a largely increased acreage has resulted—particularly along the lines in North Dakota. The line east from Minneapolis, running through Wisconsin and Michigan, is also receiving increasing attention from settlers, and is rapidly becoming a promising agricultural section.

As will be observed from the balance sheet made a part of this report, only a small portion of the surplus earnings of the past and preceding years are actually on hand in cash or equivalent assets, the balance having been used for the construction of additional road, for various improvements to the main line, and for the purchase of additional equipment. Bonds amounting to $2,484,000 covering the additional mileage constructed are available for sale when the time is opportune and advances made from Surplus Earnings will be replaced from the proceeds. During the year the Company purchased and has available for the increasing business of the coming autumn, two hundred flat cars, six hundred and twenty box cars, four sleeping cars, six first-class passenger coaches, five mail cars, one dining car, three passenger locomotives, four freight locomotives and an additional rotary snow plow, at a total cost of $792,843.21.

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The Company has constructed a line from Braddock to Bismarck, N. D.—a distance of about forty miles—which began operation August 25th of this year. Most of the work, however, was done before June 30th.

The Company's business has increased so rapidly that additional terminals must be acquired ,the cost of which will necessarily be large.

The interests of the Company also demand the construction of additional branches and extensions, which we will submit for your consideration, and hope for favorable action.

Respectfully submitted,

THOMAS LOWRY,
President.

E. PENNINGTON,
2nd Vice Pres. and Gen'l Mgr.

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MILEAGE.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.	to Portal, N. D.	1.038.88	miles
Northtown Jct.	to Camden Place, Minneapolis	1.01	"
Hankinson, N. D.	to Hebard, N. D.	181.58	"
Wishek, N. D.	to Pollock, S. D	70.35	"
Dresser, Jct., Wis.	to St. Croix Falls, Wis.	4.05	"
Summit Jct., Wis.	to Frederic, Wis.	22.43	"
Cardigan Jct., Minn.	to St. Paul, Minn.	5.34	"
Rapid River, Mich.	to Trenary, Mich.	24.43	"
Barron, Wis	to Ridgeland, Wis.	18.33	"
Cameron, Wis.	to Rice Lake, Wis.	6.63	"
Rice Lake, Wis.	to Birchwood, Wis.	16.19	"
		1,389.22	"
Add Spur Lines		23.13	"
Total mileage, June 30, 1902		1,412.35	"

In addition to the above, the Company has trackage facilities over 18.52 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

EARNINGS AND EXPENSES.

Gross earnings and expenses are as follows:

Passenger	$1,257,037.61	
Freight	4,566,222.89	
Express, mail and miscellaneous	399,127.05	
		$6,222,387.55
OPERATING EXPENSES—		
Maintenance of way and structures	$684,160.69	
Maintenance of equipment	521,182.27	
Conducting transportation	1,596,206.13	
General expenses	140,078.31	
		$2,941,627.40
Net earnings from operation		$3,280,760.15
REVENUE FROM OTHER SOURCES—		
Interest, discount and exchange	$33,093.92	
Interest on bonds and stock owned	2,110.00	
		$35,203.92
Total income		$3,315,964.07
OTHER PAYMENTS—		
Interest on bonds	$1,343,180.00	
Taxes and revenue	292,954.32	
Rental of terminals	85,675.28	
Interest on equipment notes	4,623.30	
Accounts charged off	3,029.69	
		$1,729,462.59
Surplus earnings		$1,586,501.48
Deduct amount appropriated for purchase of new equipment and for cost of improvements to constructed road		$300,000.00
Net surplus for year		$1,286,501.48

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GENERAL LEDGER BALANCE SHEET, JUNE 30, 1902.

Debits.

Cost of Road, Acquired lines, Extensions and Equipment		$55,471,750.23
Advances Account Construction of New Lines pending issue of Bonds		1,064,352.72
Real Estate owned		399,302.16
Stocks and Bonds owned—		
Treasury Stock, this Company	$225.600.00	
St. Paul Union Depot Stock	43,750.00	
Sainte Marie Union Depot Stock	58,498.37	
Western Express Company Stock	25,000.00	
Sault Ste. Marie Bridge Co. Stock	500.00	
Minnesota Transfer Railroad Stock	7,000.00	
Minnesota Transfer Railroad Bonds	9,000.00	
		$369,348.37
Material and supplies		817,161.60
Due from—		
Foreign Roads	$154,271.39	
Agents and Conductors	336,915.11	
U. S. Postoffice department	48,086.82	
Bills and Accounts receivable	208,391.38	
Cash—Minneapolis, New York and London	1,196,152.49	
Total cash and cash assets		$1,943,817.19
Other advances and accounts		9,705.34
		$60,075,437.61

Credits.

Capital Stock—		
Common	$14,000,000.00	
Preferred	7,000,000.00	
		$21,000,000.00
Funded Debt—		
First mortgage M. & P. bonds, 4%	$458,000.00	
First mortgage M. S. S. M. & A. bonds, 4%	8,239,000.00	
First consolidated mortgage bonds, 4%	22,452,000.00	
Second mortgage bonds, 4%	3,500,000.00	
		$34,649,000.00
Bills Payable—		
Car Trust Notes	$339,604.95	
Western Express Company	14,000.00	
		$353,604.95
Interest accrued on bonds due July 1		624,140.00
Terminal charges accrued on bonds due July 1		2,922.56
Taxes accrued, not yet due		175,110.11
Current Liabilities—		
Vouchers and accounts payable	$492,072.45	
Pay rolls	265,536.92	
		$757,609.37
Betterment and improvement fund		237,795.81
Income account		2,275,254.81
		$60,075,437.61

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INCOME ACCOUNT, JUNE 30, 1902.

To Operating Expenses	$2,941,627.40
Interest on Bonds	1,343,180.00
Taxes	292,954.32
Terminal Rentals	85,675.28
Interest on Equipment Notes	4,623.30
Accounts charged off	3,029.69
Fund for Betterment and Improvement	300,000.00
Balance	2,275,254.81
	$7,246,344.80

By Balance, June 30, 1901,	$988,753.33
Freight Earnings	4,566,222.89
Passenger Earnings	1,257,037.61
Mail Earnings	195,573.34
Express Earnings	101,723.52
Miscellaneous Earnings	101,830.19
Dividend on Stock owned	1,750.00
Interest on Bonds owned	360.00
Interest on Advances	33,093.92
	$7,246,344.80
By Balance, June 30, 1902	$2,275,254.81

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Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.	1900	1901	1902
From Freight	$3,974,398.70	$3,298,651.28	$4,566,222.89
From Passengers	822,908.78	875,948.37	1,257,037.61
From Mails	195,144.67	190,130.30	195,573.34
From Express and Miscellaneous	158,735.76	152,345.71	203,553.71
Total Gross Earnings	$5,151,187.91	$4,517,075.66	$6,222,387.55
OPERATING EXPENSES.			
MAINTENANCE OF WAY AND STRUCTURES.			
Repairs of Roadway	$283,805.61	$305,070.68	$382,612.81
Renewals of Rails	Cr. 460.08	49.69	292.40
Renewals of Ties	115,427.83	145,975.84	117,100.79
Repairs and Renewals, Bridges and Culverts	71,729.33	83,702.01	80,894.15
Repairs and Renewals, Fences, Road Crossings, Signs and Cattle Guards	7,143.05	6,081.15	7,565.29
Repairs and Renewals, Building and Fixtures	37,829.94	35,939.84	60,113.85
Repairs and Renewals, Docks	12,788.27	36,219.37	22,096.95
Repairs and Renewals, Telegraph	9,042.85	7,018.73	13,077.71
Stationery and Printing	340.35	437.41	396.74
Other Expenses	.....	.....	10.00
Total	$537,647.15	$620,494.72	$684,160.69
MAINTENANCE OF EQUIPMENT.			
Superintendence	$5,735.12	$4,530.70	$3,682.44
Repairs and Renewals, Locomotives	178,108.41	170,421.95	186,242.54
Repairs and Renewals, Passenger Cars	54,790.56	64,155.53	63,395.53
Repairs and Renewals, Freight Cars	165,548.41	197,413.92	215,853.29
Repairs and Renewals, Work Cars	13,049.56	8,324.76	16,509.07
Repairs and Renewals, Shop Machinery and Tools	14,251.92	16,096.54	18,097.52
Stationery and Printing	1,410.67	1,277.36	1,678.30
Other Expenses	12,897.87	14,027.35	15,723.58
Total	$445,792.52	$476,248.11	$521,182.27
GENERAL EXPENSES.			
Salaries, General Officers	$25,055.49	$25,642.05	$31,107.89
Salaries, Clerks and Attendants	43,615.55	40,829.52	43,922.10
General Office Expenses and Supplies	11,089.35	10,913.42	14,327.44
Insurance	10,776.27	14,823.83	16,180.86
Law Expenses	11,636.39	14,461.71	26,756.77
Stationery and Printing	3,638.50	3,719.20	3,960.92
Other Expenses	5,814.80	5,336.10	3,822.33
Total	$111,626.35	$115,725.83	$140,078.31
CONDUCTING TRANSPORTATION.			
Superintendence	$59,307.75	$58,326.08	$65,447.28
Engine and Round House Men	253,185.33	247,286.13	287,263.34
Fuel for Locomotives	366,453.56	367,113.05	455,258.26
Water Supply for Locomotives	14,381.71	14,007.56	17,479.71
Oil, Tallow and waste for locomotives	9,190.44	9,576.61	11,273.07
Other Supplies for Locomotives	3,020.51	2,935.45	4,478.55
Freight Train Service	142,056.75	125,970.52	161,383.89
Freight Train Supplies and Expenses	14,658.30	12,980.66	14,030.89
Passenger Train Service	44,457.85	43,849.09	46,247.32
Passenger Train Supplies and Expenses	25,965.84	25,253.70	28,143.98
Switchmen, Flagmen and Watchmen	37,780.54	41,220.16	43,244.50
Telegraph Expenses	50,345.00	48,368.17	56,020.44
Station Service	105,538.92	118,115.21	136,562.29
Station Supplies	10,647.38	10,386.73	12,671.40
Switching Charges, Balance	Cr. 495.63	Cr. 3,523.89	Cr. 1,404.64
Car Mileage, Balance	Cr. 32,862.35	Cr. 57,393.33	Cr 48,947.90
Hire of Equipment	Cr. 4,291.86	Cr. 3,698.95	Cr. 7,024.62
Damage and Loss of Freight and Baggage	5,418.13	14,595.01	8,080.10
Damage to Property, Including Live Stock	8,944.02	5,078 73	5,644.24
Injuries to Persons	25,867,12	17,166.05	20,292.75
Clearing Wrecks	3,081.30	2,646.69	4,010.37
Operating Gladstone Ore Docks	7,981.74	7,154.33	4,826.47
Operating Gladstone Flour and Mdse. Docks	87,264.33	65,509.87	63,800.21
Advertising	12,242.79	15,788.53	17,685.56
Outside Agencies	85,873.14	79,574.65	97,842.38
Stock Yards and Elevators	6,101.87	5,603.14	6,562.21
Rents of Buildings and Other Property	Cr. 2,284.49	Cr. 12,199.73	Cr. 9,700.38
Stationery and Printing	18,851.14	15,352.32	18.982.23
Other Expenses	7,994.37	5,420.64	6,305.56
Operating Yards, Tracks and Terminals	92,841.47	69,405.32	69,746.67
Total	$1,459.516.97	$1,351,868.50	$1,596,206.13
Total Operating Expenses	$2,554,582.99	$2,564,337.16	$2,941,627.40
Net Earnings	$2,596,604.92	$1,952,738.50	$3,280,760.15
Percentage of Expenses to Earnings	49.6 per cent	56.1 per cent	47.3 per cent

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COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES.

EARNINGS.

	1902	1901	1900	1899	1898	1897	1896	1895	1894
Freight	$4,566,222.89	$3,298,651.28	$3,974,398.70	$3,426,985.96	$3,287,309.25	$2,867,224.88	$3,009,713.73	$1,975,818.59	$2,172,895.99
Passenger	1,257,037.61	875,948.37	822,908.78	621,792.95	562,791.38	477,148.23	475,704.15	389,819.37	546,622.10
Mail	195,573.34	190,130.30	195,144.67	177,193.96	157,356.03	155,547.73	160,333.34	132,962.38	88,646.28
Express	101,723.52	76,363.89	80,744.06	58,430.14	52,593.79	40,305.12	32,016.98	10,292.02	12,799.01
Miscellaneous	101,830.19	75,981.82	77,991.70	64,182.03	72,648.79	58,136.10	58,104.00	48,383.13	86,999.76
Total	$6,222,387.55	$4,517,075.66	$5,151,187.91	$4,348,585.04	$4,132,699.24	$3,598,362.06	$3,735,872.20	$2,557,275.49	$2,907,963.14

EXPENSES.

	1902	1901	1900	1899	1898	1897	1896	1895	1894
Maintenance of way and structures	$684,160.69	$620,494.72	$537,647.15	$536,463.81	$444,832.37	$404,984.55	$388,232.86	$358,477.63	$453,172.09
Maintenance of equipment	521,182.27	476,248.11	445,792.52	462,721.87	419,048.11	396,289.19	450,927.41	267,647.18	324,415.16
Conducting transportation	1,596,206.13	1,351,868.50	1,459,516.97	1,347,324.88	1,261,479.66	1,240,638.21	1,252,066.79	968,559.62	1,068,725.97
General Expenses	140,078.31	115,725.83	111,626.35	116,804.86	112,345.45	117,383.18	119,356.97	119,370.08	292,017.82
Total	$2,941,627.40	$2,564,337.16	$2,554,582.99	$2,463,315.42	$2,237,705.59	$2,159,295.13	$2,210,584.03	$1,714,054.51	$2,138,331.04
Percentage earnings and expenses	47.3 percent	56.1 per cent	49.6 per cent	56.6 per cent	54.1 per cent	60 per cent	59.1 per cent	67 per cent	73.5 per cent
Net earnings	$3,280,760.15	$1,952,738.50	$2.596,604.92	$1,885,269.62	$1.894,993.65	$1,439,066.93	$1,525,288.17	$843,220.98	769,632.10
Fixed charges and other items, taxes and terminal rentals	$1,694,258.67	$1,624,865.28	$1,715,733.11	$1,510,212.37	$1,492,806.56	$1,442,366.35	$1,520,923.50	$1,357,220.26	$1,163,646.79
Surplus	$1,586,501.48	327,873.22	880.871.81	375,057.25	402,187.09	.....	4,364.67	.....	.....
Deficit	.....	.....	.....	.....	.....	3,299.42	.....	513,999.28	394,014.69
Average miles operated	1,396.43	1,312.32	1,285.74	1,253.17	1,195	1,184.86	1,188.71	1,188.71	1,188.71
Earnings per mile	$4,455.92	$3,442.05	$4,006.39	$3,470.07	$3,458.32	$3,036.95	$3,142.80	$2,151.30	$2,446.32

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EXPENDITURE ACCOUNT

CONSTRUCTION OF NEW LINES AND EQUIPMENT.

Rice Lake, D. & M. Ry., including Line to Ridgeland, Wis	$13,540.00
Rice Lake & Northern Line, Wis	153,723.37
Polk County Line, Wis	193,646.50
Missouri River Extension, N. D. & S. D	476,677.22
Wishek Extension, N. D	15,187.46
Rapid River Branch, Mich	11,204.77
Preliminary Surveys,	4,831.98
Braddock Extension, N. D	34,404.99
Betterment to Main Line, (see statement page 14)	174,446.49
Rolling Stock, (see statement page 16)	771,807.44
Advances account Union Depots at St. Paul and Sault Ste. Marie,	43,100.00
Advances account Joint Terminals, Sault Ste. Marie,	53,203.55
	$1,945,773.77

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EXPENDITURE ACCOUNT OF BETTERMENTS AND IMPROVEMENTS TO MAIN LINE AND OTHER ITEMS CHARGED TO CAPITAL ACCOUNT.

Year Ending June 30th, 1902.

New rails (119–70 miles) difference between cost of 60 lb. and 80 lb. rails, including fastenings for same	$140,339.01
Additional side-track spurs	1,196.06
Fencing (North Dakota & Wisconsin)	3,260.30
Right of way	3,696.28
New buildings and additions	7,002.23
Bridges and filling bridges	7,128.71
Interest dividend certificates redeemed	7,077.30
Cost of printing consolidated bonds	4,746.60
	$174,446.49

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TRAFFIC AND MILEAGE STATISTICS.

	1900	1901	1902
TRAINS MILEAGE.			
Freight revenue trains.....(Miles)	1,618,312	1,454,336	1,707,925
Passenger revenue trains..... "	845,602	1,001,925	1,079,116
Mixed revenue trains..... "	386,270	246,853	253,967
Non-revenue trains..... "	105,591	71,544	88,224
Total train mileage.....	2,955,775	2,774,658	3,129,232
FREIGHT TRAFFIC.			
Tons of Freight carried.....	3,102,244	2,973,310	3,234,023
Tons of freight carried one mile.....	603,856,370	535,017,533	617,746,549
Tons of freight carried one mile per mile of road....	469,656	407,687	442,376
Average distance haul of one ton..... (miles)	194.65	179.94	191.01
Average amount received for each ton of freight...	$1.28	$1.10	$1.41
Average rate per ton per mile.....	6.58 mills	6.17 mills	7.39 mills
Freight Earnings per mile of road.....	$3,095.17	$2.518.29	$3.274.35
Freight Earnings per train mile.....	$1.98½	$1.94¼	$2.33
PASSENGER TRAFFIC.			
Number of passengers carried earning revenue.....	436,813	478,016	604,287
Number of passengers carried one mile.....	37,543,998	39,375,793	58,046,978
Number of passengers carried one mile per mile of road.....	29,200	30,005	41,568
Average distance carried.....(miles)	85,95	82,37	96.05
Average amount received for each passenger.....	$1.88	$1.83	$2.08
Average rate per passenger per mile.....(cents)	2.19	2.22	2.17
Passenger Earnings per mile of road.....	$388.96	$904.21	$1,153.11
Passenger Earnings per train mile.....(cents)	92.78	95.34	$1.2079
MISCELLANEOUS.			
Gross Earnings per mile of road.....	$4,006.39	$3,442.05	$4,455.92
Operating Expenses per mile of road.....	$1,986.86	$1,954.05	$2,106.53
Mileage of Passenger Cars.....	5,867,640	6,141,591	6,827,836
Average number of passenger cars per train.....	4.76	4.92	5.12
Average number of passengers per train.....	30	32	44
Mileage of loaded freight cars—North or East.....	19,340,001	16,820,611	18,434,209
Mileage of loaded freight cars—South or West.....	20,562,326	18,295,805	23,159,898
Mileage of empty freight cars—North or East.....	5,886,641	6,917,310	8,366,459
Mileage of empty freight cars—South or West.....	5,649,500	4,531,447	4,878,722
Average number of freight cars in train.....	25.66	27.37	27.95
Average number of loaded cars in train.....	19.91	20.64	21.20
Average number of tons freight in train.....	301.24	314.49	314.88
Average number of tons freight in each loaded car..	15.13	15.24	14.85
Average mileage operated during the year.....	1,285.74	1,312.32	1,396.43

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ADDITIONS TO EQUIPMENT.

620 Box Cars	$414,820.76	
7 Locomotives	108,302.20	
1 Locomotive Tender	932.74	
200 Flat Cars	113,422.83	
6 First-class Passenger Coaches	48,029.94	
4 Sleepers	62,408.77	
1 Dining Car	15,363.57	
5 Mail Cars	22,966.59	
1 Jull Snowplow	6,595.81	
		$792,843.21

LESS, SOLD, DESTROYED, ETC.

17 Box Cars	$9,557.18	
4 Flat Cars	1,501.98	
1 Locomotive	8,830.00	
1 Ore Car	502.37	
1 Furniture Car	575.00	
Tourist Car Furnishings Sold	69.24	
		$21,035.77
Net Additions for Year		$771,807.44

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EQUIPMENT OWNED JUNE 30, 1902.

Locomotives	106
First Class Passenger Coaches	19
Second Class Passenger Coaches	14
Combination Cars	6
Sleepers	12
Tourist Sleepers	5
Diners	5
Buffet	1
Baggage, Mail and Express	23
Official	2
Total Passenger Cars	87
Freight Cars—	
Caboose	70
Box	6,553
Flat	894
Ore	143
Stock	98
Refrigerator	73
Charcoal	20
Logging	20
Furniture	9
Total Freight Cars	7,880
Miscellaneous—	
Tool Cars	3
Steam Shovels	3
Pile Drivers	2
Ditchers	2
Snow Plows	2
Total Miscellaneous	12

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EXPENDITURES CHARGED TO FUND APPROPRIATED FOR BETTERMENTS & IMPROVEMENTS,

Year Ending June 30, 1902.

SIDE TRACKS		$20,984.41
Thornapple Spur	$1,973.40	
Canning factory spur, Barron	635.04	
Menasha woodenware spur	2,030.42	
Siding at Rex	1,065.47	
Spur No. 2, Manistique	1,257.78	
Extending passing tracks, Amery	893.31	
Extending Catawba house track	830.33	
Extending Cavour passing track	933.48	
Extending Hobson passing track	555.44	
Extending Kipling siding	1,925.46	
Extending Bagdad passing track	588.04	
Extending river track, Manistique	1,312.81	
Extending Malacca passing track	607.19	
Transfer track, N. P. Glenwood	1,366.51	
2nd track, Hankinson	1,509.62	
Elevator track, Portal	1,917.20	
Side track, Flaxton	1,582.91	
SHOP MACHINERY AND TOOLS		$12,025.34
Timber sizer, mill-room, Shoreham	2,420.71	
Bending roll and flange punch	4,785.05	
Planer and two lathes	4,819.58	
BUILDINGS		$1,962.35
Extending Manistique depot	1,674.61	
Extended Alicia depot	287.74	
BRIDGES (steel)		$19,687.26
Rapid River bridge	1,517.99	
White Fish bridge	11,491.97	
Fish Dam bridge	202.69	
Pine Creek W. bridge	3,518.55	
Pine Creek E. bridge	2,956.06	
FILLING BRIDGES, W. & P. DIV	173.99	$173.99
TELEGRAPH LINE		$4,985.45
Extra wire, Minneapolis to Harvey	4,985.45	
FASTENINGS, MINN. DIV		$2,385.39
Extra base plates and angle bars	2,385.39	
Total		$62,204.19

MEMO.

Appropriation	$300,000.00
Disbursed to June 30	62,204.19
Balance available	$237,795.81

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1903.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1903.

MINNEAPOLIS:
TRIBUNE PRINTING COMPANY.

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

DIRECTORS.

THOMAS LOWRY	Minneapolis, Minn.
JOHN MARTIN	Minneapolis, Minn.
W. D. WASHBURN	Minneapolis, Minn.
C. H. PETTIT	Minneapolis, Minn.
E. PENNINGTON	Minneapolis, Minn.
G. R. NEWELL	Minneapolis, Minn.
SIR WM. C. VAN HORNE	Montreal, Quebec.
SIR T. G. SHAUGHNESSY	Montreal, Quebec.
R. B. ANGUS	Montreal, Quebec.
ALFRED H. BRIGHT	Minneapolis, Minn.
E. A. YOUNG	St. Paul, Minn.

OFFICERS.

THOMAS LOWRY, *President.*
JOHN MARTIN, *Vice-President.*
C. F. CLEMENT, *Sec'y and Treas.*
C. W. GARDNER, *Auditor.*
E. PENNINGTON, *2nd Vice-President and General Manager.*

Transfer and Fiscal Agents, AGENTS' BANK OF MONTREAL, Wall Street, New York.

Registrar of Stocks and Bonds, CENTRAL TRUST CO., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1904.

We submit herewith a report showing result of operations for the year indicated above and a comparison with previous year's results.

The gross earnings, expenses, etc., were as follows:

	1904	1903
Gross Earnings from all sources....	$7,082,153.19	$7,293,743.26
Operating Expenses.....	3,746,780.49	3,719,923.63
Net Earnings.....	$3,335,372.70	$3,573,820.63
Fixed Charges, Taxes, etc.....	1,948,126.82	1,909,323.20
Surplus Earnings.....	$1,387,245.88	$1,664,497.43

The gross earnings as compared with the previous year decreased $211,590.07, or 2.9 per cent, while the operating expenses increased $26,857.86 and the fixed charges $38,-803.62, resulting in a decrease in the net earnings of $238,-447.93, or 6.6 per cent, and in surplus of $277,251.55, or 16.6 per cent.

When the unfavorable conditions that prevailed throughout the year are considered, the result is most encouraging; a comparatively small wheat crop in 1903 was followed by a very severe winter, making operation most difficult and expensive; the heavy snowfall of the winter coupled with an abnormal rainfall in the spring resulted in very disastrous washouts in North Dakota, which paralyzed traffic during the busy spring season and made expensive repairs necessary. The late opening of navigation on the Great Lakes in

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the spring of 1904 eliminated a very large volume of business usually handled over the lines east of Minneapolis, and greatly reduced business activity throughout the entire Northwest. When these unfavorable local conditions are considered, and the abnormal condition of business generally throughout the entire country, the fact that the gross earnings were maintained at a figure within 2.9 per cent of the most favorable year in the Company's history reflects the wonderful growth of the territory along its lines, and certainly offers brightest prospects for the future.

On October 15, 1903, the Company paid its first dividend. This was paid out of the surplus earnings of the calendar year 1902, being the full dividend of 7 per cent on the preferred shares and 2 per cent on the common shares. In April, 1904, a second dividend was paid; the preferred shares receiving 3½ per cent from the earnings of 1903 and the common shares 2 per cent from the earnings of 1902. The Company also appropriated from its surplus earnings of the current year $250,000 for betterments and improvements to the property; $200,000 having been appropriated from the previous year for similar purposes, the Improvement Fund aggregated $450,000, and was expended principally as follows:

In Filling Bridges	$ 16,000.00
In Steel Bridges ($20,000 charged Operating Expenses)	27,000.00
In Replacing 60-lb. Rails with 80-lb. Rails Minneapolis to Hoffman, about 141 miles, and about 17 miles east of Minneapolis (cost of relaying charged to Operating Expenses)	182,528.71
In Ballasting Minneapolis to Glenwood	66,000.00
In Extending Side and Passenger Tracks, about	44,000.00

The balance of the fund was used to enlarge the shops and roundhouses at Minneapolis and to improve and enlarge the fuel and water stations, including several automatic coaling plants. Full details of these expenditures will be found in the subjoined statements.

About $75,000 was expended to complete the acquirement of terminal grounds at St. Paul and Minneapolis, and $45,000 for a suitable piece of property in Minneapolis, on which during the coming year a general office building will be erected.

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During the year the Company completed the extension of its line from Birchwood to Reserve, Wis., 18.85 miles; purchased the line from Rex to Meads Quarry, Mich., 15.54 miles; completed and put in operation the extension Glenwood to a point eight miles south of Detroit, Minn., 84 miles, and purchased the Bismarck, Washburn & Great Falls Railway, extending from Bismarck northwesterly to Underwood, N. D., 59.97 miles. Making a total addition to mileage, 176.36 miles.

The extension north from Glenwood, known as the Winnipeg line, is under construction, and will be completed and in operation not later than December 1, 1904. To provide the funds for the construction and purchase of this additional mileage the Company issued during the fiscal year 3,572 of its First Consolidated Mortgage bonds; and since the close of the fiscal year has issued 580 more of said bonds, which will provide all the funds required to complete the Winnipeg line and pay for additional equipment contracted for delivery at an early date. With the completion of this line, and after the issuance of the above mentioned bonds, the Company will own about 160 miles of railroad on which no bonds have as yet been issued.

The equipment was increased during the year by the purchase of fifteen locomotives and five passenger cars, besides considerable secondhand equipment received with the purchase of the Bismarck, Washburn & Great Falls Railway. Complete statement of equipment purchased, destroyed and owned will be found herein.

The Company's property, including roadbed, buildings and equipment, has been not only maintained but greatly improved by many additions, of which no detail mention is made for the reason that the cost of same has been carried in its operating expenses.

The usual detailed statements will be found in the following pages.

Respectfully submitted,

THOS. LOWRY,
President.

E. PENNINGTON,
Second Vice-Prest. and Gen'l Manager.

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Mileage.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.	to	Portal, N. D.	1,038.88 miles.
Northtown Jct., Minn.	to	Camden Place (Mpls.)	1.01 "
Cardigan Jct., Minn.	to	St. Paul, Minn.	5.34 "
Glenwood, Minn.	to	Ottertail, Minn.	59.00 "
Ottertail, Minn.		North	25.00 "
Hankinson, N. D.	to	Bismarck, N. D.	214.18 "
Bismarck, N. D.	to	Underwood, N. D.	57.97 "
Wishek, N. D.	to	Pollock, S. D.	70.35 "
Dresser Jct., Wis.	to	St. Croix Falls, Wis.	4.05 "
Summit Jct., Wis.	to	Frederic, Wis.	22.43 "
Barron, Wis.	to	Ridgeland, Wis.	18.33 "
Cameron, Wis.	to	Reserve, Wis.	41.67 "
Tony & Northeastern, Wis.			2.21 "
Rex, Mich.	to	Meads Quarry, Mich.	15.54 "
Rapid River, Mich.	to	Eben Jct., Mich.	30.55 "
			1,606.51 "
Add Spur Lines			23.13 "
Total Mileage, June 30th, 1904			1,629.64 "

In addition to the above, the Company has trackage facilities over 18.52 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

Earnings and Expenses.

Gross Earnings:

Passenger	$1,523,262.18	
Freight	4,987,476.36	
Express, Mail and Miscellaneous	482,759.87	
		$6,993,498.41
OPERATING EXPENSES:		
Maintenance of way and structures	$ 705,516.74	
Maintenance of equipment	730,674.10	
Conducting transportation	2,143,575.99	
General Expenses	167,013.66	
		$3,746,780.49
Net Earnings from Operation		$3,246,717.92
REVENUE FROM OTHER SOURCES:		
Interest, discount and exchange	$ 73,657.95	
Interest on bonds and stock	16,288.50	
		$ 89,946.45
Total income		$3,336,664.37
OTHER PAYMENTS:		
Interest on bonds	$1,528,496.88	
Taxes	327,784.71	
Rental of terminals	91,845.23	
Loss on sale of 15 Minnesota Transfer Ry. Bonds	1,291.67	
		$1,949,418.49
Surplus earnings		$1,387,245.88
Deduct amount appropriated for additions and betterments	$ 250,000.00	
		$ 250,000.00
Net surplus for year		$1,137,245.88

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General Ledger Balance Sheet, June 30th, 1904.

Debits.

Cost of Road, Acquired Lines, Extensions and Equipment		$62,463,750.13
Real Estate owned		371,925.69
Stocks and Bonds owned—		
St. Paul Union Depot Stock	$ 100,000.00	
Minnesota Transfer Ry. Stock	7,000.00	
Western Express Company Stock	25,000.00	
Sault Ste. Marie Bridge Co. Stock	500.00	
Sault Ste. Marie Union Depot Co. Stock	50,590.56	
Treasury Stock, this Company	225,600.00	
Minnesota Transfer Ry. Bonds	2,000.00	
Bonds, this Company	12,000.00	
Bonds, Village of Henning	4,000.00	
Bonds, Village of Alexandria	16,000.00	
		$ 442,690.56
Material and Supplies		815,685.94
Due from—		
Foreign Roads	$ 142,185.81	
Agents and Conductors	316,486.74	
U. S. Postoffice Department	56,570.88	
Bills and Accounts Receivable	147,535.75	
Cash—Minneapolis, New York and London	2,852,042.25	
Total Cash and Cash Assets		$ 3,514,821.43
Other Accounts		7,501.72
		$67,616,375.47

Credits.

Capital Stock—		
Common	$14,000,000.00	
Preferred	7,000,000.00	
		$21,000,000.00
Funded Debt—		
First Mortgage M. & P. Bonds, 4%	$ 335,000.00	
First Mortgage M. S. S. M. & A. Bonds, 4%	8,209,000.00	
First Consolidated Mortgage Bonds, 4%	28,631,000.00	
Second Mortgage Bonds, 4%	3,500,000.00	
		$40,675,000.00
Bills Payable—		
Car Trust Notes	$ 93,764.79	
Western Express Company	14,000.00	
		$ 107,764.79
Interest Accrued on Bonds due July 1st	$ 741,320.00	
Accrued Terminal Charges due July 1st	25.00	
Accrued Taxes not yet due	340,332.47	
		$ 1,081,677.47
Current Liabilities—		
Vouchers and other Items	$ 850,021.43	
Pay Rolls	289,997.57	
		$ 1,140,019.00
Betterment and Improvement Fund		12,032.09
Dividends due and unpaid		3,926.50
Income Account		3,595,955.62
		$67,616,375.47

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Income Account, June 30th, 1904.

To Operating Expenses	$ 3,746,780.49
Interest on Bonds	1,528,496.88
Taxes	327,784.71
Rental of Terminals	91,845.23
Fund for Additions and Improvements	250,000.00
Loss on sale of 15 Minnesota Transfer Bonds	1,291.67
7% Dividend on Preferred Stock from 1902 Surplus	484,687.00
4% Dividend on Common Stock from 1902 Surplus	554,012.00
3½% Dividend on Preferred Stock from 1903 Surplus	242,343.50
	$ 7,227,241.48
By Balance June 30th, 1903	$ 3,739,752.24
Freight Earnings	4,987,476.36
Passenger Earnings	1,523,262.18
Mail Earnings	226,519.87
Express Earnings	116,879.98
Miscellaneous Earnings	139,360.02
Dividend on Stocks owned	15,188.50
Interest on Bonds owned	1,100.00
Interest on Advances	73,657.95
	$10,823,197.10
By Balance June 30th, 1904	$ 3,595,955.62

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Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.	1902	1903	1904
From Freight	$4,566,222.89	$5,254,735.41	$4,987,476.36
From Passengers	1,257,037.61	1,524,378.01	1,523,263.18
From Mails	195,573.34	206,928.27	226,519.87
From Express and Miscellaneous	203,553.71	251,222.59	256,240.00
Total Gross Earnings	$6,222,387.55	$7,237,264.28	$6,993,498.41
OPERATING EXPENSES.			
MAINTENANCE OF WAY AND STRUCTURES.			
Repairs of Roadway	$382,612.81	$439,786.26	$414,783.52
Renewals of Rails	292.40	299.15	.....
Renewals of Ties	117,100.79	126,136.53	121,576.44
Repairs and Renewals, Bridges and Culverts	80,894.15	113,150.59	77,218.06
Repairs and Renewals, Fences, Road Crossings, Signs, and Cattle Guards	7,565.29	10,825.27	11,342.27
Repairs and Renewals, Buildings and Fixtures	60,113.85	77,873.07	55,908.47
Repairs and Renewals, Docks	22,096.95	14,153.19	9,005.83
Repairs and Renewals, Telegraph	13,077.71	17,955.45	14,829.96
Stationery and Printing	396.74	610.43	727.66
Other Expenses	10.00	1.77	124.53
Total	$684,160.69	$800,791.71	$705,516.74
MAINTENANCE OF EQUIPMENT.			
Superintendence	$3,682.44	$3,842.65	$4,084.95
Repairs and Renewals, Locomotives	186,242.54	248,552.75	279,640.38
Repairs and Renewals, Passenger Cars	63,395.53	76,719.99	77,160.44
Repairs and Renewals, Freight Cars	215,853.29	274,587.77	302,148.59
Repairs and Renewals, Work Cars	16,509.07	18,038.83	17,493.36
Repairs and Renewals, Shop Machinery and Tools	18,097.52	21,059.88	27,048.95
Stationery and Printing	1,678.30	2,207.21	2,020.57
Other Expenses	15,723.58	16,049.29	21,076.86
Total	$521,182.27	$661,058.37	$730,674.10
GENERAL EXPENSES.			
Salaries, General Officers	$31,107.89	$37,459.84	$37,879.76
Salaries, Clerks and Attendants	43,922.10	51,402.88	56,456.98
General Office Expense and Supplies	14,327.44	16,187.82	18,516.93
Insurance	16,180.86	18,889.88	22,669.63
Law Expenses	26,756.77	20,632.89	18,866.22
Stationery and Printing	3,960.92	5,664.02	3,312.09
Other Expenses	3,822.33	9,807.80	4,312.05
Total	$140,078.31	$160,045.13	$167,013.66
CONDUCTING TRANSPORTATION.			
Superintendence	$65,447.28	$74,354.20	$80,768.40
Engine and Round House Men	287,263.34	351,624.93	357,845.10
Fuel for Locomotives	455,258.26	673,937.35	753,969.34
Water Supply for Locomotives	17,479.71	28,234.93	29,685.31
Oil, Tallow and Waste for Locomotives	11,273.07	16,740.97	14,339.41
Other Supplies for Locomotives	4,478.55	6,256.49	7,242.08
Freight Train Service	161,383.89	194,909.14	204,346.80
Freight Train Supplies and Expenses	14,030.89	17,822.70	20,331.35
Passenger Train Service	46,247.32	57,247.58	67,397.98
Passenger Train Supplies and Expenses	28,143.98	34,611.57	39,757.82
Switchmen, Flagmen and Watchmen	43,244.50	51,089.24	53,739.25
Telegraph Expenses	56,020.44	73,402.09	77,672.79
Station Service	136,562.29	167,645.87	191,933.74
Station Supplies	12,671.40	14,884.81	18,194.57
Switching Charges, Balance	Cr. 1,404.60	Cr. 926.02	688.53
Car Mileage, Balance	Cr.48,947.94	Cr.87,698.61	Cr147,512.92
Hire of Equipment	Cr. 7,024.62	Cr. 749.67	777.26
Damage and Loss of Freight and Baggage	8,080.10	40,260.90	39,218.88
Damage to Property, Including Live Stock	5,644.24	8,858.78	10,449.51
Injuries to Persons	20,292.75	45,545.22	19,375.10
Clearing Wrecks	4,010.37	6,598.21	9,004.93
Operating Gladstone Ore Docks	4,826.47	3,965.27	3,092.31
Operating Gladstone Flour and Mdse. Docks	63,800.21	63,381.81	44,333.25
Advertising	17,685.56	21,327.86	14,354.77
Outside Agencies	97,842.38	107,474.08	104,822.16
Stock Yards and Elevators	6,562.21	7,217.65	7,057.45
Rents of Buildings and Other Property	Cr. 9,700.38	Cr. 8,218.98	Cr. 9,060.80
Stationery and Printing	18,982.23	23,611.34	24,182.63
Other Expenses	6,305.56	6,447.80	12,446.59
Operating Yards, Tracks and Terminals	69,746.67	86,963.63	79,811.80
Sleeping Car Expenses	.....	11,186.33	13,310.60
Total	$1,596,206.13	$2,098,027.42	$2,143,575.99
Total Operating Expenses	$2,941,627.40	$3,719,922.63	$3,746,780.49
Net Earnings	$3,280,760.15	$3,517,341.65	$3,246,717.92
Percentage of Expenses to Earnings	47.3 per cent	51.4 per cent	53.6 per cent

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Comparative Statement of Earnings and Expenses.

EARNINGS.

	1904	1903	1902	1901	1900	1899	1898	1897	1896
Freight	$4,987,476.36	$5,354,735.41	$4,566,222.89	$3,298,651.28	$3,974,398.70	$3,426,985.96	$3,287,309.25	$2,867,224.88	$3,009,713.73
Passenger	1,523,262.18	1,524,378.01	1,257,087.61	875,948.37	822,908.78	621,792.95	562,791.38	477,148.23	475,704.15
Mail	226,519.87	206,928.27	195,573.34	190,130.30	195,144.67	177,193.96	157,356.03	155,547.73	160,333.34
Express	116,879.98	116,090.72	101,723.52	76,363.89	80,744.06	58,430.14	52,593.79	40,305.12	32,016.98
Miscellaneous	139,360.02	135,131.87	101,830.19	75,981.82	77,991.70	64,183.03	72,648.79	58,136.10	58,104.00
Total	$8,993,498.41	$7,237,264.28	$6,222,337.55	$4,517,075.66	$5,151,187.91	$4,348,585.04	$4,132,699.24	$3,598,362.06	$3,735,872.20

EXPENSES.

	1904	1903	1902	1901	1900	1899	1898	1897	1896
Maintenance of way and structures	$ 705,516.74	$ 800,791.71	$ 664,160.69	$ 620,494.72	$ 537,647.15	$ 536,463.81	$ 444,832.37	$ 404,984.55	$ 388,232.86
Maintenance of equipment	730,674.10	661,058.37	521,182.27	476,248.11	445,792.52	462,721.87	419,048.11	396,289.19	450,927.41
Conducting transportation	2,143,575.99	2,098,027.42	1,596,206.13	1,351,868.50	1,459,516.97	1,347,324.88	1,261,479.66	1,240,638.21	1,252,066.79
General Expenses	167,013.66	160,045.13	140,078.31	115,725.83	111,626.35	116,804.86	112,345.45	117,383.18	119,356.97
Total	$3,746,780.49	$3,719,922.63	$2,941,627.40	$2,564,337.16	$2,554,582.99	$2,463,315.42	$2,237,705.59	$2,159,295.13	$2,210,584.03
Percentage earnings and expenses	53.6 percent	51.4 percent	47.3 percent	56.1 percent	49.6 percent	56.6 percent	54.1 percent	60 percent	59.1 percent
Net earnings	$3,246,717.92	$3,517,341.65	$3,280,760.15	$1,952,738.50	$2,596,604.92	$1,885,269.62	$1,894,993.65	$1,439,066.93	$1,525,288.17
Fixed charges and other items, taxes and terminal rentals	$1,859,472.04	$1,852,844.22	$1,694,258.67	$1,624,865.28	$1,715,733.11	$1,510,212.37	$1,492,806.56	$1,442,366.35	$1,520,923.50
Surplus	1,387,245.88	1,664,497.43	1,586,501.48	327,873.22	880,871.81	375,057.25	402,187.09	.....	4,364.67
Deficit	.....	.....	.....	.....	.....	.....	.....	3,299.42	.....
Average miles operated	1,529.85	1,463.97	1,396.43	1,312.32	1,285.74	1,253.17	1,195.00	1,184.86	1,183.71
Earnings per mile	$4,571.36	$4,943.59	$4,455.92	$3,442.05	$4,006.39	$3,470.07	$3,458.32	$3,036.95	$3,142.80

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Traffic and Mileage Statistics.

	1901	1902	1903	1904
TRAINS MILEAGE.				
Freight revenue trains.....(Miles)	1,454.336	1,707,925	1,909,476	1.836,792
Passenger revenue trains..... "	1,001,925	1,079,116	1,170,656	1,302.505
Mixed revenue trains..... "	246,853	253,967	401,534	420,216
Non-revenue trains..... "	71,544	88,224	123,071	109,459
Total train mileage..... "	2,774,658	3,129,232	3.604,737	3,668,972
FREIGHT TRAFFIC.				
Tons of freight carried.....	2,973,310	3,234,023	3,430,894	3,475,781
Tons of freight carried one mile.....	535,017,533	617,746,549	705,754,739	678,504,595
Tons of freight carried one mile per mile of road.....	407,687	442,376	482,083	443,510
Average distance haul of one ton (miles).....	179.94	191.01	205.70	195.21
Average amount received for each ton of freight.....	$1.10	$1.41	$1.53	$1.43
Average rate per ton per mile.....	6.17 mills	7.39 mills	7.45 mills	7.35 mills
Freight Earnings per mile of road.....	$2.518.29	$3,274.35	$3,599.75	$3,272.29
Freight Earnings per train mile.....	$1.94¼	$2.33	$2.28	$2.22
PASSENGER TRAFFIC.				
Number of passengers carried earning revenue.....	478,016	604,287	718,491	776,100
Number of passengers carried one mile	39,375,793	58,046,978	68,281,621	67,074,997
Number of passengers carried one mile per mile of road.....	30,005	41,568	46,641	43,844
Average distance carried.....(miles)	82.37	96.05	95.03	86.42
Average amount received for each passenger.....	$1.83	$2.08	$2.12	$1.96
Average rate per passenger mile(cents)	2.22	2.17	2.23	2.27
Passenger Earnings per mile of road..	$904.21	$1,153.11	$1,315.34	$1,273.55
Passenger Earnings per train mile (cents).....	95.34	$1.2079	$1.2248	$1.13097
MISCELLANEOUS.				
Gross Earnings per mile of road.....	$3,442.05	$4,455.92	$4,943.59	$4,571.36
Operating Expenses per mile of road..	$1,954.05	$2,106.53	$2,540.99	$2,449.12
Mileage of Passenger Cars..... ...	6,141,591	6,827,836	7,663,682	8,226,003
Average number of passenger cars per train.....	4.92	5.12	4.87	4.78
Average number of passengers per train.....	32	44	43	39
Mileage of loaded freight cars—North or East..... ..	16,820,611	18,434,209	21,765,457	21,233,877
Mileage of loaded freight cars—South or West.....	18,295,805	23,159,898	24,181,153	23,159,574
Mileage of empty freight cars—North or East.....	6,917,310	8,366,459	7,862,094	8,402,222
Mileage of empty freight cars—South or West.....	4,531,447	4,878,722	5,107,790	5,763,290
Average number of freight cars in train	27.37	27.95	25.49	25.95
Average number of loaded cars in train	20.64	21.20	19.88	19.67
Average number tons freight per train entire line.....	314.49	314.88	305.38	300.62
Average number tons freight per train main line.....				335.53
Average number tons freight per train branch line.....				81.59
Average number of tons freight in each loaded car.....	15.24	14.85	15.36	15.28
Average mileage operated during the year.....	1,312.32	1,396.43	1,463.97	1,529.85

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Freight Traffic Movement.

(Company's Material Excluded.)

COMMODITY.	1902.		1903.		1904.	
	Whole Tons.	Per Cent.	Whole Tons.	Per Cent.	Whole Tons.	Per Cent.
Grain	446,312	13.80	589,322	17.18	590,334	16.98
Flour	289,144	8.94	346,869	10.11	311,142	8.95
Other mill products	51,520	1.59	38,719	1.13	37,658	1.08
Hay	15,040	.46	15,843	.46	17,830	.51
Tobacco	175	.01	1,594	.05	153	.01
Fruit and vegetables	19,080	.59	26,065	.76	16,489	.47
Tea	1,786	.06	2,625	.08	2,862	.08
Other agricultural products	959	.03	3,501	.10	2,547	.07
Live stock	27,293	.84	44,348	1.29	39,117	1.13
Dressed meats	8,529	.26	8,311	.24	16,872	.49
Other packing-house products	8,148	.25	13,241	.38	2,199	.06
Poultry, fish and game	8,086	.25	7,810	.23	6,049	.18
Wool	1,754	.05	1,879	.05	1,846	.05
Hides and leather	3,989	.12	5,517	.16	6,003	.17
Butter and eggs	6,819	.21	8,054	.23	6,518	.19
Anthracite coal	31,780	.98	25,229	.73	43,534	1.25
Bituminous coal	88,499	2.74	92,613	2.70	98,749	2.84
Lignite coal	39,713	1.23	80,021	2.33	61,748	1.78
Coke	668	.02	271	.01	2,597	.07
Ores	299,266	9.25	185,936	5.42	168,883	4.86
Stone, sand, etc.	12,362	.38	16,324	.48	30,634	.88
Salt	5,749	.18	6,410	.19	5,513	.16
Lumber	1,295,319	40.05	1,311,638	38.23	1,467,265	42.21
Charcoal	9,562	.30	7,769	.23	2,621	.08
Cooperage	31,731	.98	32,988	.96	27,901	.80
Petroleum and other oils	17,962	.56	20,126	.59	9,195	.27
Sugar	5,448	.17	3,115	.09	4,652	.13
Iron, pig and bloom	54,176	1.68	49,580	1.45	31,844	.92
Iron and steel rails	32,150	.99	26,513	.77	42,414	1.22
Other castings and machinery	21,105	.65	24,448	.71	20,815	.60
Bar and sheet metal	24,123	.75	32,908	.96	25,495	.73
Cement, brick and lime	48,072	1.49	49,212	1.43	46,532	1.34
Agricultural implements	10,890	.34	12,540	.37	10,605	.31
Wagons, carriages, tools, etc.	2,227	.07	2,433	.07	1,170	.04
Wines, liquors and beers	9,553	.30	7,596	.22	7,202	.21
Household goods and furniture	48,366	1.49	57,198	1.67	40,334	1.16
Merchandise	118,021	3.65	134,379	3.92	122,590	3.52
Miscellaneous	138,647	4.29	137,949	4.02	145,869	4.20
Total	3,234,023	100.00	3,430,894	100.00	3,475,781	100.00

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Expenditure Account Construction and Equipment.

Tony Branch	$ 3,846.60
Birchwood Extension	218,934.79
Glenwood Extension	1,999,571.72
Bismarck, Washburn & Gt. Falls Ry	1,112,086.29
Rex Branch	63,147.24
Preliminary Surveys	4,209.69
Terminal Property, St. Paul and Minneapolis	75,466.75
Betterments to Main Line	44,129.78
General Office Building, Minneapolis	44,877.12
Joint Terminals, Sault Ste. Marie	1,060.23
New Equipment, see statement attached page 17	317,090.12
	$3,884,420.33

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Expenditures Charged to Fund Appropriated for Additions and Betterments.

Side tracks	$ 44,165.00
Shops, engine houses and turn tables	25,736.63
Shop tools and machinery	5,059.94
Buildings	36,894.71
Fuel and water stations	35,462.34
Ballasting, etc	82,657.50
Bridges and culverts	27,124.89
Rails and fastenings	182,528.71
Fencing	7,170.07
Crossings, cattle guards and signs	1,486.24
Telegraph lines	659.77
	$448,945.80

Balance at credit of fund, June 30th, 1903	$210,977.89
Appropriated from earnings year 1903-4	250,000.00
	$460,977.89
Deduct expenditures as above	448,945.80
Balance forward June 30th, 1904	$ 12,032.09

N. B.—158.2847 miles 60-lb. steel replaced by 80-lb. steel.

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Additions to Equipment.

6 Box Cars	$ 1,200.00	
7 Flat Cars	350.00	
7 Cabooses	5,132.31	
36 Gondolas	19,592.36	
1 Passenger Coach	2,000.00	
2 Combination Passenger and Baggage Cars	7,994.62	
3 Baggage and Mail Cars	17,036.87	
2 Steamboats	5,000.00	
2 Barges	1,000.00	
7 Compound Consolidated Locomotives	122,790.86	
7 Compound Mogul Locomotives	113,514.88	
1 Simple Pacific Locomotive	16,792.73	
3 Locomotives (secondhand)	17,273.54	
Advances account of equipment under construction, etc	22,321.61	
		$351,999.78
LESS DESTROYED.		
46 Box Cars	$ 24,615.95	
10 Flat Cars	4,170.96	
1 Caboose	772.05	
1 Baggage Car	3,024.00	
1 Locomotive	600.00	
2 Stock Cars	676.83	
1 Refrigerator Car	1,049.87	
		$ 34,909.66
Net Additions for Year		$317,090.12

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Equipment Owned June 30th, 1905.

Locomotives	141
First Class Passenger Coaches	33
Second Class Passenger Coaches	13
Combination Cars	8
Sleepers	15
Tourist Sleepers	9
Diners	6
Buffet	3
Baggage, Mail and Express	33
Official	2
Total Passenger Cars	122
Freight Cars:	
Caboose	87
Box	8,695
Flat	1,064
Gondolas	36
Ore	143
Stock	96
Refrigerator	119
Charcoal	20
Logging	20
Furniture	8
Total Freight Cars	10,288
Miscellaneous:	
Tool Cars	3
Steam Shovels	4
Pile Drivers	2
Ditchers	2
Snow-plows	4
Ballast Unloader	3
Wrecking Crane	1
Ballast Cars	150
Total Miscellaneous	169

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1907.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1907.

MINNEAPOLIS.
A. B. FARNHAM PRINTING & STATIONERY CO.
1907.

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

DIRECTORS.

THOMAS LOWRY	Minneapolis, Minn.
W. D. WASHBURN	Minneapolis, Minn.
C. H. PETTIT	Minneapolis, Minn.
E. PENNINGTON	Minneapolis, Minn.
ALFRED H. BRIGHT	Minneapolis, Minn.
W. L. MARTIN	Minneapolis, Minn.
G. R. NEWELL	Minneapolis, Minn.
E. A. YOUNG	St. Paul, Minn.
SIR T. G. SHAUGHNESSY	Montreal, Quebec.
SIR WM. C. VAN HORNE	Montreal, Quebec.
R. B. ANGUS	Montreal, Quebec.

OFFICERS.

THOMAS LOWRY, President. C. F. CLEMENT, Sec'y and Treas.

E. PENNINGTON, Vice-President and General Manager.

C. W. GARDNER, Auditor.

W. L. MARTIN, 2d Vice-President and Traffic Manager.

Transfer and Fiscal Agents, AGENTS BANK OF MONTREAL, 31 Pine Street, New York.

Registrar of Stocks and Bonds, CENTRAL TRUST CO., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30, 1907.

Report for the year ending June 30, 1907, is submitted herewith as follows:

	1907.	1906.
Gross Earnings	$12,892,079.03	$11,574,461.99
Operating Expenses	7,433,548.79	5,784,559.78
Net Earnings	$5,458,530.24	$5,789,902.21
Income from Other Sources	52,076.86	62,965.22
Total Net Earnings	$5,510,607.10	$5,852,867.43
Fixed Charges, Taxes, etc.	2,901,921.32	2,585,181.31
Surplus Income	$2,608,685.78	$3,267,686.12

The Gross Earnings increased $1,317,617.04, or 11.4 per cent. The Operating Expenses were 57.6 per cent as compared with 50 per cent the previous year and the Fixed Charges increased $327,628.37, or 13 per cent. This resulted in a decrease of $331,371.97 in Net and $659,000.34 in Surplus Earnings for the year. The increase in Operating Expenses was due to increased cost of labor, increased cost of almost every class of material and supplies required in railroad operations and to the fact that, during the winter, throughout Minnesota and Dakota, from November until April, there were unusually heavy snow falls, which at times made the movement of freight and passengers almost impossible. These conditions, coupled with

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a general car shortage, also kept the earnings of the Company much below what they would have been under normal conditions.

The movement of grain traffic for Duluth became very much congested by the inability of connecting lines to handle the business promptly and was a further serious limitation to favorable results. The Company is building a line from Brooten, Minn., to Duluth, about one-half of which will be in operation this year, and will be completed in 1908.

The rapid growth of the Company's business during the past three or four years has required large additions to its equipment and to its terminal facilities at Minneapolis, St. Paul and other principal points. The funds for these expenditures, to the extent of about $2,700,000, have been advanced, as required, from time to time, from its Surplus Earnings. In order to replace these advances and to provide funds for similar and other purposes, it is deemed advisable to increase the Company's Capital Stock. For this purpose, the stockholders, at their annual meeting, September 17th, will be asked to authorize an amendment to the Company's Articles of Incorporation, so as to increase its authorized Capital from $21,000,000 to $42,000,000, one-third of which will be Preferred and two-thirds Common Stock. It is the intention to issue only so much of this stock as may be necessary to take care of present and future requirements and will probably not exceed $4,200,000, which, before being sold, will be offered to the stockholders at par.

The Company's roadway, buildings and equipment have been maintained in first-class condition. There is every prospect of a bountiful harvest throughout the Northwest, so that a heavy movement of traffic during the coming year seems to be assured.

Respectfully submitted,

THOMAS LOWRY, *President.*

E. PENNINGTON, *Vice-President.*

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New York, September 10, 1907.

Thomas Lowry, Esq.,
President Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.,
Minneapolis, Minn.

We have examined the Accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the fiscal year ended June 30, 1907, and have approved the Balance Sheet and Income Account submitted herewith. These contain a full and true statement of the financial condition of the Company, subject to provision being made for about $200,000 of bad debts and unadjusted injury, loss and damage claims. The Surplus at the credit of Income Account was fairly earned after charging off all Expenses of Operation, the maintenance and betterment allowances that were charged against earnings and Income Account being, in our opinion, sufficient to maintain the value of the property.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

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Mileage.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.	to	Minneapolis, Minn.	490.02 miles.
Cardigan Jct., Minn.	to	St. Paul, Minn.	5.56 "
Dresser Jct., Wis.	to	St. Croix Falls, Wis.	4.30 "
Summit Jct., Wis.	to	Frederick, Wis.	22.43 "
Barron, Wis.	to	Ridgeland, Wis.	18.52 "
Cameron, Wis.	to	Reserve, Wis.	41.64 "
Tony Branch, Wis.			2.21 "
Rex, Mich.	to	Meads Quarry, Mich.	12.24 "
Rapid River, Mich.	to	Eben Jct., Mich.	30.55 "
Gladstone Ore Docks, Mich.			.76 "
Gladstone Coal Docks, Mich.			1.53 "
Total Mileage East of Minneapolis			629.76
Northtown Jct., Minn.	to	Camden Place, Minn.	1.01 miles.
Minneapolis, Minn.	to	Portal, N. D.	549.58 "
Glenwood, Minn.	to	Emerson, Minn.	265.05 "
Thief River Falls, Minn.	to	Kenmare, N. D.	296.44 "
Egeland, N. D.	to	Armourdale, N. D.	21.88 "
Hankinson, N. D.	to	Bismarck, N. D.	214.18 "
Bismarck, N. D.	to	Max, N. D.	91.27 "
Max, N. D.	to	Plaza, N. D.	36.85 "
Drake, N. D.	to	Dogden, N. D.	19.46 "
Flaxton, N. D.	to	Ambrose, N. D.	51.14 "
Wishek, N. D.	to	Pollock, S. D.	70.35 "
Total Mileage West of Minneapolis			1,617.21
Add Spur Lines			15.91
Total Mileage, June 30, 1907			2,262.88

In addition to the above, the Company has Trackage Facilities over 19.17 miles of Terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

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Earnings and Expenses.

GROSS EARNINGS:		
Freight	$9,506,447.12	
Passenger	2,655,549.19	
Mail, Express and Miscellaneous	730,082.72	
		$12,892,079.03
OPERATING EXPENSES:		
Maintenance of Way and Structures	$1,495,147.09	
Maintenance of Equipment	1,440.085.97	
Conducting Transportation	4,259,848.00	
General Expenses	238,467.73	
		7,433,548.79
Net Earnings from Operation		$5,458,530.24
REVENUE FROM OTHER SOURCES:		
Interest, Discount and Exchange	$46,552.56	
Interest on Bonds and Stock	5,524.30	
		52,076.86
Total Income		$5,510,607.10
OTHER PAYMENTS:		
Interest on Bonds	$2,039,640.00	
Interest on Equipment Notes	48,375.00	
Taxes	705,828.63	
Rental of Terminals	108,077.69	
		2,901,921.32
Net Surplus for Year		$2,608,685.78

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General Ledger Balance Sheet, June 30, 1907.

DEBITS.

Cost of Road, Acquired Lines, Extensions and Equipment		$77,440,869.61
Advances for Equipment, Terminals, etc.		2,700,000.00
Real Estate		146,785.77
Stocks and Bonds Owned—		
St. Paul Union Depot Stock	$103,600.00	
Minnesota Transfer Railway Stock	7,000.00	
Western Express Company Stock	25,000.00	
Sault Ste. Marie Bridge Company Stock	500.00	
Sault Ste. Marie Union Depot Co. Stock	50,590.56	
Treasury Stock this Company	225,600.00	
Minnesota Transfer Railway Bonds	29,000.00	
Village of Henning Bonds	1,500.00	
Village of Alexandria Bonds	10,000.00	
		452,790.56
Material and Supplies		1,488,596.78
Due from—		
Foreign Roads	353,557.42	
Agents and Conductors	640,362.39	
U. S. Postoffice Department	61,947.49	
Bills and Accounts Receivable	533,682.06	
Cash—Minneapolis, St. Paul, New York and London	2,682,030.88	
Total Cash and Current Assets		4,271,580.24
Other Accounts		7,501.72
		$86,508,124.68

CREDITS.

Capital Stock—		
Common	$14,000,000.00	
Preferred	7,000,000.00	
		$21,000,000.00
Funded Debt—		
First Mortgage M. & P. Ry. Bonds, 4%	306,000.00	
First Mortgage M. S. S. & Atl. Ry. Bonds, 4%	8,204,000.00	
First Mortgage M. St. P. & S. S. M. Ry. Consolidated Bonds, 4%	41,605,000.00	
Second Mortgage M. St. P. & S. S. M. Ry. Bonds, 4%	3,500,000.00	
		53,615,000.00
Bills Payable—		
Equipment Trust Notes		1,948,394.97
Interest Accrued on Bonds due July 1st	$967,205.00	
Interest Accrued on Equipment Notes due July 1st	48,375.00	
Accrued Taxes not yet due	269,535.47	
		1,285,115.47
Current Liabilities—		
Vouchers	$1,533,587.97	
Pay Rolls	627,419.51	
Miscellaneous	62,146.27	
		2,223,153.75
Betterment and Improvement Fund		252,199.63
Dividends due and unpaid		1,164.50
Income Account		6,183,096.36
		$86,508,124.68

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Income Account, June 30, 1907.

To	Operating Expenses	$ 7,433,548.79
	Interest on Bonds	2,039,640.00
	Interest on Equipment Notes	48,375.00
	Taxes	705,828.63
	Rental of Terminals	108,077.69
	Fund for Additions and Improvements	800,000.00
	3½% Dividend on Preferred Stock from 1905 Surplus	242,343.50
	4% Dividend on Common Stock from 1905 Surplus	554,012.00
	3½% Dividend on Preferred Stock from 1906 Surplus	242,343.50
		$12,174,169.11
By	Balance, June 30, 1906	$ 5,413,109.58
	Freight Earnings	9,506,447.12
	Passenger Earnings	2,655,549.19
	Mail Earnings	268,231.07
	Express Earnings	188,317.67
	Miscellaneous Earnings	273,533.98
	Dividend on Stock Owned	4,086.80
	Interest on Bonds Owned	1,437.50
	Interest on Advances	46,552.56
		$18,357,265.47
By	Balance, June 30, 1907	$ 6,183,096.36

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Detailed Statement of Earnings and Expenses, Comparative.

EARNINGS.	1905	1906	1907
From Freight	$6,387,247.86	$8,468,674.79	$9,506,447.12
From Passengers	1,799,034.13	2,427,538.94	2,655,549.19
From Mails	230,918.78	242,243.60	268,231.07
From Express and Miscellaneous	299,420.81	436,004.66	461,851.65
Total Gross Earnings	$8,716,621.58	$11,574,461.99	$12,892,079.03
OPERATING EXPENSES.			
Maintenance of Way and Structures.			
Repairs of Roadway	$ 412,834.83	$ 591,900.02	$ 856,403.43
Renewals of Rails	----------	3,582.63	3,454.09
Renewals of Ties	100,233.49	102,863.62	154,139.33
Repairs and Renewals, Bridges and Culverts	110,838.01	123,643.27	153,117.57
Repairs and Renewals, Fences, Road Crossings, Signs and Cattle Guards	13,807.32	22,879.24	21,595.17
Repairs and Renewals, Buildings and Fixtures	79,078.40	112,568.38	184,623.89
Repairs and Renewals, Docks	9,156.43	39,076.01	79,433.79
Repairs and Renewals, Telegraph	16,729.95	26,422.86	40,509.55
Stationery and Printing	914.77	788.17	891.67
Other Expenses	100.00	9.50	978.60
Total	$ 743,693.20	$1,023,733.70	$1,495,147.09
Maintenance of Equipment.			
Superintendence	$ 4,524.58	$ 5,069.29	$ 7,782.65
Repairs and Renewals, Locomotives	339,528.88	408,362.24	597,240.31
Repairs and Renewals, Passenger Cars	114,657.14	134,904.94	175,500.42
Repairs and Renewals, Freight Cars	355,980.70	453,558.26	542,637.16
Repairs and Renewals, Work Cars	21,590.04	20,910.82	26,581.85
Repairs and Renewals, Shop Machinery and Tools	22,090.33	36,594.99	47,919.79
Stationery and Printing	2,698.02	3,633.26	3,961.11
Other Expenses	20,632.44	27,446.57	38,462.68
Total	$ 881,702.13	$1,090,480.37	$1,440,085.97
General Expenses.			
Salaries, General Officers	$ 38,728.76	$ 52,102.78	$ 66,894.47
Salaries, Clerks and Attendants	59,398.63	64,714.92	71,226.90
General Office Expense and Supplies	19,644.26	23,911.62	20,994.76
Insurance	31,556.90	36,357.12	28,220.76
Law Expenses	23,351.69	25,756.64	39,947.55
Stationery and Printing	8,109.34	8,070.58	6,936.89
Other Expenses	9,248.85	9,144.16	4,246.40
Total	$ 190,038.43	$ 220,057.82	$ 238,467.73
Conducting Transportation.			
Superintendence	$ 89,912.43	$ 112,653.68	$ 131,836.81
Engine and Round House Men	431,135.27	561,932.50	692,204.53
Fuel for Locomotives	787,595.79	996,907.81	1,263,267.19
Water Supply for Locomotives	28,925.06	40,406.64	56,473.59
Oil, Tallow and Waste for Locomotives	19,729.07	27,142.34	32,138.36
Other Supplies for Locomotives	8,959.38	12,168.09	21,363.47
Freight Train Service	279,001.89	367,641.02	442,899.86
Freight Train Supplies and Expenses	21,174.79	28,834.04	35,564.98
Passenger Train Service	85,569.51	101,153.05	113,554.94
Passenger Train Supplies and Expenses	45,437.47	53,514.72	65,925.84
Switchmen, Flagmen and Watchmen	64,111.98	85,827.35	123,981.57
Telegraph Expenses	87,762.45	114,774.33	142,152.23
Station Service	227,317.08	281,784.47	357,388.91
Station Supplies	21,939.07	25,475.02	29,092.49
Switching Charges, Balance	1,181.14	Cr. 736.46	3,357.36
Car Mileage, Balance	Cr. 68,231.06	32,646.23	Cr. 30,962.53
Hire of Equipment	Cr. 4,615.44	3,448.11	7,254.34
Damage and Loss of Freight and Baggage	41,726.35	53,191.41	76,348.50
Damage to Property, Including Live Stock	19,804.33	57,807.49	36,065.81
Injuries to Persons	115,092.64	72,635.53	216,583.40
Clearing Wrecks	8,955.44	20,625.95	22,228.18
Operating Gladstone Ore Docks	1,336.87	----------	----------
Operating Gladstone Flour and Mdse. Docks	62,870.20	74,005.12	76,216.82
Advertising	24,498.93	36,298.49	26,985.15
Outside Agencies	131,770.68	113,997.69	99,452.88
Stock Yards and Elevators	8,511.00	8,632.70	8,205.16
Rents of Buildings and Other Property	Cr. 8,417.11	Cr. 13,063.78	Cr. 25,006.19
Stationery and Printing	35,215.55	39,557.73	46,080.26
Other Expenses	12,664.34	15,533.61	21,068.43
Operating Yards, Tracks and Terminals	91,546.45	105,710.91	143,338.61
Sleeping Car Expenses	14,692.02	19,782.10	24,787.05
Total	$2,687,173.57	$3,450,287.89	$4,259,848.00
Total Operating Expenses	$4,502,607.33	$5,784,559.78	$7,433,548.79
Net Earnings	$4,214,014.25	$5,789,902.21	$5,458,530.24
Percentage of Expenses to Earnings	51.7 per cent	50 per cent	57.6 per cent

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Comparative Statement of Earnings and Expenses.

EARNINGS.

	1907	1906	1905	1904	1903	1902	1901	1900	1899
Freight	$9,506,447.12	$8,468,674.79	$6,387,247.86	$4,987,476.36	$5,254,735.41	$4,566,222.89	$3,298,651.28	$3,974,398.70	$3,426,985.96
Passenger	2,655,549.19	2,427,538.94	1,799,034.13	1,523,262.18	1,524,378.01	1,257,037.61	875,948.37	822,908.78	621,792.95
Mail	268,231.07	242,243.60	230,918.78	226,519.87	206,928.27	195,573.34	190,130.30	195,144.67	177,193.96
Express	188,317.67	175,445.43	118,629.00	116,879.98	116,090.72	101,723.52	76,363.89	80,744.06	58,430.14
Miscellaneous	273,533.98	260,559.23	180,791.81	139,360.02	135,131.87	101,830.19	75,981.82	77,991.70	64,182.03
Total	$12,892,079.03	$11,574,461.99	$8,716,621.58	$6,993,498.41	$7,237,264.28	$6,222,387.55	$4,517,075.66	$5,151,187.91	$4,348,585.04

EXPENSES.

	1907	1906	1905	1904	1903	1902	1901	1900	1899
Maintenance of way and structures	$1,495,147.09	$1,023,733.70	$ 743,693.20	$ 705,516.74	$ 800,791.71	$ 684,160.69	$ 620,494.72	$ 537,647.15	$ 536,463.81
Maintenance of equipment	1,440,085.97	1,090,480.37	881,702.13	730,674.10	661,058.37	521,182.27	476,248.11	445,792.52	462,721.87
Conducting transportation	4,259,848.00	3,450,287.89	2,687,173.57	2,143,575.99	2,098,027.42	1,596,206.13	1,351,868.50	1,459,516.97	1,347,324.88
General expenses	238,467.73	220,057.82	190,038.43	167,013.66	160,045.13	140,078.31	115,725.83	111,626.35	116,804.86
Total	$7,433,548.79	$5,784,559.78	$4,502,607.33	$3,746,780.49	$3 719 922.63	$2,941,627.40	$2,564,337.16	$2,554,582.99	$2,463,315.42
Percentage of expenses to earnings	57.6 per cent	50 per cent	51.7 per cent	53.6 per cent	51.4 per cent	47.3 per cent	56.1 per cent	49.6 per cent	56.6 per cent
Net earnings	$5,458,530.24	$5,789,902.21	$4,214,014.25	$3,246,717.92	$3,517,341.65	$3,280,760.15	$1,952,738.50	$2,596,604.92	$1,885,269.62
Fixed charges and other items, taxes and terminal rentals	$2,849,844.46	$2,522,216.09	$2,150,599.34	$1,859,472.04	$1,852,844.22	$1,694'258.67	$1,624,865.28	$1,715,733.11	$1,510,212.37
Surplus	$2,608,685.78	$3,267,686.12	$2,063,414.91	$1,387,245.88	$1,664,497.43	$1,586,501.48	$ 327,873.22	$ 880,871.81	$ 375,057.25
Average miles operated	2,232.50	2,020.39	1,773.98	1,529.85	1,463.97	1,396.43	1,312.32	1,285.74	1,253.17
Gross earnings per mile of road	$5,774.73	$5,728.83	$4,913.60	$4,571.36	$4,943.59	$4,455.92	$3,442.05	$4,006.39	$3,470.07

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Traffic and Mileage Statistics.

	1905	1906	1907
Trains Mileage.			
Freight trains.....(Miles)	2,336,233	2,812,896	3,163,625
Passenger trains ..... "	1,454,782	1,874,523	2,141,827
Mixed trains..... "	523,827	484,273	304,604
Non-revenue trains..... "	162,684	152,060	162,906
Total train mileage..... "	4,477,526	5,323,752	5,772,962
Car Mileage.			
Freight—			
Loaded cars North or East.....	27,108,038	31,000,020	30,921,517
Loaded cars South or West.....	30,043,207	36,301,543	39,643,428
Empty cars North or East.....	10,898,799	12,277,415	13,414,052
Empty cars South or West.....	7,365,564	7,359,056	5,521,145
Total freight car mileage.....	75,415,608	86,938,034	89,500,142
Passenger Coaches, Mail and Express Cars—			
North or East.....	4,766,258	5,947,222	6,165,507
South or West.....	4,819,007	5,963,627	6,209,618
Total passenger car mileage.....	9,585,265	11,910,849	12,375,125
Freight Traffic.			
Tons of revenue freight carried.....	3,913,161	4,886,498	4,954,177
Tons of non-revenue freight carried.....	648,709	843,543	953,624
Total tons freight carried.....	4,561,870	5,730,041	5,907,801
Tons of revenue freight carried one mile.....	882,474,735	1,084,153,866	1,158,634,051
Tons of non-revenue freight carried one mile.	170,813,742	190,796,599	168,836,776
Total tons freight carried one mile.....	1,053,288,477	1,274,950,465	1,327,470,827
Tons of revenue freight carried one mile per mile of road.....	497,455	536,606	518,985
Tons of non-revenue freight carried one mile per mile of road.....	96,288	94,436	75,627
Total tons (all classes) freight carried one mile per mile of road.....	593,743	631,042	594,612
Average distance haul of one ton revenue freight, miles.....	225.51	221.87	233.87
Average distance haul of one ton freight (all classes).....	230.89	222.50	224.70
Average amount received per ton for revenue freight.....	$1.63	$1.73	$1.92
Average amount received per ton per mile revenue freight.....	7.24 mills	7.81 mills	8.20 mills
Freight earnings per mile of road.....	$3,616.14	$4,205.75	$4,270.13
Freight earnings per train mile.....	$2.24	$2.58	$2.74
Average number of freight cars in train.....	26.37	26.37	25.81
Average number of loaded cars in train.....	19.98	20.41	20.35
Average number of tons revenue freight per train (entire line).....	308.55	328.81	334.07
Average number of tons of non-revenue freight per train (entire line).....	59.73	57.87	48.68
Average number of tons all classes of freight per train (entire line).....	368.28	386.68	382.75
Average number of tons revenue freight per train (main line).....	358.51	382.08	384.53
Average number of tons revenue freight per train (branch lines).....	117.82	172.75	202.40
Average number of tons revenue freight in each loaded car.....	15.44	16.11	16.42
Average number of tons of non-revenue freight in each loaded car.....	2.99	2.83	2.39
Average number of tons (all classes) freight in each loaded car.....	18.43	18.94	18.81
Passenger Traffic.			
No. of passengers carried earning revenue....	931,174	1,173,869	1,336,078
No. of passengers carried one mile.....	78,878,949	111,058,518	116,461,222
No. of passengers carried one mile per mile of road.....	44,464	54,969	52,166
Average distance carried.....(miles)	84.71	94.61	87.17
Average amount received for each passenger.	$1.93	$2.07	$1.99
Average rate per passenger mile (cents).....	c 2.28	c 2.19	c 2.28
Passenger earnings per mile of road.....	$1,270.51	$1,487.83	$1,467.86
Passenger earnings per train mile.....	$1.14	$1.27	$1.34
Average No. of passenger cars per train.....	4.84	5.05	5.06
Average No. of passengers per train.....	40	47	48
Miscellaneous.			
Gross earnings per mile of road.....	$4,913.60	$5,728.83	$5,774.73
Operating expenses per mile of road.....	$2,538.14	$2,863.09	$3,329.70
Net earnings per mile of road.....	$2,375.46	$2,865.74	$2,445.03
Average mileage operated during the year....	1,773.98	2,020.39	2,232.50

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Freight Traffic Movement.

(Company's Material Excluded.)

COMMODITY.	1905		1906		1907	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	871,610	22.28	1,131,396	23.15	1,157,872	23.37
Flour	268,232	6.85	296,830	6.07	274,731	5.54
Other mill products	90,673	2.32	65,381	1.34	59,273	1.20
Hay	20,758	.53	21,906	.45	27,831	.56
Tobacco	-------	------	189	------	354	.01
Fruit and vegetables	22,380	.57	26,612	.54	35,033	.71
Tea	2,527	.07	2,833	.06	2,494	.05
Other agricultural products	1,268	.03	2,196	.04	4,790	.10
Live stock	48,178	1.23	82,865	1.70	49,182	.99
Dressed meats	18,381	.47	16,864	.34	18,059	.37
Other packing-house products	3,474	.09	8,893	.18	6,977	.14
Poultry, fish and game	6,656	.17	8,328	.17	8,099	.16
Wool	1,291	.03	283	.01	348	.01
Hides and leather	5,618	.14	12,798	.26	15,602	.32
Butter and eggs	8,847	.23	7,549	.15	8,535	.17
Anthracite coal	38,283	.98	18,909	.39	44,508	.90
Bituminous coal	94,459	2.41	186,952	3.83	258,071	5.21
Lignite coal	98,604	2.52	97,335	1.99	87,239	1.76
Coke	1,744	.04	4,689	.10	1,201	.02
Ores	32,127	.82	77,017	1.58	138,808	2.80
Stone, sand, etc	87,587	2.24	73,183	1.50	80,489	1.62
Salt	11,563	.30	10,739	.22	11,178	.23
Lumber	1,521,155	38.87	1,807,373	36.99	1,649,780	33.30
Charcoal	1,492	.04	2,863	.06	4,011	.08
Cooperage	27,831	.71	21,473	.44	29,885	.60
Petroleum and other oils	12,838	.33	27,368	.56	26,668	.54
Sugar	5,148	.13	11,128	.23	5,826	.12
Iron, pig and bloom	30,561	.78	73,692	1.51	87,815	1.77
Iron and steel rails	38,345	.98	55,730	1.14	26,671	.54
Other castings and machinery	21,917	.56	29,765	.61	39,442	.80
Bar and sheet metal	26,599	.68	28,193	.58	35,347	.71
Cement, brick and lime	62,084	1.59	99,804	2.04	103,606	2.09
Agricultural implements	14,798	.38	24,884	.51	36,280	.73
Wagons, carriages, tools, etc	1,692	.04	3,905	.08	6,882	.14
Wines, liquors and beers	9,027	.23	13,949	.28	17,855	.36
Household goods and furniture	41,149	1.05	35,480	.72	57,678	1.16
Merchandise	149,219	3.81	182,169	3.73	230,263	4.65
Miscellaneous	215,046	5.50	314,975	6.45	305,494	6.17
Total	3,913,161	100.00	4,886,498	100.00	4,954,177	100.00

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Expenditure Account Construction and Equipment.

Preliminary Surveys	$ 11,483.10
Winnipeg Line	13,681.82
Thief River Falls Line	354,803.92
Egeland Line	58,964.26
Flaxton Extension	476,334.10
Garrison Extension	1,355,762.88
Underwood Extension	1,632.13
Superior Line	900,792.81
Frederick Extension	1,350.97
Carpio Line	162.98
A. B. & N. W. Ry	569.50
Terminal Property, St. Paul, Minneapolis and other points	185.271.94
Betterment to Main Line (See Statement Page 17)	305,092.97
New Equipment (See Statement Page 19)	2,950,915.07
	$6,616.818.45

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Statement "A."

Betterment to Main Line, Charged to Capital Account.

Right of Way	$ 14,258.76
General Office Building	1,359.24
Minneapolis Freight House	41,123.98
Hillsdale Depot	476.37
Sam Parker House	1,948.85
Mahnomen Ice House	518.22
Washburn Ferry	1,366.97
Winger Water Station	1,238.17
Winger Stock Yard	76.98
Winger Overhead Crossing	5.25
Shoreham Store House	20,958.48
Shoreham Power House	23,243.59
Shoreham Round House	10,473.43
Shoreham Boiler Shop	54,559.85
Shoreham Paint Shop	49,981.29
Shoreham Car Shop	2,144.01
Shoreham Transfer Pit and Table	10,954.31
Shoreham Cinder Pit Conveyor	387.33
Shoreham Sewer	768.00
Shoreham Tunnel	700.00
Shoreham Wiring Shops	850.00
Shoreham Shop Machinery and Tools	63,472.41
Enderlin Machine Shop	237.35
Enderlin Shop Machinery and Tools	1,875.65
Erskine Water Supply (Pipe Line)	1,037.40
Side Tracks	965.36
Minor Improvements	111.72
	$305,092.97

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Expenditures Charged to Fund Appropriated for Additions and Betterments.

Right of Way	$ 23,386.92
Side Tracks	36,877.13
Buildings	59,994.13
Fuel and Water Stations	36,011.98
Shops, Engine Houses and Turn Tables	38,494.44
Crossing Signs and Cattle Guards	2,098.28
Grade Reduction, Minnesota Division	536,946.97
Filling Bridges	17,404.00
Widening and Ballasting	125,321.61
Bridges and Culverts	63,299.02
Telegraph Line	13,805.41
Fencing	2,748.30
Highway Grading	630.73
Shop, Machinery and Tools	928.23
Rails and Fastenings—Difference between 60-lb. and 80-lb. rails re-laid	59,864.26
	$1,017,811.41
Balance at Credit of Fund, June 30, 1906	$ 470,011.04
Appropriated from Surplus	800,000.00
	$1,270,011.04
Deduct Expenditures, as above	1,017,811.41
Balance forward, June 30, 1907	$ 252,199.63

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Additions to Equipment.

1000 Box Cars	$ 850,518.46	
200 Flat Cars	132,044.89	
70 Cabooses	97,580.75	
75 Locomotives	1,207,383.88	
23 Passenger Coaches	183,114.69	
8 Tourist Coaches	90,114.79	
2 Dining Cars	36,909.77	
1 Buffet Car	11,099.41	
3 Combination Cars	17,053.99	
14 Mail, Baggage and Express Cars	94,710.44	
8 Sleeping Cars	166,483.45	
4 Observation Cars	78,674.53	
4 Water Car Tanks	1,519.58	
1 Snow Plow	18,543.12	
1 Steam Shovel	9,845.18	
1 Wrecking Crane	10,945.58	
Cinder Cars	149.79	
		$3,006,692.30

LESS DESTROYED AND SOLD.

62 Box Cars, destroyed	$33,410.83	
13 Flat Cars, destroyed	4,463.50	
2 Baggage Cars, destroyed	5,500.00	
5 Ore Cars (3 sold, 2 destroyed)	2,260.00	
1 Second-class Passenger Coach, destroyed	3,900.00	
1 Refrigerator Car, destroyed	1,125.00	
1 Charcoal Car, destroyed	447.90	
1 Stock Car, destroyed	420.00	
1 Combination Car, destroyed	4,250.00	
		$55,777.23
Net Additions for Year		$2,950,915.07

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Equipment Owned, June 30, 1907.

Locomotives	252
First Class Passenger Coaches	45
Second Class Passenger Coaches	31
Combination Cars	12
Sleepers	27
Tourist Sleepers	17
Diners	10
Buffet	4
Observation Cars	4
Baggage, Mail and Express Cars	48
Official Cars	2
Total Passenger Cars	200
Freight Cars—	
Box	11,069
Caboose	154
Flat	1,238
Gondolas	36
Ore	138
Stock	95
Refrigerator	174
Charcoal	17
Logging	20
Furniture	8
Total Freight Cars	12,949
Miscellaneous—	
Tool Cars	4
Steam Shovels	5
Pile Drivers	2
Ditchers	2
Snow Plows	5
Ballast Unloaders	5
Wrecking Cranes	3
Ballast Cars	150
Total Miscellaneous	176

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HARVEY FISK & SONS,
STATISTICAL DEPARTMENT.
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1908

ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1908

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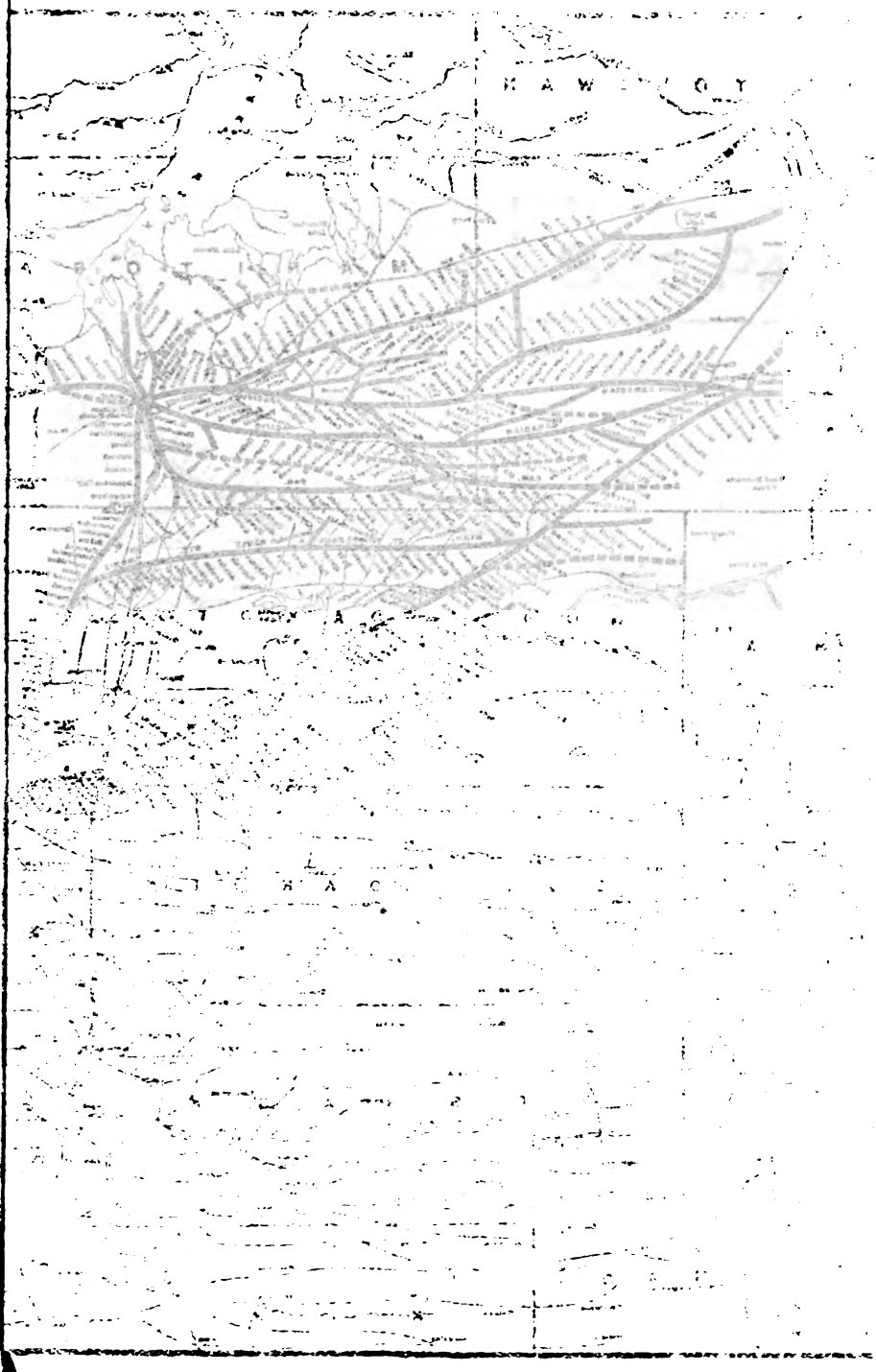

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1908

MINNEAPOLIS
A. B. FARNHAM PRINTING & STATIONERY CO.
1908

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

DIRECTORS

Thomas Lowry	Minneapolis, Minn.
W. D. Washburn	Minneapolis, Minn.
C. H. Pettit	Minneapolis, Minn.
E. Pennington	Minneapolis, Minn.
Alfred H. Bright	Minneapolis, Minn.
W. L. Martin	Minneapolis, Minn.
G. R. Newell	Minneapolis, Minn.
E. A. Young	St. Paul, Minn.
Sir T. G. Shaughnessy	Montreal, Quebec.
Sir Wm. C. Van Horne	Montreal, Quebec.
R. B. Angus	Montreal, Quebec.

OFFICERS

Thomas Lowry, President. C. F. Clement, Sec'y and Treas.

E. Pennington, Vice-President and General Manager.

C. W. Gardner, Auditor.

W. L. Martin, 2d Vice-President and Traffic Manager.

Transfer and Fiscal Agents, Agents Bank of Montreal,
31 Pine Street, New York.

Registrar of Stocks and Bonds, Central Trust Co., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30, 1908.

Report for the year ending June 30, 1908, is submitted herewith as follows:

	1908.	1907.
Gross Earnings	$11,509,857.32	$12,892,079.03
Operating Expenses	7,115,964.91	7,433,548.79
Net Earnings	$4,393,892.41	$5,458,530.24
Income from Other Sources	669,111.99	52,076.86
Total Net Earnings	$5,063,004.40	$5,510,607.10
Fixed Charges, Taxes, etc	3,062,135.29	2,901,921.32
Surplus Income	$2,000,869.11	$2,608,685.78

The Gross Earnings show a decrease of $1,382,211.71, the Net Earnings $1,064,637.83, and the Surplus Income $607,816.67. The decrease of $1,382,211.71 in Gross Earnings is the combined result of a short grain crop, reduced rates and general business depression. The Operating Expenses decreased $317,583.88. The Expenses are somewhat increased, compared with previous years, on account of depreciation charges made in accordance with the revised Classification of Operating Expenses issued by the Interstate Commerce Commission. This new Classification makes detailed comparisons of Operating Expenses with previous years impracticable.

Total Net Earnings decreased but $447,602.70, some $551,000.00 of profits from the sale of Real Estate having

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been carried to our Income Account. The percentage of Expenses to Earnings is 61 8-10 per cent, compared with 57 6-10 per cent the previous year.

On account of the financial stringency during the early months of the year, and the consequent inability to provide funds from the Sale of Securities, the line from Brooten to Duluth will not be completed until the year 1909. Fifty miles of track were laid on this line during the autumn of 1907, and an additional fifty miles have already been laid this year. Funds for this extension and for the acquirement and improvement of suitable terminals at Duluth have been provided from the sale of bonds and of $4,200,000.00 of the Company's increased Capital Stock, referred to in our last report.

The usual policy of improving the Company's property by the construction of additional Side Tracks, the enlargement of its Depots, Shops and other buildings, has been continued. Its motive power is in first class condition. In short, the condition of both roadbed, buildings and equipment has not only been maintained, but largely improved.

Owing to more favorable crop prospects, business conditions in the Northwest are much improved, and we may, therefore, reasonably hope for a much better showing for the current year.

Respectfully submitted,

THOS. LOWRY, *President.*

E. PENNINGTON, *Vice President.*

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New York, September 11, 1908.

Thomas Lowry, Esq., President
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.
Minneapolis, Minn.:

We have examined the Accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the Fiscal Year ended June 30, 1908, and have approved the Balance Sheet and Income Account submitted herewith. These contain a full and true statement of the financial condition of the Company. The Net Earnings were fairly earned after charging off all Expenses of Operation, the total maintenance and betterment expenditures that were charged against Earnings and Income Account being, in our opinion, sufficient to maintain the integrity of the property. The Total Income for the year includes $530,575.95 profit from the sales of Real Estate and $35,596.87 premium on Treasury Stock sold.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

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Mileage.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.	to	Minneapolis, Minn.	490.02 miles
Cardigan Jct., Minn.	to	St. Paul, Minn.	5.56 "
Dresser Jct., Wis.	to	St. Croix Falls, Wis.	4.30 "
Summit Jct., Wis.	to	Frederic, Wis.	22.43 "
Barron, Wis.	to	Ridgeland, Wis.	18.52 "
Cameron, Wis.	to	Reserve, Wis.	41.64 "
Tony Branch, Wis.			2.21 "
Rex, Mich.	to	Meads Quarry, Mich.	12.24 "
Rapid River, Mich.	to	Eben Jct., Mich.	30.55 "
Gladstone Ore Docks, Mich.			.76 "
Gladstone Coal Docks, Mich.			1.53 "
Total Mileage East of Minneapolis			629.76
Northtown Jct., Minn.	to	Camden Place, Minn.	1.01 miles
Minneapolis, Minn.	to	Portal, N. D.	548.68 "
Glenwood, Minn.	to	Emerson, Minn.	265.05 "
Thief River Falls, Minn.	to	Kenmare, N. D.	296.44 "
Egeland, N. D.	to	Armourdale, N. D.	21.88 "
Hankinson, N. D.	to	Bismarck, N. D.	214.18 "
Bismarck, N. D.	to	Max, N. D.	91.27 "
Drake, N. D.	to	Plaza, N. D.	83.62 "
Flaxton, N. D.	to	Ambrose, N. D.	51.14 "
Wishek, N. D.	to	Pollock, S. D.	70.35 "
Total Mileage West of Minneapolis			1,643.62
Add Spur Lines			15.91
Total Mileage June 30, 1908			2,289.29

In addition to the above the Company has Trackage Facilities over 19.17 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

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

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Earnings and Expenses.

GROSS EARNINGS:

Freight Revenue	$7,828,851.60	
Passenger Revenue	2,681,221.84	
Mail Revenue	317,504.13	
Excess Baggage Revenue	33,659.88	
Miscellaneous Revenue as per Interstate Commerce Commission Classification	11,105.58	
Revenue from Operation Other Than Transportation as per Interstate Commerce Commission Classification	141,871.90	
Total Operating Revenue as per Interstate Commerce Commission Classification		$11,014,214.93
Outside Operations as per Interstate Commerce Commission Classification:		
Express Revenue	$179,505.03	
Sleeping Cars, Dining Cars and Hotel Revenue	158,006.99	
Car Service and Equipment Rentals	158,130.37	
		495,642.39
Total Gross Earnings		$11,509,857.32

OPERATING EXPENSES:

Maintenance of Way and Structures	$1,330,856.15	
Maintenance of Equipment	1,361,625.06	
Traffic Expenses	235,675.36	
Transportation Expenses	3,988,799.34	
General Expenses	199,009.00	
		7,115,964.91
Net Earnings from Operation		$4,393,892.41

REVENUE FROM OTHER SOURCES:

Interest, Discount and Exchange	$127,509.54	
Interest and Dividends on Bonds and Stocks Owned	11,026.50	
Profits from Sale of Real Estate	530,575.95	
		669,111.99
Total Income		$5,063,004.40

OTHER PAYMENTS:

Interest on Bonds	$2,144,640.00	
Interest on Equipment Notes	89,550.00	
Taxes	696,907.70	
Rental of Terminals	131,037.59	
		3,062,135.29
Net Surplus for the Year		$2,000,869.11

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General Ledger Balance Sheet, June 30, 1908.

DEBITS.

Cost of Road, Acquired Lines, Extensions and Equipment		$80,057,853.73
Advances for Equipment, Terminals, etc.		2,699,841.84
Real Estate		668,061.71
Stocks and Bonds Owned—		
St. Paul Union Depot Stock	$103,600.00	
Minnesota Transfer Railway Stock	7,000.00	
Western Express Company Stock	25,000.00	
Sault Ste. Marie Bridge Co. Stock	500.00	
Sault Ste. Marie Union Depot Stock	50,590.56	
Treasury Stock this Company	1,979,500.00	
Minnesota Transfer Railway Bonds	47,000.00	
Village of Alexandria Bonds	10,000.00	
Minneapolis, St. Paul & Sault Ste. Marie Railway Consolidated Bonds	1,680,000.00	
Spokane & International Railway Bonds and Stock	180,000.00	
		4,083,190.56
Material and Supplies		1,258,686.68
Due from—		
Foreign Roads	273,570.09	
Agents and Conductors	366,489.97	
U. S. Postoffice Department	73,583.25	
Bills and Accounts Receivable	348,811.00	
Cash—Minneapolis, St. Paul, New York and London	1,640,754.67	
Total Cash and Current Assets		2,703,208.98
Other Accounts		7,501.72
*Advances Account—Betterment and Improvement Fund		204,525.26
		$91,682,870.48

CREDITS.

Capital Stock—		
Common	$16,800,000.00	
Preferred	8,400,000.00	
		$25,200,000.00
Funded Debt—		
First Mortgage M. & P. Ry. Bonds, 4 per cent	306,000.00	
First Mortgage M. S. S. M. & Atlantic Ry. Bonds, 4 per cent	8,204,000.00	
First Mortgage M. St. P. & S. S. M. Ry. Consolidated Bonds, 4 per cent	43,285,000.00	
Second Mortgage M. St. P. & S. S. M. Ry. Bonds, 4 per cent	3,500,000.00	
		55,295,000.00
Bills Payable—		
Equipment Trust Notes		1,743,000.00
Interest Accrued on Bonds due July 1	1,001,785.00	
Interest Accrued on Equipment Notes due July 1	43,575.00	
Accrued Taxes not yet due	222,680.08	
		1,268,040.08
Current Liabilities—		
Vouchers	$842,804.54	
Pay Rolls	452,600.10	
		1,295,404.64
Dividends due and unpaid		1,765.00
Insurance Fund		16,505.88
Equipment Replacement		210,947.91
Income Account		6,652,206.97
		$91,682,870.48

*The Directors, at a meeting held August 24th, 1908, appropriated [illegible] Income Account as of June 30th, 1908, to take care of

Income Account, June 30, 1908.

To Operating Expenses	$7,115,964.91
Interest on Bonds	2,144,640.00
Interest on Equipment Notes	89,550.00
Taxes	696,907.70
Rental of Terminals	131,037.59
Fund for Additions and Improvements	350,000.00
7 per cent Dividend on Preferred Stock	488,743.50
5 per cent Dividend on Common Stock	693,015.00
	$11,709,858.70
By Balance June 30, 1907	$6,183,096.36
Freight Revenue	7,828,851.60
Passenger Revenue	2,681,221.84
Mail Revenue	317,504.13
Excess Baggage Revenue	33,659.88
Miscellaneous Revenue	11,105.58
Revenue from Operation Other Than Transportation	141,871.90
Express Revenue	179,505.03
Sleeping Cars, Dining Cars and Hotel Revenue	158,006.99
Car Service and Equipment Rentals	158,130.37
Dividend on Stock Owned	4,144.00
Interest on Bonds Owned	6,882.50
Interest on Advances	127,509.54
Profits from Sale of Real Estate	530,575.95
	$18,362,065.67
By Balance June 30, 1908	$6,652,206.97

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Detailed Statement of Earnings and Expenses.

		Ratio of Total Operating Expenses
Earnings:		
From Freight	$ 7,828,851.60	
From Passengers	2,681,221.84	
From Mails	317,504.13	
From Express and Miscellaneous	682,279.75	
Total Gross Earnings	$11,509,857.32	
Operating Expenses:		
Maintenance of Way and Structures,		
Superintendence	$ 35,217.07	0.50
Ties	172,473.05	2.42
Rails	8,152.47	.11
Other Track Material	22,016.55	.31
Roadway and Track	614,365.45	8.63
Removal of Snow, Sand and Ice	29,937.85	.42
Bridges, Trestles and Culverts	174,495.00	2.45
Grade Crossings, Fences, Cattle Guards and Signs	16,121.90	.23
Snow and Sand Fences and Snowsheds	2,611.91	.04
Signals and Interlocking Plants	3,204.92	.05
Telegraph and Telephone Lines	21,439.16	.30
Buildings, Fixtures and Grounds	116,559.65	1.64
Docks and Wharves	20,292.25	.29
Roadway Tools and Supplies	18,490.55	.26
Work Equipment—Repairs	16,320.73	.23
Work Equipment—Depreciation	1,578.96	.02
Injuries to Persons	2,770.64	.04
Stationery and Printing	872.77	.01
Insurance	17,190.40	.24
Other Expenses	3,153.96	.04
Maintaining Joint Tracks, Yards and Other Facilities	Dr. 33,657.53 Cr. 66.62	.47
Total	$ 1,330,856.15	18.70
Maintenance of Equipment:		
Superintendence	$ 31,784.86	0.45
Steam Locomotives—Repairs	556,960.51	7.83
Steam Locomotives—Depreciation	35,577.78	.50
Passenger Train Cars—Repairs	174,576.80	2.45
Passenger Train Cars—Depreciation	18,074.46	.25
Freight Train Cars—Repairs	447,857.46	6.29
Freight Train Cars—Renewals	9,039.93	.13
Freight Train Cars—Depreciation	83,085.72	1.17
Shop Machinery and Tools	39,222.04	.55
Power Plant Equipment	10,126.94	.14
Injuries to Persons	3,462.34	.05
Stationery and Printing	3,070.30	.04
Insurance	11,086.40	.16
Other Expenses	.06	.....
Maintaining Joint Equipment at Terminals	10,150.56	.14
Equipment Borrowed	88,248.82	1.24
Equipment Loaned	Cr. 160,699.92	2.26
Total	$ 1,361,625.06	19.13
Traffic Expenses:		
Superintendence	$ 59,192.32	0.83
Outside Agencies	107,327.09	1.51
Advertising	25,874.42	.36
Traffic Associations	2,352.41	.03
Fast Freight Lines	7,323.50	.10
Industrial and Immigration Bureaus	6,214.31	.09
Stationery and Printing	23,191.31	.33
Insurance	4,200.00	.06
Total	$ 235,675.36	3.31

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Detailed Statement of Expenses—Continued.

Transportation Expenses:

Superintendence	$75,603.23	1.06
Dispatching Trains	45,817.95	.64
Station Employees	401,534.22	5.64
Weighing and Car Service Associations	8,364.22	.12
Stock Yards and Grain Elevators	6,175.56	.09
Flour and Merchandise Docks	29,712.21	.42
Station Supplies and Expenses	37,432.27	.53
Yardmasters and their clerks	26,665.87	.37
Yard Conductors and Brakemen	73,169.98	1.03
Yard Switch and Signal Tenders	6,837.62	.10
Yard Supplies and Expenses	941.76	.01
Yard Enginemen	42,186.22	.59
Enginehouse Expenses—Yard	24,211.22	.34
Fuel for Yard Locomotives	65,567.91	.92
Water for Yard Locomotives	4,664.75	.07
Lubricants for Yard Locomotives	1,672.71	.02
Other Supplies for Yard Locomotives	2,523.20	.04
Operating Joint Yards and Terminals	Dr. 119,407.12 Cr. 3,208.89	1.63
Road Enginemen	468,200.83	6.58
Enginehouse Expenses—Road	182,458.91	2.56
Fuel for Road Locomotives	1,167,772.08	16.41
Water for Road Locomotives	48,793.51	.69
Lubricants for Road Locomotives	22,565.60	.32
Other Supplies for Road Locomotives	25,097.72	.35
Road Trainmen	500,735.31	7.04
Train Supplies and Expenses	172,472.19	2.42
Interlockers, Block and Other Signals—Operation	17,411.31	.24
Crossing Flagmen and Gatemen	3,246.08	.04
Drawbridge Operation	1,265.85	.02
Clearing Wrecks	13,081.85	.18
Telegraph and Telephone—Operation	30,989.53	.44
Stationery and Printing	16,731.75	.24
Other Expenses	6,447.74	.09
Loss and Damage—Freight	110,024.93	1.55
Loss and Damage—Baggage	1,607.86	.02
Damage to Property	34,831.31	.49
Damage to Stock on Right of Way	16,760.42	.24
Injuries to Persons	126,561.76	1.78
Operating Joint Tracks	17,616.05	.25
Sleeping Car Expenses	34,847.62	.49
Total	$3,988,799.34	56.06

General Expenses:

Salaries and Expenses of General Officers	$61,004.90	0.86
Salaries and Expenses of Clerks and Attendants	79,057.35	1.11
General Office Supplies and Expenses	12,345.27	.18
Law Expenses	31,427.44	.44
Stationery and Printing	8,491.88	.12
Other Expenses	5,900.19	.08
General Administration Joint Tracks, Yards and Terminals	781.97	.01
Total	$ 199,009.00	2.80
Total Operating Expenses	$7,115,964.91	100.00
Net Earnings	$4,393,892.41	
Percentage of Expenses to Earnings	61.8 Per Cent.	

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Comparative Statement of Earnings and Expenses.

EARNINGS.

	1908	1907	1906	1905	1904	1903	1902	1901	1900
Freight	$7,828,851.60	$9,506,447.12	$8,468,674.79	$6,387,247.86	$4,987,476.36	$5,254,735.41	$4,566,222.89	$3,298,651.28	$3,974,398.70
Passenger	2,681,221.84	2,655,549.19	2,427,538.94	1,799,034.13	1,523,262.18	1,524,378.01	1,257,037.61	875,948.37	822,908.78
Mail	317,504.13	268,231.07	242,243.60	230,918.78	226,519.87	206,928.27	195,573.34	190,130.30	195,144.67
Express	179,505.03	188,317.67	175,445.43	118,629.00	116,879.98	116,090.72	101,723.52	76,363.89	80,744.06
Miscellaneous	502,774.72	273,533.98	260,559.23	180,791.81	139,360.02	135,131.87	101,830.19	75,981.82	77,991.70
Total	$11,509,857.32	$12,892,079.03	$11,574,461.99	$8,716,621.58	$6,993,498.41	$7,237,264.28	$6,222,387.55	$4,517,075.66	$5,151,187.91

EXPENSES.

Maintenance of way and structures	$1,330,856.15	$1,495,147.09	$1,023,733.70	$ 743,693.20	$ 705,516.74	$ 800,791.71	$ 684,160.69	$ 620,494.72	$ 537,647.15
Maintenance of equipment	1,361,625.06	1,440,085.97	1,090,480.37	881,702.13	730,674.10	661,058.37	521,182.27	476,248.11	445,792.52
Traffic Expenses	235,675.36								
Conducting transportation	3,988,799.34	4,259,848.00	3,450,287.89	2,687,173.57	2,143,575.99	2,098,027.42	1,596,206.13	1,351,868.50	1,459,516.97
General expenses	199,009.00	238,467.73	220,057.82	190,038.43	167,013.66	160,045.13	140,078.31	115,725.83	111,626.35
Total	$7,115,964.91	$7,433,548.79	$5,784,559.78	$4,502,607.33	$3,746,780.49	$3,719,922.63	$2,941,627.40	$2,564,337.16	$2,554,582.99
Percentage of expenses to earnings	61.8 per cent	57.6 per cent	50 per cent	51.7 per cent	53.6 per cent	51.4 per cent	47.3 per cent	56.1 per cent	49.6 per cent
Net earnings	$4,393,892.41	$5,458,530.24	$5,789,902.21	$4,214,014.25	$3,246,717.92	$3,517,341.65	$3,280,760.15	$1,952,738.50	$2,596,604.92
Fixed charges and other items, taxes and terminal rentals	$2,393,023.30	$2,849,844.46	$2,522,216.09	$2,150,599.34	$1,859,472.04	$1,852,844.22	$1,694,258.67	$1,624,865.28	$1,715,733.11
Surplus	$2,000,869.11	$2,608,685.78	$3,267,686.12	$2,063,414.91	$1,387,245.88	$1,664,497.43	$1,586,501.48	$ 327,873.22	$ 880,871.81
Average miles operated	2,303.91	2,232.50	2,020.39	1,773.98	1,529.85	1,463.97	1,396.43	1,312.32	1,285.74
Gross earnings per mile of road	$4,995.79	$5,774.73	$5,728.83	$4,913.60	$4,571.36	$4,943.59	$4,455.92	$3,442.05	$4,006.39

N. B. Income from other sources for 1908 of $669,111.99 deducted from fixed charges.

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Traffic and Mileage Statistics.

	1906	1907	1908
Trains Mileage.			
Freight trains ..... (Miles)	2,812,896	3,163,625	2,773,120
Passenger trains ..... "	1,874,523	2,141,827	2,472,902
Mixed trains ..... "	484,273	304,604	352,059
Non-revenue trains ..... "	152,060	162,906	76,182
Total train mileage ..... "	5,323,752	5,772,962	5,674,263
Car Mileage.			
Freight—			
Loaded cars North or East	31,000,020	30,921,517	27,968,616
Loaded cars South or West	36,301,543	39,643,428	34,355,368
Empty cars North or East	12,277,415	13,414,052	12,889,277
Empty cars South or West	7,359,056	5,521,145	7,408,352
Total freight car mileage	86,938,034	89,500,142	82,621,613
Passenger Coaches, Mail and Express Cars—			
North or East	5,947,222	6,165,507	7,039,426
South or West	5,963,627	6,209,618	7,070,605
Total passenger car mileage	11,910,849	12,375,125	14,110,031
Freight Traffic.			
Tons of revenue freight carried	4,886,498	4,954,177	4,439,186
Tons of non-revenue freight carried	843,543	953,624	613,200
Total tons freight carried	5,730,041	5,907,801	5,052,386
Tons of revenue freight carried one mile	1,084,153,866	1,158,634,051	961,934,837
Tons of non-revenue freight carried one mile .	190,796,599	168,836,776	117,516,583
Total tons freight carried one mile	1,274,950,465	1,327,470,827	1,079,451,420
Tons of revenue freight carried one mile per mile of road	536,606	518,985	417,523
Tons of non-revenue freight carried one mile per mile of road	94,436	75,627	51,007
Total tons (all classes) freight carried one mile per mile of road	631,042	594,612	468,530
Average distance haul of one ton revenue freight, miles	221.87	233.87	216.69
Average distance haul of one ton freight (all classes)	222.50	224.70	213.65
Average amount received per ton for revenue freight	$1.73	$1.92	$1.76
Average amount received per ton per mile revenue freight	7.81 mills	8.20 mills	8.14 mills
Freight earnings per mile of road	$4,205.75	$4,270.13	$3,402.89
Freight earnings per train mile	$2.58	$2.74	$2.51
Average number of freight cars in train	26.37	25.81	26.44
Average number of loaded cars in train	20.41	20.35	19.94
Average number of tons revenue freight per train (entire line)	328.81	334.07	307.80
Average number of tons of non-revenue freight per train (entire line)	57.87	48.68	37.60
Average number of tons all classes of freight per train (entire line)	386.68	382.75	345.40
Average number of tons revenue freight per train (main line)	382.08	384.53	343.92
Average number of tons revenue freight per train (branch lines)	172.75	202.40	119.46
Average number of tons revenue freight in each loaded car	16.11	16.42	15.43
Average number of tons of non-revenue freight in each loaded car	2.83	2.39	1.89
Average number of tons (all classes) freight in each loaded car	18.94	18.81	17.32
Passenger Traffic.			
No. of passengers carried earning revenue	1,173,869	1,336,078	1,606,991
No. of passengers carried one mile	111,058,518	116,461,222	128,293,907
No. of passengers carried one mile per mile of road	54,969	52,166	55,685
Average distance carried ..... (miles)	94.61	87.17	79.83
Average amount received for each passenger .	$2.07	$1.99	$1.67
Average rate per passenger mile (cents)	c 2.19	c 2.28	c 2.09
Passenger earnings per mile of road	$1,487.83	$1,467.86	$1,466.67
Passenger earnings per train mile	$1.27	$1.34	$1.20
Average No. of passenger cars per train	5.05	5.06	4.99
Average No. of passengers per train	47	48	45
Miscellaneous.			
Gross earnings per mile of road	$5,728.83	$5,774.73	$4,995.79
Operating expenses per mile of road	$2,863.09	$3,329.70	3,088.64
Net earnings per mile of road	$2,865.74	$2,445.03	$1,907.15
Average mileage operated during the year	2,020.39	2,232.50	2,303.91

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

ITEM	Column for No. Passengers and Tonnage	Column for Revenue and Rates	
		Dollars	Cents Mills
Passenger Traffic:			
1. Number of Passengers Carried Earning Revenue	1,606,991		
2. Number of Passengers Carried One Mile	128,293,907		
3. Number of Passengers Carried One Mile per Mile of Road	55,685		
4. Average Distance Carried, Miles	79.83		
5. Total Passenger Revenue		$2,681,221	84
6. Average Amount Received from Each Passenger		$1	66847
7. Average Receipts per Passenger per Mile			02090
8. Total Passenger Service Train Revenue		$3,032,385	85
9. Passenger Service Train Revenue per Mile of Road		$1,316	19
10. Passenger Service Train Revenue per Train Mile		$1	07428
Freight Traffic:			
11. Number of Tons Carried of Freight Earning Revenue	4,439,186		
12. Number of Tons Carried One Mile	961,934,837		
13. Number of Tons Carried One Mile per Mile of Road	417,523		
14. Average Distance Haul of One Ton Miles	216.69		
15. Total Freight Revenue		$7,828,851	60
16. Average Amount Received for Each Ton of Freight		$1	76358
17. Average Receipts per Ton per Mile			00814
18. Freight Revenue per Mile of Road		$3,398	07
19. Freight Revenue per Train Mile		$2	50639
Total Traffic:			
20. Operating Revenues		$11,014,214	93
21. Operating Revenues per Mile of Road		$ 4,780	66
22. Operating Revenues per Train Mile		$1	96750
23. Operating Expenses		$7,081,117	29
24. Operating Expenses per Mile of Road		$3,073	52
25. Operating Expenses per Train Mile		$1	26492
26. Net Operating Revenue		$3,933,097	64
27. Net Operating Revenue per Mile of Road		$1,707	14

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Traffic and Mileage Statistics—Continued.

	CLASSIFICATION	Item	Total
	Locomotive Mileage, Revenue Service		
28.	Freight Locomotive, Miles	2,845,257	
29.	Passenger Locomotive, Miles	2,473,955	
30.	Mixed Locomotive, Miles	387,296	
31.	Special Locomotive, Miles	14,226	
32.	Switching Locomotive, Miles	488,231	
33.	Total in Revenue Service		6,208,965
34.	Non-revenue Service Locomotive, Miles	234,427	
			234,427
	Car Mileage, Revenue Service:		
	Freight Car, Miles:		
35.	Loaded	62,289,834	
36.	Empty	17,537,607	
37.	Caboose	2,758,404	
38.	Total		82,585,845
	Passenger Car, Miles:		
39.	Passenger	5,192,357	
40.	Sleeping, Parlor and Observation	4,494,146	
41.	Other Passenger Train Cars	4,404,488	
42.	Total		14,090,991
	Special Car, Miles:		
43.	Freight, Loaded	34,150	
44.	Freight, Empty	0	
45.	Caboose	1,618	
46.	Passenger	0	
47.	Sleeping, Parlor and Observation	14,560	
48.	Other Passenger Train Cars	4,480	
	Total		54,808
49.	Total in Revenue Service		96,731,644
50.	Non-revenue Service Car, Miles	1,305,003	1,305,003
	Train Mileage, Revenue Service		
51.	Freight Train, Miles	2,771,502	
52.	Passenger Train, Miles	2,470,662	
53.	Mixed Train, Miles	352,059	
54.	Special Train, Miles	3,858	
55.	Total Revenue Train Mileage		5,598,081
56.	Non-revenue Service Train, Miles	76,182	76,182
57.	Average Number of Passengers per Car Mile		9
58.	Average Number of Passengers per Train Mile		45
59.	Average Number of Passenger Cars per Train Mile		4.99
60.	Average Number of Tons of Freight per Loaded Car Mile		15.44
61.	Average Number of Tons of Freight per Train Mile		307.96
62.	Average Number of Freight Cars per Train Mile		26.44
63.	Average Number of Loaded Cars per Train Mile		19.94
64.	Average Number of Empty Cars per Train Mile		5.61
65.	Average Mileage Operated During Year		2,303.91

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Freight Traffic Movement.

(Company's Material Excluded).

COMMODITY	1906		1907		1908	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	1,131,396	23.15	1,157,872	23.37	881,790	19.86
Flour	296,830	6.07	274,731	5.54	275,009	6.20
Other mill products	65,381	1.34	59,273	1.20	43,377	.98
Hay	21,906	.45	27,831	.56	33,998	.76
Tobacco	189	------	354	.01	266	.01
Fruit and vegetables	26,612	.54	35,033	.71	38,648	.87
Tea	2,833	.06	2,494	.05	3.579	.08
Other agricultural products	2,196	.04	4,790	.10	3,846	.09
Live stock	82,865	1.70	49,182	.99	50,404	1.14
Dressed meats	16,864	.34	18,059	.37	18,544	.42
Other packing-house products	8,893	.18	6,977	.14	4,599	.10
Poultry, fish and game	8,328	.17	8,099	.16	6,669	.15
Wool	283	.01	348	.01	547	.01
Hides and leather	12,798	.26	15,602	.32	13,808	.31
Butter and eggs	7,549	.15	8,535	.17	6,490	.15
Anthracite coal	18,909	.39	44,508	.90	30,931	.70
Bituminous coal	186,952	3.83	258,071	5.21	242,825	5.47
Lignite coal	97,335	1.99	87,239	1.76	131,996	2.97
Coke	4,689	.10	1,201	.02	4,609	.10
Ores	77,017	1.58	138,808	2.80	146,568	3.30
Stone, sand, etc	73,183	1.50	80,489	1.62	89,831	2.02
Salt	10,739	.22	11,178	.23	13,060	.30
Lumber	1,807,373	36.99	1,649,780	33.30	1,561,889	35.18
Charcoal	2,863	.06	4,011	.08	6,512	.15
Cooperage	21,473	.44	29,885	.60	21,879	.49
Petroleum and other oils	27,368	.56	26,668	.54	25,961	.59
Sugar	11,128	.23	5,826	.12	5,260	.12
Iron, pig and bloom	73,692	1.51	87,815	1.77	41,426	.93
Iron and steel rails	55,730	1.14	26,671	.54	23,709	.53
Other castings and machinery	29,765	.61	39,442	.80	23,918	.54
Bar and sheet metal	28,193	.58	35,347	.71	14,709	.33
Cement, brick and lime	99,804	2.04	103,606	2.09	71,289	1.61
Agricultural implements	24,884	.51	36,280	.73	18,245	.41
Wagons, carriages, tools, etc	3,905	.08	6,882	.14	3,257	.07
Wines, liquors and beers	13,949	.28	17,855	.36	16,385	.37
Household goods and furniture	35,480	.72	57,678	1.16	36,615	.82
Merchandise	182,169	3.73	230,263	4.65	247,961	5 59
Miscellaneous	314,975	6.45	305,494	6.17	278,777	6.28
Total	4,886,498	100.00	4,954,177	100.00	4,439,186	100.00

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Expenditure Account Construction and Equipment.

Thief River Falls Line	$391.39
Egeland Line	12,994.31
Flaxton Extension	26,202.02
Garrison Extension	127,714.64
Superior Line	2,219,311.67
A. B. & N. W. Ry	1,087.49
Terminal Property, St. Paul, Minneapolis and Other Points	46,849.84
Betterment to Main Line (See Statement Page 20)	115,357.86
New Equipment (See Statement Page 22)	13,119.52
Equipment Transferred to Replacement Account from Previous Year	53,797.22
	$2,616,825.96

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STATEMENT "A."

Betterment to Main Line, Charged to Capital Account.

Right of Way.....Cr.	$3,101.95
General Expenses.....	10,750.00
Erskine Stock Yards.....	217.02
Thief River Falls Platform.....	258.51
Oslo Transfer House.....	719.58
Lankin Depot.....	2,346.14
Gladstone Cottage (Transferred to Real Estate Account) Cr.	1,606.35
M. P. 208½ Water Station.....	900.00
Hankinson Water Station (Abandoned).....Cr.	4,692.12
Newhall Water Station (Destroyed by Fire).....Cr.	1,277.73
Sault Ste Marie Joint Terminals.....	634.27
Shoreham Boiler Shop.....	15,220.12
Shoreham Power House.....	513.59
Shoreham Machine Shop.....	5,216.84
Shoreham Blacksmith Shop.....	653.07
Shoreham Tunnel	1,649.55
Adams Transfer Table.....	449.41
Shoreham Shop Machinery and Tools.....	77,243.40
Fencing	5,581.11
Washburn Ferry.....	725.00
Bridges and Culverts.....	256.48
Fastenings	203.01
Bismarck Penitentiary Spur.....	1,249.19
Detroit Connecting Track.....	592.94
Conway Wye.....	248.35
Norma Side Track.....	458.16
Erskine Passing Track.....	636.78
Frederic Mill Yard Track (Taken Up).....Cr.	2,043.86
Minor Improvements.....	1,357.35
	$115,357.86

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Expenditures Charged to Fund Appropriated for Additions and Betterments.

Right of Way	$469.55
Side Tracks	95,090.34
Buildings	34,614.22
Fuel and Water Stations	39,715.04
Shops, Engine Houses and Turn-tables	50,235.53
Crossing Signs and Cattle Guards	5,083.30
Grade Reduction, Minnesota Division	405,059.50
Filling Bridges	47,354.29
Widening and Ballasting	43,695.92
Bridges and Culverts	44,817.96
Telegraph Line	3,105.59
Fencing	27,850.91
Highway Grading	2,023.29
Rails and Fastenings—Difference between 60-lb., 72-lb. and 80-lb. Rails Relaid	7,609.45
	$806,724.89
Balance at Credit of Fund, June 30, 1907	$252,199.63
Appropriated from Income Account	350,000.00
Balance Advanced for which no Appropriation has yet been made from Surplus Income	204,525.26
	$806,724.89

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Additions to Equipment.

Box Cars, Air Brakes, Beams, Etc.	$7,897.45
Flat Cars, Air Brakes, Beams, Etc.	3,990.80
One Concrete Mixer	912.62
Minor Items	318.65
	$13,119.52

Equipment Replacement.

Balance from Previous Year	$53,797.22
Depreciation on Freight Cars	83,085.72
Depreciation on Locomotives	35,577.78
Depreciation on Passenger Cars	18,074.46
Depreciation on Work Cars	1,578.96
26 Box Cars Destroyed	16,062.27
4 Flat Cars Destroyed	1,584.00
2 Ore Cars Destroyed	904.00
1 Stock Car Destroyed	283.50
	$210,947.91

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Equipment Owned, June 30, 1908.

Locomotives	252
First Class Passenger Coaches	45
Second Class Passenger Coaches	31
Combination Cars	12
Sleepers	27
Tourist Sleepers	17
Diners	10
Buffet	4
Observation Cars	4
Baggage, Mail and Express Cars	48
Official Cars	2
Total Passenger Cars	200
Freight Cars	11,043
Caboose	154
Flat	1,234
Gondolas	36
Ore	136
Stock	94
Refrigerator	174
Charcoal	17
Logging	20
Furniture	8
Total Freight Cars	12,916
Miscellaneous—	
Tool Cars	4
Steam Shovels	5
Pile Drivers	2
Ditchers	2
Snow Plows	5
Ballast Unloaders	5
Wrecking Crane	3
Concrete Mixer	1
Ballast Cars	150
Total Miscellaneous	177

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1909

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Charles F. Clement TREAS.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1909

Minneapolis
FARNHAM PRINTING & STATIONERY CO
1909

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

DIRECTORS

E. Pennington	Minneapolis, Minn.
W. D. Washburn	Minneapolis, Minn.
C. H. Pettit	Minneapolis, Minn.
H. Lowry	Minneapolis, Minn.
Alfred H. Bright	Minneapolis, Minn.
W. L. Martin	Minneapolis, Minn.
G. R. Newell	Minneapolis, Minn.
E. A. Young	St. Paul, Minn.
Sir T. G. Shaughnessy	Montreal, Quebec.
Sir Wm. C. Van Horne	Montreal, Quebec.
R. B. Angus	Montreal, Quebec.

OFFICERS

E. Pennington, President. C. F. Clement, Sec'y and Treas.

G. R. Huntington, General Manager.

C. W. Gardner, Comptroller.

W. L. Martin, 2d Vice-President and Traffic Manager.

Transfer and Fiscal Agents, Agents Bank of Montreal,
31 Pine Street, New York.

Registrar of Stocks and Bonds, Central Trust Co., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn.

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30, 1909.

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

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

E. PENNINGTON,

President.

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NEW YORK, September 15, 1909.

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

We have examined the accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the Fiscal Year ended June 30, 1909, and have approved the Balance Sheet and Income Account submitted herewith. These contain a full and true statement of the financial condition of the Company. The Net Earnings were fairly earned after charging off all Expenses of Operation, the total maintenance and betterment expenditures that were charged against Earnings and Income Account being, in our opinion, sufficient to maintain the integrity of the property.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

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General Ledger Balance Sheet, June 30, 1909.

DEBITS.

Cost of Road, Acquired Lines, Extensions and Equipment		$86,585,358.39
Real Estate		701,728.54
Stocks and Bonds Owned—		
Wisconsin Central Ry. Stock	$3,661,120.88	
St. Paul Union Depot Stock	103,600.00	
Minnesota Transfer Ry. Stock	7,000.00	
Western Express Co. Stock	50,000.00	
Sault Ste. Marie Bridge Co. Stock	3,001.72	
Sault Ste. Marie Union Depot Stock	50,590.56	
Mpls., S. S. Marie & Atl. Ry. Bonds	10,000.00	
Minnesota Transfer Ry. Bonds	47,000.00	
Spokane & Intern. Ry. Bonds and Stocks	180,000.00	
Village of Alexandria Bonds	10,000.00	
		4,127,313.16
Material and Supplies		1,561,892.91
Due from—		
Foreign Roads	$100,940.78	
Agents and Conductors	935,763.12	
U. S. Postoffice Department	41,260.85	
Bills and Accounts Receivable	607,007.69	
Cash, Minneapolis, St. Paul, Chicago, Duluth, Milwaukee, New York, Montreal and London	4,047,559.69	
Total Cash and Current Assets		5,732,532.13
		$98,708,825.63

CREDITS.

Capital Stock—		
Common	$16,800,000.00	
Preferred	8,400,000.00	
		$25,200,000.00
Capital Stock Subscription		2,489,572.80
Funded Debt—		
First Mortgage M. & P. Ry. Bonds, 4 per cent	300,000.00	
First Mortgage M. S. S. M. & Atl. Ry. Bonds, 4 per cent	8,204,000.00	
First Mortgage M. St. P. & S. S. M. Ry. Consol. Bonds, 4 per cent	44,891,000.00	
Second Mortgage M. St. P. & S. S. M. Ry. Bonds, 4 per cent	3,500,000.00	
		56,895,000.00
Bills Payable—		
Equipment Trust Notes		1,551,000.00
Interest Accrued on Bonds due July 1	1,052,945.00	
Interest Accrued on Equip. Notes due July 1	38,775.00	
Interest Accrued on Leased Line Stock Certificates	109,402.00	
Taxes Accrued not yet due	343,490.09	
		1,544,612.09
Current Liabilities—		
Audited Vouchers	2,082,468.45	
Pay Rolls	879,964.23	
Dividends Due and Unpaid	755.00	
Wisconsin Central Ry	359,356.56	
		3,322,544.24
Equipment Replacement		436,195.80
Insurance Fund		9,658.25
Betterment and Improvement Fund		20,390.88
Profit and Loss Account		7,239,851.57
		$98,708,825.63

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

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Mileage.

The mileage owned and operated is as follows:

Sault Ste. Marie, Mich.	to	Minneapolis, Minn.	490.02 miles
Cardigan Jct., Minn.	to	St. Paul, Minn.	7.36 "
Dresser Jct., Wis.	to	St. Croix Falls, Wis.	4.30 "
Summit Jct., Wis.	to	Frederic, Wis.	22.43 "
Barron, Wis.	to	Ridgeland, Wis.	18.52 "
Cameron, Wis.	to	Reserve, Wis.	41.64 "
Tony Branch, Wis.			2.21 "
Rex, Mich.	to	Meads Quarry, Mich.	12.24 "
Rapid River, Mich.	to	Eben Jct., Mich.	30.55 "
Gladstone Coal Docks, Mich.			1.53 "
Total Mileage East of Minneapolis			630.80
Northtown Jct., Minn.	to	Camden Place, Minn.	1.01 miles
Minneapolis, Minn.	to	Portal, N. D.	548.68 "
Glenwood, Minn.	to	Emerson, Minn.	265.05 "
Thief River Falls, Minn.	to	Kenmare, N. D.	296.44 "
Egeland, N. D.	to	Armourdale, N. D.	21.88 "
Hankinson, N. D.	to	Bismarck, N. D.	214.18 "
Bismarck, N. D.	to	Max, N. D.	91.27 "
Drake, N. D.	to	Plaza, N. D.	83.62 "
Flaxton, N. D.	to	Ambrose, N. D.	51.14 "
Wishek, N. D.	to	Pollock, S. D.	70.35 "
Brooten, Minn.	to	Onamia, Minn.	86.84 "
Total Mileage West of Minneapolis			1,730.46
Add Spur Lines			14.53
Total Mileage June 30, 1909			2,375.79

In addition to the above, the Company has Trackage Facilities over 19.17 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

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

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Wisconsin Central Railway Co.

("SOO LINE" CHICAGO DIVISION)

FINANCIAL EXHIBITS

YEAR ENDING JUNE 30, 1910

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Operating Revenues and Expenses.

Revenue from Transportation:		
Freight Revenue	$8,622,167.84	
Passenger Revenue	2,947,875.36	
Excess Baggage Revenue	40,072.85	
Mail Revenue	355,882.77	
Express Revenue	192,183.43	
Switching Revenue	12,347.61	
Special Service Train Revenue	19,859.87	
Miscellaneous Transportation Revenue	3,658.35	
Total Revenue from Transportation.		$12,194.048.08
Revenue from Operations Other Than Transportation:		
Station and Train Privileges	$12,652.44	
Parcel Room Receipts	153.05	
Storage Freight	323.49	
Storage Baggage	912.50	
Car Service	11,733.29	
Telegraph Service	67,088.48	
Rents of Buildings and Other Property	37,490.17	
Miscellaneous	8,757.38	
Total Revenue from Operations Other Than Transportation		139,110.80
Joint Facilities Revenue		6,596.02
Total Operating Revenue		$12,339,754.90
Operating Expenses:		
Maintenance of Way and Structures	$1,262,244.17	
Maintenance of Equipment	1,364,318.57	
Traffic Expenses	221,204.81	
Transportation Expenses	3,794,085.51	
General Expenses	272,754.31	
Total Operating Expenses		6,914,607.37
Net Operating Revenue		$5,425,147.53

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

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

Profit and Loss Account to June 30th, 1909.

By Balance, June 30th, 1908		$6,652,206.97
Net Corporate Income for year ending June 30, 1909		2,498,051.56
Profit from Sale of Real Estate		35,593.04
		$9,185,851.57
Deductions for Year:		
Fund for Betterment and Improvement	$350,000.00	
7 per cent Dividend on Preferred Stock	588,000.00	
6 per cent Dividend on Common Stock	1,008,000.00	$1,946,000.00
Balance Credit, June 30th, 1909		$7,239,851.57

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Detailed Statement of Earnings and Expenses.

Earnings:	1909	1908
From Freight	$ 8,622,167.84	$ 7,828,851.60
From Passengers	2,947,875.36	2,681,221.84
From Mails	355,882.77	317,504.13
From Express	192,183.43	179,505.03
From Miscellaneous	221,645.50	186,637.36
From Outside Operations	269,544.27	255,347.17
Total Gross Earnings	$12,609,299.17	$11,449,037.13
Operating Expenses:		
Maintenance of Way and Structures,		
Superintendence	$ 37,503.61	$ 35,217.07
Ballast	4,320.21	.....
Ties	200,778.81	172,473.05
Rails Cr.	7,394.55	Dr. 8,152.47
Other Track Material	25,525.91	22,016.55
Roadway and Track	559,162.12	614,365.45
Removal of Snow, Sand and Ice	77,837.00	29,937.85
Bridges, Trestles and Culverts	151,191.31	174,495.00
Grade Crossings, Fences, Cattle Guards and Signs	15,418.03	16,121.90
Snow and Sand Fences and Snowsheds	3,205.56	2,611.91
Signals and Interlocking Plants	2,534.67	3,204.92
Telegraph and Telephone Lines	21,359.60	21,439.16
Buildings, Fixtures and Grounds	108,354.68	116,559.65
Docks and Wharves	16,460.25	20,292.25
Roadway Tools and Supplies	14,906.64	18,490.55
Injuries to Persons	5,098.43	2,770.64
Stationery and Printing	1,084.13	872.77
Other Expenses	1,917.46	3,153.96
Maintaining Joint Tracks, Yards and Other Facilities. Dr.	22,980.30	33,657.53
Maintaining Joint Tracks, Yards and Other Facilities. Cr.	.....	66.62
Total	$ 1,262,244.17	$ 1,295,766.06
Maintenance of Equipment:		
Superintendence	$ 31,613.70	$ 31,784.86
Steam Locomotives—Repairs	551,457.87	556,960.51
Steam Locomotives—Depreciation	35,142.48	35,577.78
Passenger Train Cars—Repairs	135,653.14	174,576.80
Passenger Train Cars—Renewals	4,420.00	.....
Passenger Train Cars—Depreciation	9,139.20	18,074.46
Freight Train Cars—Repairs	386,986.19	447,857.46
Freight Train Cars—Renewals	52,526.83	9,039.93
Freight Train Cars—Depreciation	81,678.54	83,085.72
Work Equipment—Repairs	17,962.83	16,320.73
Work Equipment—Renewals	2,321.28	.....
Work Equipment—Depreciation	1,644.30	1,578.96
Shop Machinery and Tools	30,391.16	39,222.04
Power Plant Equipment	4,130.66	10,126.94
Injuries to Persons	6,943.32	3,462.34
Stationery and Printing	3,456.71	3,070.30
Other Expenses	.....	.06
Maintaining Joint Equipment at Terminals	8,850.36	10,150.56
Equipment Borrowed Dr.	.....	88,248.82
Equipment Loaned Cr.	.....	160,699.92
Total	$ 1,364,318.57	$ 1,368,438.35
Traffic Expenses:		
Superintendence	$ 56,258.56	$ 59,192.32
Outside Agencies	102,461.48	107,327.09
Advertising	33,063.57	25,874.42
Traffic Associations	1,387.05	2,352.41
Fast Freight Lines	5,945.19	7,323.50
Industrial and Immigration Bureaus	6,258.61	6,214.31
Stationery and Printing	15,830.35	23,191.31
Total	$ 221,204.81	$ 231,475.36

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Detailed Statement of Earnings and Expenses—Continued.

Transportation Expenses:		1909	1908
Superintendence		$ 78,528.65	$ 75,603.23
Dispatching Trains		48,992.59	45,817.95
Station Employees		434,242.78	407,709.78
Weighing and Car Service Associations		8,680.63	8,364.22
Flour and Merchandise Docks		48,370.48	29,712.21
Station Supplies and Expenses		36,210.94	37,432.27
Yardmasters and their clerks		26,686.62	26,665.87
Yard Conductors and Brakemen		77,227.00	73,169.98
Yard Switch and Signal Tenders		4,573.63	6,837.62
Yard Supplies and Expenses		1,006.18	941.76
Yard Enginemen		45,745.32	42,186.22
Enginehouse Expenses—Yard		23,682.42	24,211.22
Fuel for Yard Locomotives		65,056.72	65,567.91
Water for Yard Locomotives		4,695.65	4,664.75
Lubricants for Yard Locomotives		1,370.24	1,672.71
Other Supplies for Yard Locomotives		942.87	2,523.20
Operating Joint Yards and Terminals	Dr.	102,786.76	116,198.23
	Cr.	1,174.06	.....
Road Enginemen		449,385.13	468,200.83
Enginehouse Expenses—Road		166,338.34	182,458.91
Fuel for Road Locomotives		1,114,951.51	1,167,772.08
Water for Road Locomotives		58,449.31	48,793.51
Lubricants for Road Locomotives		21,687.39	22,565.60
Other Supplies for Road Locomotives		15,380.79	25,097.72
Road Trainmen		486,157.27	500,735.31
Train Supplies and Expenses		156,888.36	172,472.19
Interlockers, Block and Other Signals—Operation		8,501.98	17,411.31
Crossing Flagmen and Gatemen		4,290.64	3,246.08
Drawbridge Operation		1,360.82	1,265.85
Clearing Wrecks		6,632.98	13,081.85
Telegraph and Telephone—Operation		10,778.46	30,989.53
Stationery and Printing		26,700.70	16,731.75
Other Expenses		6,761.33	6,447.74
Loss and Damage—Freight		85,358.71	110,024.93
Loss and Damage—Baggage		1,403.70	1,607.86
Damage to Property		22,078.63	34,831.31
Damage to Stock on Right of Way		16,447.05	16,760.42
Injuries to Persons		101,878.73	126,561.76
Operating Joint Tracks and Facilities	Dr	27,811.27	17,616.05
	Cr.	2,783.01	.....
Total		$ 3,794,085.51	$ 3,953,951.72
General Expenses:			
Salaries and Expenses of General Officers		$ 65,396.32	$ 61,004.90
Salaries and Expenses of Clerks and Attendants		81,074.14	79,057.35
General Office Supplies and Expenses		11,719.40	12,345.27
Law Expenses		64,726.73	31,427.44
Insurance		33,570.32	32,476.80
Stationery and Printing		10,752.82	8,491.88
Other Expenses		4,164.81	5,900.19
General Administration Joint Tracks, Yards and Term'ls Dr.		1,349.77	781.97
Total		$ 272,754.31	$ 231,485.80
Total Operating Expenses		$ 6,914,607.37	$ 7,081,117.29
Outside Operating Expenses		$ 183,109.22	$ 132,187.80
Total Expenses		$ 7,097,716.59	$ 7,213,305.09
Net Earnings		$ 5,511,582.58	$ 4,235,762.04
Percentage of Expenses to Earnings		56.3	63

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

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

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Traffic and Mileage Statistics—Continued.

CLASSIFICATION	1909	1908
Locomotive Mileage, Revenue Service		
Freight Locomotive-Miles	2,785,676	2,845,257
Passenger Locomotive-Miles	2,361,116	2,473,955
Mixed Locomotive-Miles	401,723	387,296
Special Locomotive-Miles	34,974	14,226
Switching Locomotive-Miles	490,175	488,231
Total Revenue Locomotive Mileage	6,073.664	6,208,965
Non-revenue Service Locomotive, Miles	255,167	234,427
Car Mileage, Revenue Service:		
Freight Car-Miles:		
Loaded	67,113,684	62,289,834
Empty	19,120,149	17,537,607
Caboose	2,757,287	2,758,404
Total Freight Car-Miles	88,991,120	82,585,845
Passenger Car-Miles:		
Passenger	5,803,348	5,192,357
Sleeping, Parlor and Observation	3,930,102	4,494,146
Other Passenger Train Cars	4,423,578	4,404,488
Total Passenger Car-Miles	14,157,028	14,090,991
Special Car-Miles:		
Freight, Loaded	34,070	34,150
Freight, Empty	0	0
Caboose	2,240	1,618
Passenger	19,317	0
Sleeping, Parlor and Observation	65.258	14,560
Other Passenger Train Cars	40,390	4,480
Total Special Car-Miles	161,275	54,808
Total Revenue Car Mileage	103,309,423	96,731,644
Non-revenue Service Car-Miles	2,142,807	1,305,003
Train Mileage, Revenue Service		
Freight Train-Miles	2,706,999	2,771,502
Passenger Train-Miles	2,347,967	2,470,662
Mixed Train-Miles	361,817	352,059
Special Train-Miles	19,495	3,858
Total Revenue Train Mileage	5,436,278	5,598,081
Non-revenue Service Train-Miles	93,103	76,182
Average Number of Passengers per Car-Mile	14	9
Average Number of Passengers per Train-Mile	52	45
Average Number of Passenger Cars per Train-Mile	5.22	4.99
Average Number of Tons of Freight per Loaded Car-Mile	16.20	15.44
Average Number of Tons of Freight per Train-Mile	354.27	307.96
Average Number of Freight Cars per Train-Mile	29.	26.44
Average Number of Loaded Cars per Train-Mile	21.87	19.94
Average Number of Empty Cars per Train-Mile	6.23	5.61
Average Mileage Operated During Year	2,359.75	2,303.91

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Freight Traffic Movement.

(Company's Material Excluded).

COMMODITY	1907		1908		1909	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	1,157,872	23.37	881,790	19.86	1,107,390	23.85
Flour	274,731	5.54	275,009	6.20	301,206	6.49
Other mill products	59,273	1.20	43,377	.98	50,423	1.09
Hay	27,831	.56	33,998	.76	27,249	.59
Tobacco	354	.01	266	.01	903	.02
Fruit and vegetables	35,033	.71	38,648	.87	42,324	.91
Tea	2,494	.05	3.579	.08	4,490	.09
Other agricultural products	4,790	.10	3,846	.09	5,789	.12
Live stock	49,182	.99	50,404	1.14	53,604	1.16
Dressed meats	18,059	.37	18,544	.42	16,125	.35
Other packing-house products	6,977	.14	4,599	.10	2,189	.05
Poultry, fish and game	8,099	.16	6,669	.15	6,593	.14
Wool	348	.01	547	.01	429	.01
Hides and leather	15,602	.32	13,808	.31	14,574	.31
Butter and eggs	8,535	.17	6,490	.15	6,579	.14
Anthracite coal	44,508	.90	30,931	.70	38,619	.83
Bituminous coal	258,071	5.21	242,825	5.47	248,239	5.35
Lignite coal	87,239	1.76	131,996	2.97	135,323	2.92
Coke	1,201	.02	4,609	.10	3,460	.07
Ores	138,808	2.80	146,568	3.30	122,010	2.63
Stone, sand, etc	80,489	1.62	89,831	2.02	92,201	1.99
Salt	11,178	.23	13,060	.30	18,228	.39
Lumber	1,649,780	33.30	1,561,889	35.18	1,418,148	30.55
Charcoal	4,011	.08	6,512	.15	4,686	.10
Cooperage	29,885	.60	21,879	.49	22,712	.49
Petroleum and other oils	26,668	.54	25,961	.59	25,934	.56
Sugar	5,826	.12	5,260	.12	4,728	.10
Iron, pig and bloom	87,815	1.77	41,426	.93	15,985	.35
Iron and steel rails	26,671	.54	23,709	.53	20,550	.44
Other castings and machinery	39,442	.80	23,918	.54	26,592	.57
Bar and sheet metal	35,347	.71	14,709	.33	25,729	.55
Cement, brick and lime	103,606	2.09	71,289	1.61	91,364	1.97
Agricultural implements	36,280	.73	18,245	.41	16,412	.35
Wagons, carriages, tools, etc	6,882	.14	3,257	.07	3,392	.07
Wines, liquors and beers	17,855	.36	16,385	.37	17,241	.37
Household goods and furniture	57,678	1.16	36,615	.82	46,253	1.00
Merchandise	230,263	4.65	247,961	5 59	339,132	7.30
Miscellaneous	305,494	6.17	278,777	6.28	265,830	5.73
Total	4,954,177	100.00	4,439,186	100.00	4,642,635	100.00

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Expenditures Account of Construction and Equipment.

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

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STATEMENT "A."

Betterment to Main Line Charged to Capital Account.

Right of Way		$63,586.19
General Expenses		32,249.07
General Office Building		52,901.96
Minot Freight House		32,691.04
Washburn Ferry		1,000.00
Washburn Depot		2,421.61
Underwood Depot		2,279.81
Noyes Depot and Custom House		2,830.92
Mahnomen Sewer		402.69
Erskine Interlocking Plant		2,803.53
Oslo Transfer House		620.91
Stock Yards at Crosby & Columbus		582.14
Loading Platforms at Ambrose, Rival, Kermit, Crosby, Columbus, Egeland, Annandale and Arndt		3,606.01
Thief River Falls Turn Table		5,397.22
Water Supply at Rolette, M. P. 208½, and M. P. 19		3,760.71
Gould City Side Track		2,267.46
Shoreham Ice House		5,239.52
Columbus & Kermit Siding		799.02
Crosby Siding		955.92
Columbus Mill Track		633.79
Armourdale & Brumbaugh Siding		1,410.31
Kief Side Track		1,918.54
Benedict Side Track		4,896.35
M. P. 7, Spur		655.91
Clifford Underground Crossing		2,026.37
Fencing		8,418.74
Sault Ste. Marie Joint Terminals		3,023.03
Real Estate, Gravel Pits		6,550.17
Minor Improvements		564.77
		$246,493.71
Less Side Tracks and Material Taken up as follows:		
Gladstone Ore Tracks	$302.86	
Perrons Spur Track	500.16	
Manistique Round House Tracks	191.92	
Bald Eagle South Wye Track	757.76	
Farrell Spur Tracks	299.67	
Crystal Spur Track	874.76	
Oakes Gravel Pit Spur Track	718.92	
Underwood Wye Track	1,199.42	
M. P. 524, Spur Track	678.97	
Bridges and Culverts	695.98	
Rails and Fastenings	6,161.80	
		12,382.22
		$234,111.49

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Expenditures Charged to Fund Appropriated for Additions and Betterments.

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

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Additions to Equipment.

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

Equipment Replacement.

Balance from Previous Year	$210,947.91
Depreciation on Freight Cars	81,678.54
Depreciation on Locomotives	35,142.48
Depreciation on Passenger Cars	9,866.20
Depreciation on Work Cars	1,644.30
Depreciation on Sleeping Cars	6,415.03
Depreciation on Dining Cars and Buffet Cars	1,558.51
109 Box Cars Destroyed	60,690.49
2 Ballast Cars Destroyed	1,455.00
19 Flat Cars Destroyed	7,980.46
6 Caboose Cars Destroyed	5,876.06
1 Baggage Car Destroyed	4,250.00
5 Refrigerator Cars Destroyed	5,316.30
1 Stock Car Destroyed	420.00
4 Gondola Cars Destroyed	2,176.92
1 Ballast Plow Destroyed	777.60
	$436,195.80

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Equipment Owned June 30, 1909.

Locomotives	260
First Class Passenger Coaches	45
Second Class Passenger Coaches	31
Combination Cars	12
Sleepers	27
Tourist Sleepers	16
Diners	11
Buffet	4
Observation Cars	6
Baggage, Mail and Express Cars	53
Official Cars	3
Total Passenger Cars	208
Freight Cars	10,934
Caboose	148
Flat	1,224
Gondolas	32
Ore	136
Stock	93
Refrigerator	169
Charcoal	8
Logging	20
Furniture	8
Total Freight Cars	12,772
Miscellaneous—	
Tool Cars	4
Steam Shovels	5
Pile Drivers	2
Ditchers	3
Snow Plows	5
Ballast Unloaders	4
Wrecking Cranes	3
Concrete Mixer	1
Ballast Cars	148
Total Miscellaneous	175

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

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

1910 235

ANNUAL REPORT

OF THE

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

Wisconsin Central
See p. 27

FOR THE YEAR ENDING JUNE 30th, 1910

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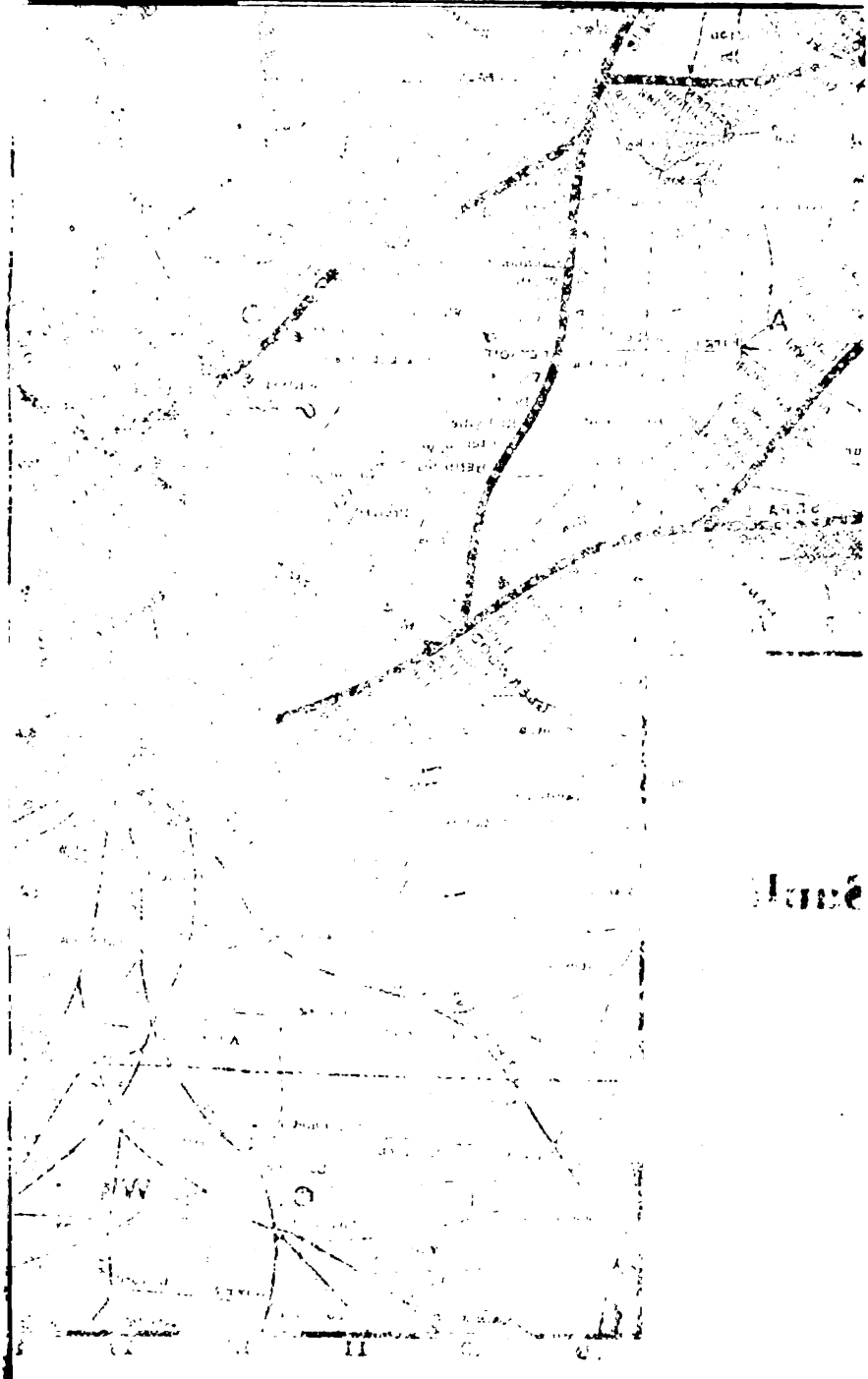

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ANNUAL REPORT

OF THE

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

FOR THE YEAR ENDING JUNE 30th, 1910

Minneapolis
FARNHAM PRINTING & STATIONERY CO.
1910

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

DIRECTORS

E. Pennington	Minneapolis, Minn.
W. D. Washburn	Minneapolis, Minn.
C. H. Pettit	Minneapolis, Minn.
H. Lowry	Minneapolis, Minn.
Alfred H. Bright	Minneapolis, Minn.
W. L. Martin	Minneapolis, Minn.
G. R. Newell	Minneapolis, Minn.
E. A. Young	St. Paul, Minn.
Sir T. G. Shaughnessy	Montreal, Quebec.
R. B. Angus	Montreal, Quebec.
I. G. Ogden	Montreal, Quebec.

OFFICERS

E. Pennington,	President.	Minneapolis, Minn.
W. L. Martin,	Vice-President and Traffic Manager,	Minneapolis, Minn.
C. F. Clement,	Treasurer,	Minneapolis, Minn.
G. W. Webster,	Secretary,	Minneapolis, Minn.
G. R. Huntington,	General Manager,	Minneapolis, Minn.
C. W. Gardner,	Comptroller,	Minneapolis, Minn

Transfer and Fiscal Agents, Agents Bank of Montreal,
64 Wall Street, New York.
Registrar of Stocks and Bonds, Central Trust Co., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn

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WISCONSIN CENTRAL RAILWAY COMPANY

DIRECTORS

E. Pennington	Minneapolis, Minn.
J. S. Pillsbury	Minneapolis, Minn.
C. E. Wales	Minneapolis, Minn.
Alfred H. Bright	Minneapolis, Minn.
W. L. Martin	Minneapolis, Minn.
C. T. Jaffray	Minneapolis, Minn.
Leroy W. Baldwin	New York City
Wm. Irvine	Chippewa Falls, Wis.
Sidney G. Courteen	Milwaukee, Wis.
M. H. Ballou	Menasha, Wis.

OFFICERS

E. Pennington,	President,	Minneapolis, Minn.
Alfred H. Bright,	Vice-President,	Minneapolis, Minn.
C. F. Clement,	Treasurer,	Minneapolis, Minn.
G. W. Webster,	Secretary,	Minneapolis, Minn.
J. A. Millington,	Assistant Secretary,	Milwaukee, Wis.
C. W. Gardner,	Comptroller,	Minneapolis, Minn.

Transfer and Fiscal Agents, Agents Bank of Montreal,
64 Wall Street, New York.
Registrar, Empire Trust Co., New York.

Annual meeting second Tuesday in October, at Milwaukee, Wis.

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ANNUAL REPORT

OF THE

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

Including Chicago Division (Wisconsin Central)

FOR THE YEAR ENDING JUNE 30, 1911.

The report herewith submitted for the year ending June 30, 1911, includes the Wisconsin Central Railway now operated as the Chicago Division of the Soo Line.

The Earnings and Expenses for the year are as follows:

	Soo Line.	Chicago Division.	Entire System.
Gross Earnings	$13,135,907.80	$8,836,669.98	$21,972,577.78
Operating Expenses	8,375,995.03	6,622,343.25	14,998,338.28
Net Earnings	$ 4,759,912.77	$2,214,326.73	$ 6,974,239.50
Income from Other Sources	913,204.23	50,878.34	964,082.57
Total Income	$ 5,673,117.00	$2,265,205.07	$ 7,938,322.07
Fixed Charges, Taxes, etc.	3,841,690.35	2,496,484.10	6,338,174.45
Surplus	$ 1,831,426.65	$ 231,279.03*	$ 1,600,147.62

Compared with the previous year the Soo Line Gross Earnings show a reduction of $2,271,271.60; this is accounted for by the fact that last season's grain crop in North Dakota and portions of Minnesota was almost a total failure and resulted not only in a large loss of grain tonnage but also, on account of the reduced purchasing power of rural districts, in a considerable reduction in general business. Two thousand miles of the Company's lines are located in what may be termed the grain district of the Northwest and crop conditions are naturally very promptly reflected in its earnings.

*Deficit.

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The Operating Expenses show an increase of $257,672.57 very largely accounted for by the maintenance of equipment. The ratio of depreciation set up was increased to conform to Interstate Commerce Commission requirements, also extensive repairs to freight cars made necessary by the heavy business of the previous season were made while the reduced traffic conditions afforded opportunity.

The operation of two hundred thirty-five miles of new line, on which traffic is as yet but slightly developed naturally increased the expenses and made the comparison of Expenses to Earnings unfavorable.

The Gross Earnings of the Chicago Division are substantially the same as for the previous season. Its Operating Expense figures show an increase of $726,395.90.

During the year, in order to increase the tonnage capacity of its trains, there was undertaken the work of reducing the grades and improving the alignment of this Division. Necessarily the work was carried forward at much inconvenience and expense to its operating department and resulted in increased transportation expenses. Higher costs of materials and supplies, particularly that of fuel, advanced scales of wages, together with an effort to bring its equipment to a higher standard of repair and to clean up and dispose of accumulated unadjusted items, all contributed to the unfavorable showing for the year. The depression in general business conditions is shown by the lessened volume and changed character of the tonnage handled. The total tons handled decreased 157,000 tons and although the average rate per ton per mile was maintained the revenue per ton handled decreased three and six-tenths cents per ton; there was a larger percentage of traffic handled short distances. These conditions resulted in a lessening of Gross Revenue to the extent of $417,000.

During the year the line from Moose Lake to Plummer was completed and the Cuyuna Iron Range line extended to reach the mines now being developed. The Ore Dock at Superior was completed and to June 30th had handled 39,969 tons of ore, being the first ore shipped from the Cuyuna Range. At this time but one mine on this range has been

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developed to a shipping basis. Two or more additional mines will provide ore tonnage early in 1912 and from that time rapid development of this range is expected.

Further additions to the Company's terminal property at Minneapolis were made during the year and an extensive freight yard is now being constructed thereon.

For the purchase of additional locomotives, caboose cars, and steel passenger equipment, additional Equipment Trust Notes were issued to the extent of $1,190,000. To provide funds for the completion of terminals, for the purchase of additional equipment, betterment of the property and the construction of additional lines it was found necessary to issue an additional $6,562,200 of the Company's authorized capital; this was offered for subscription to the shareholders by circular letter of April 17, 1911, and the entire issue was subscribed for. The new stock will be issued Oct. 16th, 1911.

The company is extending its Frederic Branch to connect with its present line between Brooten and Duluth at a point near Duluth. This piece of road will be completed and opened for operation prior to January 1st next and will provide a short line between the Twin Cities and Duluth.

While the Grain Crop now being harvested along the Company's lines is not so bountiful as promised early in the season, it is nevertheless, considerably in excess of that of 1910, and should make possible a more favorable report for the current fiscal year.

Further detailed information may be found in the usual statements furnished in the following pages.

Respectfully submitted,

E. PENNINGTON,

President.

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New York, September 11, 1911.

E. Pennington, Esq., President,
Minneapolis, St. Paul & Sault Ste. Marie Railway Co.
Wisconsin Central Railway Company,
Minneapolis, Minnesota.

We have audited the accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company and of the Wisconsin Central Railway Company for the fiscal year ended June 30, 1911, and have approved the respective Balance Sheets and Income Accounts submitted herewith. These contain full and true statements of the financial condition of the two Companies. The net earnings shown were fairly earned after charging off all expenses of operation, the total maintenance expenditures that were charged against Earnings and Income account being, in our opinion, sufficient to maintain the integrity of the properties.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

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General Balance Sheet,

ASSETS

Property Investment:		
Road	$ 84,932,028.33	
Equipment	16,798,078.09	
	$101,730,106 42	
Less Reserve for Accrued Depreciation	1,145,797.09	
Total		$100,584,309.33
Securities of Proprietary, Affiliated and Controlled Companies:		
Wisconsin Central Ry. Co. Stock	$ 3,661,120.88	
St. Paul Union Depot Co. Stock	103,600.00	
Minnesota Transfer Ry. Co. Stock	7,000.00	
Sault Ste. Marie Bridge Co. Stock	500.00	
Sault Ste. Marie Union Depot Co. Stock	50,590.56	
Minnesota Transfer Ry. Co. Bonds	54,000.00	
Total		3,876,811.44
Other Investments:		
Physical Property Real Estate	$ 176,758.03	
Miscellaneous Investments:		
Interstate Exploration Co. Stock	156,000.00	
Tri-State Land Co. Stock	25,000.00	
Western Express Co. Stock	50,000.00	
Coeur d'Alene & Pond d'Oreille Ry. Co. 5% Bonds	25,200.00	
Total		432,958.03
Working Assets:		
Cash	$ 2,520,432.40	
Securities in Treasury:		
M. S. S. M. & Atl. Ry. Co. 4% First Mortgage Bonds	10,000.00	
Pillsbury-Washburn Flour Milling Co., Ltd., 5% Bonds	4,700.00	
Village of Alexandria Bonds	4,000.00	
Traffic and Car Service Balances due from Other Companies	443,563.96	
Net Balances due from Agents and Conductors	1,140,794.93	
Miscellaneous Accounts and Bills Receivable	644,087.91	
Materials and Supplies	2,493,508.06	
Total		7,261,087.26
Accrued Income Not Due:		
Unmatured Dividends		111,455.00
Deferred Debit Items:		
Tri-State Land Co.	$ 1,329,287.59	
Land Sales (Deferred Payments)	151,297.25	
Special Deposit for Equipment	736,310 42	
Wisconsin Central Ry. Co.	1,089,852.62	
Milwaukee Terminal Ry. Co.	247,000.00	
Unextinguished Discount on Funded Debt	238,481.97	
Total		3,792,229.85
Grand Total		$116,058,850.91

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June 30, 1911.

LIABILITIES

Capital Stock:		
Common	$20,832,000.00	
Preferred	10,416,000.00	
Subscription	3,423,020.35	
Total		$ 34,671,020.35
Mortgage, Bonded and Secured Debt:		
First Mortgage M. & P. Ry. Co. 4% Bonds	$ 286,000.00	
First Mortgage M. S. S. M. & Atl. Ry. Co. 4% Bonds	8,204,000.00	
First Mortgage M. St. P. & S. S. M. Ry. Co. Consolidated 4% Bonds	50,705,000.00	
Second Mortgage M. St. P. & S. S. M. Ry. Co. 4% Bonds	3,500,000.00	
Equipment Trust Obligations	3,455,000.00	
Total		66,150,000.00
Working Liabilities:		
Traffic and Car Service Balances due to Other Companies	$ 156,333.90	
Audited Vouchers and Wages Unpaid	3,045,697.30	
Miscellaneous Accounts Payable	118,099.39	
Matured Interest and Dividends Unpaid	1,215,504.50	
Total		4,535,635.09
Accrued Liabilities not Due:		
Unmatured Interest	$ 142,803.50	
Taxes Accrued	313,370.79	
Total		456,174.29
Deferred Credit Items:		
Operating Reserve	$ 262,384 20	
Other Deferred Credit Items	25,726.46	
Total		288,110.66
Profit and Loss		9,957,910.52
Grand Total		$116,058,850.91

N. B. 4 per cent Leased Line Stock Certificates issued for and subject to Cancellation on or before 2008 by return of Wisconsin Central Ry. Co. Preferred Stock $11,145,500.00

Less:—

Wisconsin Central Ry. Co. Preferred Stock held for above $11,145,500.00

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OPERATING REVENUES AND EXPENSES.

Revenue from Transportation:

Freight Revenue	$10,691,434.54	
Passenger Revenue	3,540,577.79	
Excess Baggage Revenue	43,309.81	
Mail Revenue	345,643.45	
Express Revenue	229,615.63	
Switching Revenue	27,932.79	
Special Service Train Revenue	11,810.26	
Miscellaneous Transportation Revenue	5,254.58	
Total Revenue from Transportation		$14,895,578.85

Revenue from Operations Other than Transportation:

Station and Train Privileges	$16,372.99	
Parcel Room Receipts	508.30	
Storage Freight	1,008.28	
Storage Baggage	855.38	
Car Service	11,882.80	
Telegraph Service	78,401.90	
Rents of Buildings and Other Property	39,568.98	
Miscellaneous	7,003.27	
Total Revenue from Operations Other Than Transportation		155,601.90
Joint Facilities		9,056.57
Total Operating Revenue		$15,060,237.32

Operating Expenses:

Maintenance of Way and Structures	$1,442,700.47	
Maintenance of Equipment	1,568,602.91	
Traffic Expenses	284,857.43	
Transportation Expenses	4,315,752.64	
General Expenses	276,740.54	
Total Operating Expenses		7,888,653.99
Net Operating Revenue		$7,171,583.33

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INCOME ACCOUNT, FISCAL YEAR ENDING JUNE 30, 1910.

Net Operating Revenue		$7,171,583.33
Outside Operations:		
Revenues	$346,942.08	
Expenses	229,668.47	
Net Revenue from Outside Operations		117,273.61
Total Net Revenue		$7,288,856.94
Taxes Accrued		908,278.75
Operating Income		$6,380,578.19
Other Income:		
Rents Received	$ 30,793.29	
Hire of Equipment	116,564.95	
Interest on Bonds Owned	3,097.50	
Dividends on Stocks Owned	582,263.70	
Interest, Discount and Exchange	132,894.51	
Total Other Income		865,613.95
Gross Corporate Income		$7,246,192.14
Deductions from Gross Corporate Income:		
Rental of Terminals	$ 103,394.00	
Interest on Bonds	2,214,312.04	
Interest on Equipment Notes	84,075.00	
Interest on W. C. Leased Line Certificates	443,968.91	
Total Deductions from Gross Corporate Income		2,845,749.95
Net Corporate Income		$4,400,442.19

PROFIT AND LOSS ACCOUNT TO JUNE 30th, 1910.

By Balance June 30th, 1909		$7,239,851.57
Net Corporate Income for the Year Ending June 30th, 1910		4,400,442.19
Premium on Sale of Spokane & International Ry. Bonds		23,270.28
Premium on Sale of Mpls., St. P. & S. S. M. Ry. Co. Capital Stock		41.40
Dividends on Mpls., St. P. & S. S. M. Ry. Co. Capital Stock		500.50
Additions and Betterments subsequent to June 30th, 1907, transferred to Capital		952,199.63
		$12,616,305.57
Deductions for Year:		
7 per cent Dividend on Preferred Stock	$ 658,560.00	
6½ per cent Dividend on Common Stock	1,233,120.00	
Extinguishment of Discount on Car Trust Notes	36,600.00	
To create Reserve for Unadjusted Accounts	350,000.00	
		2,278,280.00
Balance Credit June 30th, 1910		$10,338,025.57

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Detailed Statement of Earnings and Expenses.

EARNINGS

	1911	1910
From Freight	$ 8,726,607.52	$10,691,434.54
From Passenger	3,190,563.55	3,540,577.79
From Mail	367,337.44	345,643.45
From Express	266,399.74	229,615.63
From Miscellaneous	268,279.32	252,965.91
From Outside Operations	316,720.23	346,942.08
Total Earnings	$13,135,907.80	$15,407,179.40

OPERATING EXPENSES

Maintenance of Way and Structures:		
Superintendence	$ 44,702.03	$ 34,406.34
Ballast	8,855.86	54,353.80
Ties	186,717.06	159,047.92
Rails	2,005.17	2,508.34
Other Track Material	40,691.30	32,699.38
Roadway and Track	635,989.00	675,760.68
Removal of Snow, Sand and Ice	73,872.73	71,974.98
Tunnels	47.34	.....
Bridges, Trestles and Culverts	157,855.61	139,591.64
Over and Under Grade Crossings	45.13	28.64
Grade Crossings, Fences, Cattle Guards and Signs	21,078.37	15,579.50
Snow and Sand Fences and Snowsheds	5,560.49	7,070.78
Signals and Interlocking Plants	4,269.85	3,846.56
Telegraph and Telephone Lines	31,717.97	23,588.80
Buildings, Fixtures and Grounds	137,023.89	148,150.31
Docks and Wharves	10,781.13	7,883.23
Roadway Tools and Supplies	19,493.64	17,340.03
Injuries to Persons	13,207.90	14,941.39
Stationery and Printing	1,427.86	1,422.70
Other Expenses	4,706.01	3,682.19
Maintaining Joint Tracks, Yards and Other Facilities,, Dr.	27,615.46	29,040.31
Maintaining Joint Tracks, Yards and Other Facilities., Cr.	.....	217.05
Total	$1,427,663.80	$1,442,700.47
Maintenance of Equipment:		
Superintendence	$ 36,352.86	$ 33,820.90
Steam Locomotives—Repairs	623,662.48	658,021.71
Steam Locomotives—Renewals	1,439.57	.....
Steam Locomotives—Depreciation	77,752.09	54,775.74
Passenger Train Cars—Repairs	167,818.28	145,440.57
Passenger Train Cars—Renewals	6,806.85	.....
Passenger Train Cars—Depreciation	19,293.22	14,118.78
Freight Train Cars—Repairs	598,134.23	427,961.59
Freight Train Cars—Renewals	3,800.77	22,991.37
Freight Train Cars—Depreciation	177,593.11	120,605.94
Work Equipment—Repairs	31,126.10	33,863.14
Work Equipment—Renewals	50.32	.....
Work Equipment—Depreciation	5,140.13	2,556.42
Shop Machinery and Tools	49,559.35	38,432.92
Injuries to Persons	5,896.87	5,579.65
Stationery and Printing	4,263.93	2,658.44
Other Expenses	.....	19.21
Maintaining Joint Equipment at Terminals	8,416.42	7,756.53
Total	$1,817,106.58	$1,568,602.91
Traffic Expenses:		
Superintendence	$ 64,252.00	$ 55,622.46
Outside Agencies	141,451.29	138,987.19
Advertising	38,499.65	44,133.86
Traffic Associations	5,017.14	6,154.48
Fast Freight Lines	6,311.39	6,594.64
Industrial and Immigration Bureaus	7,237.38	5,442.11
Stationery and Printing	23,977.82	27,922.69
Other Expenses	22.98	.....
Total	$ 286,769.65	$ 284,857.43

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Detailed Statement of Earnings and Expenses—Continued.

	1911	1910
Transportation Expenses:		
Superintendence	$ 87,627.05	$ 86,168.93
Dispatching Trains	56,758.66	58,487.18
Station Employes	497,526.49	485,868.85
Weighing and Car Service Associations	12,180.47	12,085.21
Flour and Merchandise Docks	44,589.91	43,036.30
Coal and Ore Docks	557.92	.....
Station Supplies and Expenses	44,945.46	39,011.49
Yardmasters and their Clerks	32,533.34	32,136.54
Yard Conductors and Brakemen	141,504.84	119,463.98
Yard Switch and Signal Tenders	7,761.82	6,680.73
Yard Supplies and Expenses	1,094.64	5,670.76
Yard Enginemen	89,525.87	67,933.58
Enginehouse Expenses—Yard	31,663.61	28,853.80
Fuel for Yard Locomotives	96,914.59	81,168.25
Water for Yard Locomotives	6,627.07	4,569.57
Lubricants for Yard Locomotives	1,771.57	2,370.33
Other Supplies for Yard Locomotives	2,695.37	1,884.91
Operating Joint Yards and Terminals.....Dr.	100,128.64	102,397.72
Operating Joint Yards and Terminals.....Cr.	.....	89.23
Road Enginemen	537,526.34	533,974.84
Enginehouse Expenses—Road	190,229.77	191,070.09
Fuel for Road Locomotives	1,025,343.47	1,131,007.63
Water for Road Locomotives	67,786.28	65,204.21
Lubricants for Road Locomotives	20,697.13	28,647.65
Other Supplies for Road Locomotives	18,541.62	19,449.35
Road Trainmen	566,605.00	586,188.69
Train Supplies and Expenses	203,718.00	205,892.23
Interlockers, Block and Other Signals—Operation	16,094.51	9,642.25
Crossing Flagmen and Gatemen	4,087.60	4,004.55
Drawbridge Operation	1,333.77	1,629.33
Clearing Wrecks	12,465.60	14,255.32
Telegraph and Telephone—Operation	17,108.43	15,541.30
Stationery and Printing	33,923.52	31,805.93
Other Expenses	8,684.60	7,399.72
Loss and Damage—Freight	121,407.82	93,369.25
Loss and Damage—Baggage	2,145.40	1,144.82
Damage to Property	45,837.25	30,750.94
Damage to Stock on Right of Way	25,196.68	11,920.50
Injuries to Persons	139,373.10	130,878.90
Operating Joint Tracks and Facilities .....Dr.	12,797.52	26,657.84
Operating Joint Tracks and Facilities.....Cr.	374.38	2,381.60
Total	$4,326,936.35	$ 4,315,752.64
General Expenses:		
Salaries and Expenses of General Officers	$ 68,238.28	$ 66.882.42
Salaries and Expenses of Clerks and Attendants	112,984.72	95,251.81
General Office Supplies and Expenses	10,079.93	13,666.71
Law Expenses	35,131.45	29,286.23
Insurance	41,544.00	33,826.95
Pensions	1,603.80	.....
Stationery and Printing	18,189.49	15,976.04
Other Expenses	15,269.77	20,598.42
General Administration Joint Tracks, Yards and Terminals	1,646.76	1,251.96
Total	$ 304,688.20	$ 276,740.54
Total Operating Expenses	$8,163,164.58	$ 7,888,653.99
Outside Operating Expenses	212,830.45	$ 229,668.47
Total Expenses	$8,375,995.03	$ 8,118,322.46
Net Earnings	$4,759,912.77	$ 7,288,856.94
Percentage of Expenses to Earnings	63.8	52.7

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Comparative Statement of Earnings and Expenses.

EARNINGS

	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902
Freight	$8,726,607.52	$10,691,434.54	$8,622,167.84	$ 7,828,851.60	$9,506,447.12	$8,468,674.79	$6,387,247.86	$4,987,476.36	$5,254,735.41	$4,566,222.89
Passenger	3,190,563.55	3,540,577.79	2,947,875.36	2,681,221.84	2,655,549.19	2,427,538.94	1,799,034.13	1,523,262.18	1,524,378.01	1,257,037.61
Mail	367,337.44	345,643.45	355,882.77	317,504.13	268,231.07	242,243.60	230,918.78	226,519.87	206,928.27	195,573.34
Express	266,399.74	229,615.63	192,183.43	179,505.03	188,317.67	175,445.43	118,629.00	116,879.98	116,090.72	101,723.52
Miscellaneous	268,279.32	252,965.91	221,645.50	186,637.36	273,533.98	260,559.23	180,791.81	139,360.02	135,131.87	101,830.19
Outside Operations	316,720.23	346,942.08	269,544.27	255,347.17						
Total $	13,135,907.80	$15,407,179.40	$12,609,299.17	$11,449,067.13	$12,892,079.03	$11,574,461.99	$8,716,621.58	$6,993,498.41	$7,237,264.28	$6,222,387.55

EXPENSES

Maintenance of Way and Structures	$1,427,663.80	$1,442,700.47	$1,262,244.17	$1,295,766.06	$1,495,147.09	$1,023,733.70	$ 743,693.20	$ 705,516.74	$ 800,791.71	$ 684,160.69
Maintenance of Equipment	1,817,106.58	1,568,602.91	1,364,318.57	1,368,438.35	1,440,085.97	1,090,480.37	881,702.13	730,674.10	661,058.37	521,182.27
Traffic Expenses	286,769.65	284,857.43	221,204.81	231,475 36						
Conducting Transportation	4,326,936.35	4,315,752.64	3,794,085.51	3,953,951.72	4,259,848.00	3,450,287.89	2,687,173.57	2,143,575.99	2,098,027.42	1,596,206.13
General Expenses	304,688.20	276,740.54	272,754.31	231,485.80	238,467.73	220,057.82	190,038.43	167,013.66	160,045.13	140,078.31
Outside Operating Expenses	212,830.45	229,668.47	183,109.22	132,187.80						
Total	$8,375,995.03	$8,118,322.46	$7,097,716.59	$7,213,305.09	$7,433,548.79	$5,784,559.78	$4,502,607.33	$3,746,780.49	$3,719,922.63	$2,941,627.40
Percentage of Expenses to Earnings	63.8	52.7	56.3	63.	57.6	50.	51.7	53.6	51.4	47.3
Net Earnings	$4,759,912.77	$7,288,856.94	$5,511,582.58	$4,235,762.04	$5,458,530.24	$5,789,902.21	$4,214,014.25	$3,246,717.92	$3,517,341.65	$3,280,760.15
Income from other sources	913,204.23	865,613.95	356,298.92	829,321.76						
Total	$5,673,117.00	$8,154,470.89	$5,867,881.50	$5,065,083.80	$5,458,530 24	$5,789,902.21	$4,214,014.25	$3,246,717.92	$3,517,341.65	$3,280,760.15
Fixed Charges, Taxes, and Terminal Rentals	$3,841,690.35	$3,754,028.70	$3,334,236.90	$3,064,214.69	$2,849,844.46	$2,522,216.09	$2,150,599.34	$1,859,472.04	$1,852,844.22	$1,694,258.67
Surplus Income	$1,831,426.65	$4,400,442.19	$2,533,644.60	$2,000,869.11	$2,608,685.78	$3,267,686.12	$2,063,414.91	$1,387,245.88	$1,664,497.43	$1,586,501.48
Average miles operated	2,638.56	2,460.70	2,359.75	2,303.91	2,232.50	2,020.39	1,773.98	1,529.85	1,463.97	1,396.43
Gross Earnings per mile of road	$4,978.44	$6,261,30	$5,343.49	$4,969.41	$5,774.73	$5,728.83	$4,913.60	$4,571.36	$4,943.59	$4,455.92
Operating Expenses per mile of Road	$3,174.46	$3,299.19	$3,007 83	$3,130.90	$3,329.70	$2,863.09	$ 2,538.14	$2,449.12	$2,540.98	$2,106.53
Surplus Income per mile of road	$ 694.10	$1,788.29	$1,073,69	$ 868.47	$1,168.50	$1,617.35	$1,163.16	$ 906.79	$1,136.97	$1,136.11

Freight Traffic Movement.

(Company's Material Excluded)

COMMODITY	1911		1910		1909	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	627,149	12.52	1,316,900	24.42	1,107,390	23.85
Flour	285,445	5.70	256,542	4.76	301,206	6.49
Other mill products	78,306	1.56	65,225	1.21	50,423	1.09
Hay	69,355	1.38	31,601	.59	27,249	.59
Tobacco	50	.....	1,084	.02	903	.02
Fruit and vegetables	62,875	1.25	61,139	1.13	42,324	.91
Tea	3,720	.07	2,695	.05	4,490	.09
Other agricultural products	10,885	.22	16,982	.31	5,78	.12
Live stock	62,695	1.25	59,404	1.10	53,604	1.16
Dressed meats	11,342	.23	10,887	.20	16,125	.35
Other packing-house products	11,390	.23	5,214	.10	2,189	.05
Poultry, fish and game	8,890	.18	7,678	.14	6,593	.14
Wool	246	.....	169		429	.01
Hides and leather	17,704	.35	15,308	.28	14,574	.31
Dairy Products	11,161	.22	9,048	.17	6,579	.14
Anthracite coal	105,422	2.11	50,625	.94	38,619	.83
Bituminous coal	235,776	4.70	255,710	4.73	248,239	5.35
Lignite coal	201,795	4.03	134,824	2.50	135,323	2.92
Coke	17,640	.35	4,380	.08	3,460	.07
Ores	119,209	2.38	148,881	2.76	122,010	2.63
Stone, sand, etc	102,047	2.03	95,490	1.77	92,201	1.99
Salt	23,943	.48	18,455	.34	18,228	.39
Lumber	1,810,072	36.11	1,664,354	30.86	1,418,148	30.55
Charcoal	1,764	.04	10,714	.20	4,686	.10
Cooperage	24,677	.49	22,439	.42	22,712	.49
Petroleum and other oils	57,956	1.16	36,977	.69	25,934	.56
Sugar	4,144	.08	4,742	.09	4,728	.10
Iron, pig and bloom	22,227	.44	26,230	.49	15,985	.35
Iron and steel rails	38,318	.76	37,550	.70	20,550	.44
Other castings and machinery	59,931	1.20	49,027	.91	26,592	.57
Bar and sheet metal	43,461	.87	33,283	.62	25,729	.55
Cement, brick and lime	131,464	2.62	118,985	2.21	91,364	1.97
Agricultural implements	31,296	.62	26,071	.48	16,412	.35
Wagons, carriages, tools, etc	8,838	.18	7,043	.13	3,392	.07
Wines, liquors and beers	15,180	.30	16,484	.31	17,241	.37
Household goods and furniture	61,069	1.22	73,755	1.37	46,253	1.00
Merchandise	251,179	5.01	318,088	5.90	339,132	7.30
Miscellaneous	384,165	7.66	378,756	7.02	265,830	5.73
Total	5,012,786	100.00	5,392,739	100.00	4,642,635	100.00

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

	1911		1910	
	Passengers, Tonnage Rates and Revenue		Passengers, Tonnage Rates and Revenue	
Passenger Traffic				
Number of Passengers Carried Earning Revenue	1,846,822		1,958,919	
Number of Passengers Carried One Mile	156,655,913		179,603,207	
Number of Passengers Carried One Mile per Mile of Road	59,372		72,989	
Average Distance Carried, Miles	84	82	91	68
Total Passenger Revenue	$3,190,563	55	$3,540,577	79
Average Amount Received from Each Passenger	$1	72759	$1	80741
Average Receipts per Passenger per Mile	$	02367	$	01971
Total Passenger Service Train Revenue	$3,863,147	67	$4,159,146	68
Passenger Service Train Revenue per Mile of Road	$1,464	11	$1,690	23
Passenger Service Train Revenue per Train Mile	$1	14634	$1	32260
Freight Traffic				
Number of Tons Carried of Freight Earning Revenue	5,012,786		5,392,739	
Number of Tons Carried One Mile	1,070,804,319		1,341,468,901	
Number of Tons Carried One Mile per Mile of Road	405,829		545,157	
Average Distance Haul of One Ton, Miles	213	61	248	75
Total Freight Revenue	$8,726,607	52	$10,691,434	54
Average Amount Received for Each Ton of Freight	$1	74087	$1	98256
Average Receipts per Ton per Mile	$	00815	$	00797
Freight Revenue per Mile of Road	$3,307	34	$4,344	88
Freight Revenue per Train Mile	$2	67504	$3	01274
Total Traffic				
Operating Revenues	$12,819,187	57	$15,060,237	32
Operating Revenues per Mile of Road	$4,858	41	$6,120	31
Operating Revenues per Train Mile	$2	03851	$2	37482
Operating Expenses	$8,163,164	58	$7,888,653	99
Operating Expenses per Mile of Road	$3,093	80	$3,205	86
Operating Expenses per Train Mile	$1	29811	$1	24395
Net Operating Revenue	$4,656,022	99	$7,171,583	33
Net Operating Revenue per Mile of Road	$1,764	61	$2,914	45

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Traffic and Mileage Statistics—Continued.

CLASSIFICATION	1911	1910
Locomotive Mileage, Revenue Service:		
Freight Locomotive-Miles	2,978,775	3,288,187
Passenger Locomotive-Miles	3,047,244	2,810,387
Mixed Locomotive-Miles	373,423	386,887
Special Locomotive-Miles	20,803	22,735
Switching Locomotive-Miles	897,491	796,743
Total Revenue Locomotive Mileage	7,317,736	7,304,939
Non-revenue Service Locomotive-Miles	308,127	392,979
Car Mileage, Revenue Service:		
Freight Car-Miles:		
Loaded	70,008,812	79,059,696
Empty	25,954,478	22,558,146
Caboose	2,940,013	3,235,926
Total Freight Car-Miles	98,903,303	104,853,768
Passenger Car-Miles:		
Passenger	6,876,994	6,643,327
Sleeping, Parlor and Observation	4,746,041	4,762,591
Other Passenger Train Cars	5,634,654	5,124,835
Total Passenger Car-Miles	17,257,689	16,530,753
Special Car-Miles:		
Freight, Loaded	9,016	46,824
Freight, Empty	0	0
Caboose	409	2,308
Passenger	1,824	0
Sleeping, Parlor and Observation	2,640	2,040
Other Passenger Train Cars	4,464	0
Total Special Car-Miles	18,353	51,172
Total Revenue Car Mileage	116,179,345	121,435,693
Non-revenue Service Car-Miles	2,575,367	3,008,125
Train Mileage, Revenue Service		
Freight Train-Miles	2,903,495	3,192,911
Passenger Train-Miles	3,011,257	2,788,833
Mixed Train-Miles	358,740	355,830
Special Train-Miles	15,014	4,051
Total Revenue Train Mileage	6,288,506	6,341,625
Non-revenue Service Train-Miles	93,135	119,743
Average Number of Passengers per Car-Mile	13	16
Average Number of Passengers per Train-Mile	46	57
Average Number of Passenger Cars per Train-Mile	5.12	5.26
Average Number of Tons of Freight per Loaded Car-Mile	15.30	16.97
Average Number of Tons of Freight per Train-Mile	328.24	378.01
Average Number of Freight Cars per Train-Mile	30.32	29.55
Average Number of Loaded Cars per Train-Mile	21.46	22.28
Average Number of Empty Cars per Train-Mile	7.96	6.36
Average Mileage Operated During Year	2,638.56	2,460.70

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Expenditures Account of Construction and Equipment.

Year Ending June 30, 1911

Preliminary Surveys		$ 2,123.24
Minneapoils Terminals		70,313.58
St. Paul Terminals		88,811.82
Superior and Duluth Terminals		239,943.40
Superior Ore Dock Line and Dock		670,646.15
Superior Line		100,406.84
Bemidji-Cass Lake Line		1,786,885.69
Cuyuna Iron Range Line		547,549.15
Frederic Line		365,416.98
Shoreham North Town Line		11,934.15
Shoreham Cut-off		60,249.43
Fordville-Drake Line		484,026.31
Reserve Extension	Cr.	4.05
Camden Place Wheat Yard		305.15
Sault Ste. Marie Terminals	Cr.	1,182.42
A. B. & N. W. Ry		74.25
Advances for Construction	Cr.	200,000.00
Additions and Betterments to Main Line (See Statement Page 23)		490,253.30
Equipment (See Statement Page 24)		2,366,760.99
		$7,084,513.96

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Additions and Betterments Year Ending June 30, 1911.

Right of Way and Station Grounds	$ 40,554.62
Real Estate	1,952.72
Widening Cuts and Fills	568.28
Grade Reductions and Changes of Line	24,425.14
Bridges, Trestles and Culverts	34,869.18
Increased Weight of Rail	29,811.63
Improved Frogs and Switches	604.10
Track Fastenings and Appurtenances	1,535.58
Ballast	6,296.17
Additional Main Tracks	53,407.88
Sidings and Spur Tracks	31,312.06
Terminal Yards	50,434.48
Fencing Right of Way	5,183.60
Elimination of Grade Crossings	828.80
Station Buildings and Fixtures	35,847.35
Shops, Enginehouses and Turntables	113,465.93
Shop Machinery and Tools	37,004.92
Water and Fuel Stations	14,943.00
Snow and Sand Fences and Snow Sheds	3,409.91
Other Additions and Betterments	3,797.95
	$490,253.30

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Additions to Equipment.

Year Ending June 30, 1910

14	Locomotives	$242,953.18
	Hopper Bottom Ash Pans for Locomotives	4,241.37
1	Wrecking Crane	11,322.21
1	Concrete Mixer	325.00
	Passenger Cars, 8 Heaters	1,024.00
	Freight and Inspection	956.73
	Air Brake Equipment	9,272.52
		$270,095.01

Equipment Replacement.

	Balance from previous year	$436,195.80
	Depreciation on Freight Cars	120,605.94
	Depreciation on Locomotives	53,139.70
	Depreciation on Passenger Cars	14,118.78
	Depreciation on Work Cars	2,556.42
	Depreciation on Sleeping and Tourist Cars	10,847.40
	Depreciation on Dining and Buffet Cars	1,598.67
26	Box Cars Destroyed	14,017.86
1	Mail and Express Car Destroyed	6,417.63
1	Sleeping Car Destroyed	17,137.34
3	Buffet Cars Sold	33,737.85
18	Logging Cars Sold	4,230.00
8	Locomotives Sold	129,636.72
		$844,240.11

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Equipment Owned June 30, 1911.

Locomotives	300
First Class Passenger Coaches	45
Second Class Passenger Coaches	31
Combination Cars	15
Sleepers	25
Tourist Cars	16
Diners	12
Buffet Cars	1
Observation Cars	6
Baggage, Mail and Express Cars	51
Official Cars	4
Total Passenger Cars	206
Box Cars	11,743
Caboose	139
Flat	1,211
Gondola	32
Ore	634
Stock	393
Refrigerator	167
Charcoal	8
Furniture	8
Automobile	100
Total Freight Cars	14,435
Miscellaneous:	
Tool Cars	2
Steam Shovels	5
Pile Drivers	2
Ditchers	3
Snow Plows	5
Ballast Unloaders	4
Wrecking Cranes	6
Concrete Mixers	2
Ballast Cars	148
Total Miscellaneous	177

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Mileage.

The mileage owned and operated is as follows:

Owned:

Sault Ste. Marie, Mich.	to	Minneapolis, Minn.	493.36
Cardigan Junction, Minn.	to	St. Paul, Minn.	8.04
Dresser Junction, Wis.	to	St. Croix Falls, Wis.	4.30
Summit Junction, Wis.	to	Frederic, Wis.	22.43
Barron, Wis.	to	Ridgeland, Wis.	18.52
Cameron, Wis.	to	Reserve, Wis.	41.64
Tony Branch, Wis.			2.21
Rex, Mich.	to	Meades Quarry, Mich.	12.24
Rapid River, Mich.	to	Eben Junction, Mich.	30.55
Gladstone Coal Docks, Mich.			1.53
Total Mileage East of Minneapolis			634.82

Minneapolis, Minn.	to	Portal, N. D.	546.51	
Glenwood, Minn.	to	Emerson, Minn.	265.05	
Thief River Falls, Minn.	to	Kenmare, N. D.	296.44	
Egeland, N. D.	to	Armourdale, N. D.	21.88	
Hankinson, N. D.	to	Bismarck, N. D.	214.18	
Bismarck, N. D.	to	Max, N. D.	91.53	
Drake, N. D.	to	Plaza, N. D.	83.62	
Flaxton, N. D.	to	Ambrose, N. D.	51.14	
Wishek, N. D.	to	Pollock, S. D.	70.25	
Brooten, Minn.	to	Duluth, Minn.	186.84	
Moose Lake, Minn.	to	Plummer, Minn.	192.57	
Lawler Junction, Minn.	to	Cuyuna, Minn.	36.06	
Iron Hub, Minn.	to	Deerwood, Minn.	4.61	
Cuyuna, Minn.	to	Crosby, Minn.	3.92	
Ironton Branch, Minn.			1.80	
Total Mileage West of Minneapolis				2,066.40
Spur Lines				10.80
Total Mileage Owned June 30th, 1911				2,712.02
Trackage Rights over Terminal Properties in Minneapolis, St. Paul, Sault Ste. Marie and Duluth			18.94	
Wisconsin Central Railway operated under lease as Chicago Division, including trackage rights other than those over Soo Line tracks			1,038.68	
				1,057.62
Total Mileage Operated				3,769.64

4.07 miles second track not included above.

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ANNUAL REPORT

OF THE

Wisconsin Central Railway Company

("SOO LINE" CHICAGO DIVISION)

FOR THE YEAR ENDING JUNE 30, 1911

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WISCONSIN CENTRAL

General Balance Sheet

ASSETS

Property Investment:		
Road	$60,695,662.31	
Equipment	6,940,179.77	
	$67,635,842.08	
Less Reserve for Accrued Depreciation	931,672.39	
Total		$66,704,169.69
Securities of Proprietary, Affiliated and Controlled Companies:		
Milwaukee Terminal Railway Co. Stock	150,000.00	
M. & L. W. R. R. Co. First Mortgage Bonds	5,302.80	
Total		155,302.80
Other Investments:		
Wisconsin Central Land Company Stock	1,000.00	
Manitowoc Land Improvement Co. Stock	100.00	
La Pointe Iron Company Stock	100.00	
Minnesota Transfer Railway Co. First Mortgage Bonds	12,000.00	
Total		13,200.00
Working Assets:		
Cash	627,442.85	
Securities in Treasury:		
W. C. Ry. Co. Common Stock	1,353,232.57	
W. C. Ry. Co. Preferred Stock	1,232,895.64	
Miscellaneous Accounts and Bills Receivable	31,227.73	
Materials and Supplies	12,288.69	
Total		3.257.087.48
Accrued Income Not Due:		
Interest Accrued on Minnesota Tfr. Ry. Co. Bonds		216.66
Deferred Debit Items:		
Taxes Paid in Advance	27,754.20	
W. C. Ry. Co. First General Mortgage Sinking Fund	11,107.04	
M. & S. E. Division Purchase Money Mortgage Sinking Fund	663.57	
Milwaukee Terminal Ry. Co. Advances	90,400.00	
Wisconsin Central Land Co. Advances	19,728.94	
Other Deferred Debit Items	74,351.20	
Total		224,004.95
Grand Total		$70,353,981.58

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RAILWAY COMPANY

June 30, 1911

LIABILITIES

Capital Stock:		
Common	$17,500,000.00	
Preferred	12,500,000.00	
Total		$30,000,000.00
Mortgage, Bonded and Secured Debt:		
W. C. Ry. Co. First General Mortgage Bonds	23,797,000.00	
W. C. Ry. Co. First and Refunding Mortgage Bonds	2,500,000.00	
Sup. & Dul. Div. & Terminal Mortgage Bonds	7,500,000.00	
C. W. & M. R. R. Co. First Mortgage Bonds	776,000.00	
M. & L. W. R. R. Co. First Mortgage Bonds	604,000.00	
M. & S. E. Div. Pur. Money Mortgage Bonds	394,000.00	
Equipment Trust Obligations	1,200,849.00	
Total		36,771,849.00
Working Liabilities:		
Audited Vouchers	35,235.72	
Matured Interest and Dividends Unpaid	507,268.00	
Working Advances Due Soo Line	1,089,852.62	
Total		1,632,356.34
Accrued Liabilities not Due:		
Unmatured Interest and Dividends		330,015.99
Deferred Credit Items:		
Operating Reserve	2,174.72	
Other Deferred Credit Items	1,720.72	
Total		3,895.44
Land Department:		
Land Contracts, etc.	728,306.35	
Less Deferred Payments	598,392.08	
		129,914.27
Profit and Loss		1,485,950.54
Grand Total		$70,353,981.58

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

OPERATING REVENUES AND EXPENSES.

Revenue from Transportation:

Freight Revenue	$6,431,268.42	
Passenger Revenue	1,780,924.76	
Excess Baggage Revenue	13,635.67	
Mail Revenue	129,898.02	
Express Revenue	204,734.05	
Milk Revenue	72,092.39	
Switching Revenue	48,730.03	
Special Service Train Revenue	5,209 37	
Miscellaneous Transportation Revenue	7,042.16	
Total Revenue from Transportation		$8,693,534.87

Revenue from Operations Other than Transportation:

Station and Train Privileges	$ 4,322.48	
Parcel Room Receipts	394.60	
Storage, Freight	6,931.53	
Storage, Baggage	1,013.71	
Car Service	25,113.00	
Rents of Buildings and Other Property	11,126.19	
Miscellaneous	1,716.90	
Total Revenue from Operations Other Than Transportation		$ 50,618.41
Joint Facilities Revenues		5,299.62
Total Operating Revenues		$8,749,452.90

Operating Expenses.

Maintenance of Way and Structures	$ 931,945.46	
Maintenance of Equipment	1,342,077.31	
Traffic Expenses	256,693.53	
Transportation Expenses	3,814,057.97	
General Expenses	191,871.41	
Total Operating Expenses		6,536,645.68
Net Operating Revenue		$2,212,807.22

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

INCOME ACCOUNT, FISCAL YEAR ENDING JUNE 30, 1911

Net Operating Revenue		$2,212,807.22
Outside Operations:		
Revenues	$ 87,217.08	
Expenses	85,697.57	
Net Revenue from Outside Operations		1,519.51
Total Net Revenue		$2,214,326.73
Taxes Accrued		406,768.50
Operating Income		$1,807,558.23
Other Income:		
Interest on Bonds Owned	$ 520.00	
Interest and Discount	17,229.24	
Rents Receivable	33,129.10	
Total Other Income		50,878.34
Gross Corporate Income		$1,858,436.57
Deductions from Gross Corporate Income:		
Rentals of Terminals	$ 430,715.19	
Hire of Equipment	150,794.74	
Interest on Bonds	1,452,190.69	
Interest on Equipment Notes	56,014.98	
Total Deductions		2,089,715.60
Net Corporate Loss		$ 231,279.03

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

PROFIT AND LOSS ACCOUNT, JUNE 30, 1911

By Balance June 30th, 1910		$2,246,835.41
W. C. Ry. Co. First General Mortgage Bonds, Surrendered by Reorganization Managers	$ 27,738.14	
Discount on M. & S. E. Div. P. M. M. Bonds Purchased	836.81	
Discount on W. C. Ry. Co. First General Mortgage Bonds Purchased	11,012.50	
Recovery of Advances for Iron Ore Explorations Abandoned	1,263.65	
		40,851.10
		$2,287,686.51
Deductions for Year:		
Net Corporate Loss for Year Ending June 30, 1911	$231,279.03	
Depreciation Prior to July 1, 1907, on Equipment Sold or Destroyed During this Fiscal Year	26,129.54	
Value, Less Salvage, of Property Abandoned Account of Colfax to Howard Cut-off	87,054.95	
Amount Paid State of Wisconsin in full Settlement for Taxes Prior to this Fiscal Year	6,584.45	
2 per cent Dividend, No. 7, on Preferred Stock	225,344.00	
2 per cent Dividend, No. 8, on Preferred Stock	225,344.00	
		801,735.97
Balance Credit June 30, 1911		$1,485,950.54

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

FUNDED DEBT

The following changes in funded debt have occurred during the year:

Total Funded Debt June 30, 1910		$37,248,932.00
Obligations Retired:		
W. C. Ry. Co. First General Mortgage Bonds	$150,000.00	
M. & S. E. Division Purchase Money Mortgage Bonds	11,000.00	
Dickinson Trust Equipment Bonds	24,000.00	
W. C. Ry. Co. Gold Equipment Trust Bonds	60,000.00	
Equipment Contracts	232,083.00	
Decrease in Funded Debt		477,083.00
Total Funded Debt June 30, 1911 (Page 42)		$36,771,849.00

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CHICAGO DIVISION

Detailed Statement of Earnings and Expenses

EARNINGS:

	1910	1909
From Freight	$6,818,992.34	$5,509,440.71
From Passenger	1,531,410.53	1,509,110.00
From Mail	125,542.85	128,715.37
From Express	203,806.64	190,561.01
From Miscellaneous	182,078.76	156,527.88
From Outside Operations	66,393.46	62,248.14
Total Earnings	$8,928,224.58	$7,556,603.11

OPERATING EXPENSES:

Maintenance of Way and Structures:		
Superintendence	$ 18,576.37	$ 33,978.15
Ballast	55,549.10	9,570.55
Ties	151,973.45	185,154.73
Rails	34,984.83	30,218.57
Other Track Material	46,244.52	51,243.92
Roadway and Track	372,170.97	270,990.59
Removal of Snow, Sand and Ice	26,335.92	17,854.94
Bridges, Trestles and Culverts	107,183.65	68,619.20
Over and Under Grade Crossings	13.77	1,365.08
Grade Crossings, Fences, Cattle Guards and Signs	22,025.77	18,927.79
Snow and Sand Fences and Snowsheds	287.76	270.35
Signals and Interlocking Plants	12,277.39	3,555.42
Telegraph and Telephone Lines	20,954.90	10,015.16
Buildings, Fixtures and Grounds	73,157.20	49,564.02
Docks and Wharves	36,409.44	32,146.38
Roadway Tools and Supplies	13.062.47	9,372.70
Injuries to Persons	3,824.13	11,339.50
Stationery and Printing	697.47	899.17
Other Expenses	9,399.29	331.12
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	72,795.21	63,164.64
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	4,886.29	18,216.06
Total	$1,073,037.32	$850,365.92
Maintenance of Equipment:		
Superintendence	$ 26,056.48	$ 22,333.43
Steam Locomotives—Repairs	401,447.62	344,678.85
Steam Locomotives—Renewals	5,661.25	.....
Steam Locomotives—Depreciation	24,427.86	30,290.80
Passenger-Train Cars—Repairs	125,969.58	78,708.15
Passenger-Train Cars—Depreciation	6,410.70	8,291.28
Freight-Train Cars—Repairs	417,274.66	383,807.02
Freight-Train Cars—Renewals	28,993.40	31,749.98
Freight-Train Cars—Depreciation	75,726.84	66,844.83
Work Equipment—Repairs	24,387.92	15,051.57
Work Equipment—Renewals	522.23	9.22
Work Equipment—Depreciation	2,276.34	2,746.59
Shop Machinery and Tools	20,992.56	24,088.71
Injuries to Persons	5,206.08	3,376.91
Stationery and Printing	2,713.34	1,390.25
Other Expenses	218.92	58.27
Maintaining Joint Equipment at Terminals—Dr.	2,864.25	6,453.28
Maintaining Joint Equipment at Terminals—Cr.	115.30	106.78
Total	$1,171,034.73	$1,019,772.36
Traffic Expenses:		
Superintendence	$ 49,487.93	$ 59,245.49
Outside Agencies	159,794.72	186,140.38
Adverising	25,869.10	12,922.12
Traffic Associations	2,990.91	4,122.31
Industrial and Immigration Bureaus	6,913.77	1,775.32
Stationery and Printing	23,384.76	17,715.89
Other Expenses	.....	424.27
	$268,441.19	$282,345.78

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CHICAGO DIVISION

Detailed Statement of Earnings and Expenses—Continued.

	1910	1909
Transportation Expenses:		
Superintendence	$ 66,984.61	$ 54,133.69
Dispatching Trains	47,721.68	41,947.41
Station Employees	435,036.86	372,087.99
Weighing and Car-Service Associations	11,071.88	10,198.63
Coal and Ore Docks	32,602.79	19,345.70
Station Supplies and Expenses	31,942.71	34,962.68
Yardmasters and Their Clerks	23,940.69	18,370.68
Yard Conductors and Brakemen	138,569.29	107,922.62
Yard Switch and Signal Tenders	3,352.10	4,468.73
Yard Supplies and Expenses	2,528.86	739.16
Yard Enginemen	89,125.24	73,927.70
Enginehouse Expenses—Yard	20,232.39	17,144.82
Fuel for Yard Locomotives	142,034.34	84,194.79
Water for Yard Locomotives	5,684.93	6,676.38
Lubricants for Yard Locomotives	999.13	1,674.25
Other Supplies for Yard Locomotives	1,342.81	1,464.44
Operating Joint Yards and Terminals—Dr.	71,946.05	96,767.55
Operating Joint Yards and Terminals—Cr.	28,371.98	26,562.39
Road Enginemen	407,459.97	385,135.16
Enginehouse Expenses—Road	78,703.71	57,368.19
Fuel for Road Locomotives	738,958.47	594,084.02
Water for Road Locomotives	27,235.67	26,103.18
Lubricants for Road Locomotives	18,168.66	12,730.93
Other Supplies for Road Locomotives	8,656.76	8,791.61
Road Trainmen	434,713.87	406,065.25
Train Supplies and Expenses	90,430.05	69,822.41
Interlockers, Block and Other Signals—Operation	3,798.28	4,062.82
Crossing Flagmen and Gatemen	16,589.24	15,803.39
Drawbridge Operation	3,824.07	3,393.45
Clearing Wrecks	10,486.06	10,423.02
Telegraph and Telephone—Operation	7,094.55	7,843.57
Stationery and Printing	27,372.30	22,111.30
Other Expenses	4,356.90	4,612.29
Loss and Damage—Freight	48,452.11	89,812.09
Loss and Damage—Baggage	441.04	449,01
Damage to Property	10,428.33	10,342.10
Damage to Stock on Right of Way	4,226.06	2,018.63
Injuries to Persons	67,211.72	28,605.75
Operating Joint Tracks and Facilities—Dr.	29,009.31	28,274.98
Operating Joint Tracks and Facilities—Cr.	5,314.34	1,933.33
Total	$3,129,047.17	$2,705,384.65
General Expenses:		
Salaries and Expenses of General Officers	$ 41,402.54	$ 67,745.56
Salaries and Expenses of Clerks and Attendants	56,857.68	61,876.94
General Office Supplies and Expenses	21,106.51	36,715.49
Law Expenses	28,519.00	26,223.62
Insurance	18,283.73	24,167.70
Stationery and Printing	18,718.25	11,587.39
Other Expenses	8,718.11	7,903.03
Gen'l Admin. Joint Trks., Yds. & Terminals—Dr.	1,648.39	447,86
Gen'l Admin. Joint Trks., Yds. & Terminals—Cr.	222.51	29.27
Total	$ 195,031.70	$ 236,638.32
Total Operating Expenses	$5,836,592.11	$5,094,507.03
Outside Operating Expenses	59,355.24	57,135.95
Total Expenses	$5,895,947.35	$5,151,642.98
Net Earnings	$3,032,277.23	$2,404,960.13
Percentage of Expenses to Revenue	66.0	68.2

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CHICAGO DIVISION. Comparative Statement of Earnings and Expenses.

EARNINGS

	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901
Freight, Iron Ore	$ 358,762.87	$ 267,048.07	$ 267,123.31	$ 283,308.44	$ 344,301.36	$ 422,581.48	$ 259,824.58	$ 428,718.50	$ 447,412.90	$ 366,843.38
Freight, Other	6,460,229.47	5,242,392.64	5,056,808.02	5,327,424.54	4,972,935.28	4,513,638.08	4,505,780.03	4,595,758.95	4,031,464.03	3,512,203.33
Passenger	1,531,410.53	1,509,110.00	1,538,310.55	1,558,673.21	1,412,434.14	1,341,474.44	1,344,329.21	1,297,326.78	1,205,274.44	1,123,832.66
Mail	125,542.85	128,715.37	122,949.84	126,724.06	127,679.31	127,720.48	127,750.67	125,184.26	124,173.47	121,700.80
Express	203,806.64	190,561.01	178,531.54	156,359.77	133,281.53	130,500.00	115,447.15	96,000.00	96,022.67	100,055.03
Miscellaneous	182,078.76	156,527.88	143,588.09	124,688.64	127,944.61	114,969.08	113,044.94	108,874.25	137,122.65	99,639.38
Outside Operations	66,393.46									
Total	$8,928,224.58	$7,494,354.97	$7,307,311.35	$7,577,178.66	$7,118,576.23	$6,650,883.56	$6,466,176.58	$6,651,862.74	$6,041,470.16	$5,324,274.58

EXPENSES

Maintenance of Way and Structures	$1,073,037.32	$ 850,365.92	$ 821,966.38	$ 843,192.14	$ 859,723.40	$ 866,202.55	$ 737,204.76	$ 763,096.97	$ 781,674.14	$ 630,100.26
Maintenance of Equipment	1,171,034.73	1,019,772.36	1,051,146.82	812,851.33	805,666.00	776,650.29	709,160.08	721,615.43	609,596.65	478,313.03
Traffic Expenses	268,441.19	282,345.78	252,572.75							
Transportation Expenses	3,129,047.17	2,705,384.65	2,760,803.82	2,858,993.35	2,618,433.81	2,466,140.73	2,629,143.67	2,459,097.74	2,253,947.27	2,112,734.38
General Expenses	195,031.70	236,638.32	244,153.32	215,056.19	258,653.31	265,342.50	266,930.86	262,183.34	238,155.54	245,315.72
Outside Operations	59,355.24									
Total	$5,895,947.35	$5,094,507.03	$5,130,643.09	$4,730,093.01	$4,542,476.52	$4,374,336.07	$4,342,439.37	$4,205,993.48	$3,883,373.60	$3,466,463.39
Percentage of Expenses to Earnings	66.0	68.0	70.2	62.4	63.8	65.8	67.2	63.2	64.3	35.1
Net Earnings	$3,032,277.23	$2,399,847.94	$2,176,668.26	$2,847,085.65	$2,576,099.71	$2,276,547.49	$2,123,737.21	$2,445,869.26	$2,158,096.56	$1,857,811.19
Income from other sources	55,669.39	34,723.88	50,569.67	30,404.24	30,827.32	41,233.55	50,007.70	37,320.14	30,654.60	20,919.95
Total	$3,087,946.62	$2,434,571.82	$2,227,237.93	$2,877,489.89	$2,606,927.03	$2,317,781.04	$2,173,744.91	$2,483,189.40	$2,188,751.16	$1,878,731.14
Fixed Charges, Taxes and Terminal Rentals	$2,250.801.89	$1,986,529.28	$1,876,228.50	$1,814,034.22	$1,804,739.03	$1,761,936.77	$1,749,497.72	$1,759,115.44	$1,708,646.48	$1,632,613.78
Surplus income	$837,144.73	$448,042.54	$351,009.43	$1,063,455.67	$802,188.00	$555,844.27	$424,247.19	$724,073.96	$480,104.68	$246,117.36
Average miles operated	1,077.58	975.64	1,022.74	1,018.23	977.04	977.04	977.04	977.04	977.77	955.07
Gross Earnings per mile of road	$8,285.44	$7,681.47	$7,144.84	$7,441.52	$7,285.86	$6,807.18	$6,618.13	$6,808.18	$6,178.83	$5,574.75
Operating Expenses per mile of road	$5,471.47	$5,221.70	$5,016.57	$4 645.41	$4,649.22	$4,477.13	$4,444.48	$4,304.83	$3,971.67	$3,629.54
Surplus Income per mile of road	$ 776.87	$ 459.23	$ 343.20	$1,044.42	$ 821.04	$ 568.91	$ 434.22	$ 741.09	$ 491.02	$ 257.70

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CHICAGO DIVISION

Freight Traffic Movement.

(Company's Material Excluded.)

	1908		1909		1910	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	137,075	3.10	91,427	1.90	152,913	2.66
Flour	198,542	4.50	200,861	4.24	263,324	4.58
Other Mill Products	59,065	1.34	45,002	.95	67,452	1.17
Hay	27,159	.62	34,951	.74	34,895	.61
Tobacco	1,338	.03	1,220	.02	1,247	.02
Fruit and Vegetables	100,831	2.28	87,879	1.87	126,503	2.20
Other Agricultural Products	16,882	.38	24,474	.52	26,883	.46
Live Stock	38,580	.87	34,161	.74	42,268	.74
Dressed Meats	3,876	.09	3,779	.10	4,215	.07
Other Packing House Products	5,950	.14	5,246	.12	2,313	.04
Poultry, Game and Fish	2,975	.07	2,021	.04	2,678	.05
Wool	3,875	.09	5,166	.10	5,662	.10
Hides and Leather	14,995	.34	13,096	.28	14,377	.25
Other Products of Animals	.....	.....	1,264	.02	1,702	.03
Anthracite Coal	80,068	1.69	93,555	1.98	106,621	1.86
Bituminous Coal	354,163	8.02	465,097	9.82	452,793	7.88
Coke	13,125	.30	13,370	.28	15,253	.27
Ores	930,435	22.80	753,378	15.90	1,013,040	17.63
Stone, Sand, etc	189,866	4.30	212,278	4.48	222,752	3.88
Other Products of Mines	18,981	.43	17,386	.37	15,101	.26
Lumber	407,795	9.23	462,501	9.77	742,366	12.92
Other Forest Products	722,808	16.40	788,219	16.64	788,834	13.72
Petroleum and Other Oils	37,352	.84	45,428	.95	54,031	.94
Sugar	24,499	.55	19,990	.40	23,985	.42
Iron, Pig and Bloom	10,019	.23	14,853	.32	33,273	.58
Iron and Steel Rails	14,931	.34	21,611	.45	69,992	1.22
Other Castings and Machinery	27,399	.62	23,074	.49	36,520	.63
Bar and Sheet Metal	16,581	.37	15,944	.33	75,330	1.31
Cement, Brick and Lime	104,023	2.36	91,562	1.93	136,499	2.37
Agricultural Implements	11,139	.25	15,129	.33	18,459	.32
Wagons, Carriages, Tools, etc	4,597	.14	6,678	.14	6,854	.12
Wines, Liquors and Beers	35,980	.82	32,110	.68	38,065	.66
Household Goods and Furniture	15,792	.36	14,332	.31	18,366	.32
Merchandise	209,885	4.75	227,931	4.82	299,854	5.22
Miscellaneous	577,554	11.35	850,912	17.97	832,583	14.49
Total	4,418,135	100.00	4,735,885	100.00	5,747,003	100.00

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CHICAGO DIVISION

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

	1910		1909	
	Passengers, Tonnage Rates and Revenue		Passengers, Tonnage Rates and Revenue	
Passenger Traffic				
Number of Passengers Carried Earning Revenue	1,671,727		1,592,870	
Number of Passengers Carried One Mile	86,654,929		87,452,600	
Number of Passengers Carried One Mile per Mile of Road	80,416		89,636	
Average Distance carried, Miles	51	84	54	90
Total Passenger Revenue	$1,531,410	53	$1,509,110	00
Average Amount Received from Each Passenger	$	91606	$	94742
Average Receipts per Passenger per Mile	$	01767	$	01726
Total Passenger Service Train Revenue	$1,950,453	99	$1,902,790	91
Passenger Service Train Revenue per Mile of Road	$1,810	03	$1,950	30
Passenger Service Train Revenue per Train Mile	$1	03038	$1	00114
Freight Traffic				
Number of Tons Carried of Freight Earning Revenue	5,747,003		4,735,885	
Number of Tons Carried One Mile	1,051,730,355		835,885,906	
Number of Tons Carried One Mile per Mile of Road	976,011		856,756	
Average Distance Haul of One Ton, Miles	183	01	176	50
Total Freight Revenue	$6,818,992	34	$5,509,440	71
Average Amount Received for Each Ton of Freight	$1	18653	$1	16334
Average Receipts per Ton per Mile	$	00648	$	00659
Freight Revenue per Mile of Road	$6,328	06	$5,647	00
Freight Revenue per Train Mile	$2	29529	$1	89951
Total Traffic				
Operating Revenues	$8,928,224	58	$7,756,603	11
Operating Revenues per Mile of Road	$8,285	44	$7,745	28
Operating Revenues per Train Mile	$1	90576	$1	62567
Operating Expenses	$5,836,592	11	$5,151,642	98
Operating Expenses per Mile of Road	$5,416	39	$5,280	27
Operating Expenses per Train Mile	$1	24584	$1	10828
Net Operating Revenue	$3,091,632	47	$2,404,960	13
Net Operating Revenue per Mile of Road	$2,869	05	$2,465	01

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CHICAGO DIVISION

Traffic and Mileage Statistics—Continued.

CLASSIFICATION	1910	1909
Locomotive Mileage, Revenue Service		
Freight Locomotive-Miles	2,929,686	2,848,104
Passenger Locomotive-Miles	1,729,932	1,758,367
Mixed Locomotive-Miles	182,924	156,719
Special Locomotive-Miles	4,665	2,627
Switching Locomotive-Miles	906,349	827,776
Total Revenue Locomotive Mileage	5,753,556	5,593,593
Non-revenue Service Locomotive-Miles	188,162	198,754
Car Mileage, Revenue Service		
Freight Car-Miles:		
Loaded	56,135,081	47,173,584
Empty	17,304,907	20,304,824
Caboose	2,800,660	2,815,746
Total Freight Car-Miles	76,240,648	70,294,154
Passenger Car-Miles:		
Passenger	4,748,196	4,572,676
Sleeping, Parlor and Observation	1,684,144	1,881,189
Other Passenger Train Cars	3,468,833	3,383,391
Total Passenger Car-Miles	9,901,173	9,837,256
Special Car-Miles:		
Freight, Loaded	10,973	5,664
Freight, Empty	0	0
Caboose	781	0
Passenger	0	340
Sleeping, Parlor and Observation	0	10,874
Other Passenger Train Cars	0	2,030
Total Special Car-Miles	11,754	18,908
Total Revenue Car Mileage	86,153,575	80,150,318
Non-Revenue Service Car-Miles	1,688,614	2,684,842
Train Mileage, Revenue Service		
Freight Train-Miles	2,788,523	2,745,617
Passenger Train-Miles	1,710,595	1,745,801
Mixed Train-Miles	182,345	154,829
Special Train-Miles	3,401	2,055
Total Revenue Train Mileage	4,684,864	4,648,302
Non-Revenue Service Train-Miles	97,318	107,295
Average Number of Passengers per Car-Mile	13.	13.
Average Number of Passengers per Train-Mile	46.	46.
Average Number of Passenger Cars per Train-Mile	5.23	5.18
Average Number of Tons of Freight per Loaded Car-Mile	18.74	17.72
Average Number of Tons of Freight per Train-Mile	354.01	288.19
Average Number of Freight Cars per Train-Mile	25.66	24.23
Average Number of Loaded Cars per Train-Mile	18.90	16.26
Average Number of Empty Cars per Train-Mile	5.82	7.00
Average Mileage Operated During Year	1,077.58	975.64

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

Additions and Betterments, Year Ending June 30, 1910.

Right of Way and Station Grounds	$ 3,271.72	
Grade Reductions and Changes of Line	17,060.68	
Bridges, Trestles and Culverts	12,373.10	
Increased Weight of Rail	28,964.82	
Track Fastenings and Other Material	5,822.47	
Additional Main Tracks	3,095.12	
Sidings and Spur Tracks	216,230.19	
Track Elevation, Elimination of Grade Crossings, etc.	59,759.64	
Station Buildings and Fixtures	20,000.45	
Shops, Engine Houses and Turntables	76,609.48	
Miscellaneous Structures	13,862.32	
Equipment	29,389.26	
Interest and Commissions	6,400.99	
Miscellaneous	591.65	
Total		$493,431.89

New Construction, Year Ending June 30, 1910.

Owen	to Spencer Cut-off	$132,251.87
Boyd	to Cadott Cut-off	3,694.24
Colfax	to Howard Cut-off	127,915.30
Cylon	to Downing Cut-off	35,870.10
Withrow	to New Richmond Cut-off	333,420.85
Total		$633,152.36

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

Additions to Equipment, Year Ending June 30, 1910.

8 Locomotives	$ 126,395.80
4 Passenger Cars	41,080.69
Miscellaneous Charges	2,412.29
A. & N. E. R. R. Equipment Acquired:	
1 Locomotive	1,500.00
1 Combination Passenger and Baggage	700.00
1 Caboose	250.00
3 Flat Cars	300.00
	$172,638.78

Equipment Replacement.

Balance from Previous Year	$348,566.67
Depreciation on Freight Cars	75,726.84
Depreciation on Locomotives	24,427.86
Depreciation on Passenger Train-Cars	6,640.38
Depreciation on Work Cars	2,276.34
Value of Equipment Destroyed, less Equipment rebuilt	117,021.62
	$574,659.71

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

CAPITAL STOCK

DESCRIPTION	Number of Shares Authorized	Par Value of Shares	Amount in Hands of Public	Held in the Treasury	Total Par Value Authorized and Issued
Preferred	125,000	$100.00	$11,267,104.36	$1,232,895.64	$12,500,000.00
Common	175,000	100.00	16,146,767.43	1,353,232.57	17,500,000.00
Totals	300,000	.....	$27,413,871.79	$2,586,128.21	$30,000,000.00

OUTSTANDING FUNDED DEBT

	DESCRIPTION	TIME		INTEREST		Amount in Hands of Public
		Date of Issue	When Due	Rate	When Payable	
(1)	M. & L. W. R. R. Co., First Mortgage Bonds	March 27, 1882	July 1, 1912	6 %	Jan. and July	$604,000.00
(2)	C. W. & M. R. R. Co., First Mortgage Bonds	Sept. 1, 1885	March 1, 1916	6 %	March and Sept.	776,000.00
(3)	W. C. R'y Co., First General Mortgage Bonds	July 13, 1899	July 1, 1949	4 %	Jan. and July	23,947,000.00
(4)	M. & S. E. Division Purchase Money Mortgage Bonds	May 1, 1901	May 1, 1951	4 %	May and Nov.	405,000.00
(5)	Superior and Duluth Division & Terminal First Mortgage Bonds	May 1, 1906	May 1, 1936	4 %	May and Nov.	7,500,000.00
(6)	Dickinson Trust Equipment Bonds	April 1, 1908	April 1, 1913	6 %	April and Oct.	62,000.00
(7)	W. C. R'y Co., Gold Equipment Trust Bonds	July 1, 1902	July 1, 1912	5 %	Jan. and July	175,000.00
(8)	Equipment Contract	April 13, 1905	Oct. 13, 1912	4½%	April and Oct.	97,725.00
(9)	" "	May 14, 1907	May 14, 1914	4½%	May and Nov.	55,692.00
(10)	" "	Dec. 23, 1908	June 23, 1916	4 %	June and Dec.	449,280.00
(11)	" "	Jan. 27, 1909	July 27, 1916	4 %	Jan. and July	677,235.00
12)	W. C. R'y Co., First and Refunding Mortgage Gold Bonds	April 1, 1909	April 1, 1959	4 %	April and Oct.	2,500,000.00
	Total	.....	.....	.....	.....	$37,248,932.00

NOTE:—The above covers the entire property of the Railway Company, including the Land Grant.

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

Equipment Owned June 30, 1911.

Locomotives	195
First Class Passenger Coaches	45
Second Class Passenger Coaches	21
Combination Cars	12
Chair	3
Parlor	7
Diners	4
Composite	4
Baggage	19
Mail and Express	10
Combination Baggage, Mail and Express	2
Official	3
Mail	6
Milk	3
Total Passenger Cars	139
Box Cars	6,243
Caboose	133
Flat	885
Gondola	46
Ore	1,341
Stock	149
Refrigerator	161
Total Freight Cars	8,958
Miscellaneous:	
Ballast Cars	476
Pile Driver, Steam Shovel and Road Service Cars	135
Total Miscellaneous	611

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE" CHICAGO DIVISION)

Land Department.

The gross land sales of the Land Department for the year were 4,574.72 acres, for	$ 46,166.90
The average sale price per acre being	$ 10.09
Town lot sales amounted to (12 lots)	$ 800.00
The average price per lot being	$ 66.67
Timber sales amounted to	$ 34,230.00
The royalties accrued during the year from iron ore mined from the Company's land amounted to	$106,788.71
The gross cash receipts from lands, lots, timber, royalties, deferred payments, interest on deferred payments, rents, etc., were	$255,296.42
The expenses of the Land Department, including taxes and the cost of caring for the property, were	$ 92,998.21
The total number of acres remaining in the grant on the 30th of June, 1911, was	423,493.65
Number of acres under contract of sale	14,071.24
Number of acres unsold	409,422.41
The land, timber and town lot sales decreased	$ 33,919.13

Land Department Condensed Balance Sheet, June 30, 1911.

DEBIT				
Unpaid Balances on Land and Stumpage Contracts			$509,307.32	
Cash in Banks			129,914.27	
CREDIT				
Miscellaneous:				
Accrued Taxes, 1911		$27,000.00		
Accrued Commissions		778.50		
Options		1,476.00		
		$29,254.50		
Less:				
Interest Accrued on Land Contracts	$ 7,177.84			
Interest Accrued on Stumpage Contracts	14,840.67			
Ashland City Bonds	400.00			
Stump Pulling Plant	4,500.00			
Accrued Rents	200.00			
Phillips Lot Sales, Joint Account	1,029.51			
Westboro Lot Sales, Joint Account	191.24			
		$28,339.26		$ 915.24
Income Account				$728,306.35
			$729,221.59	$729,221.59

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

Land Department

Land Department Income Account, Year Ending June 30, 1911.

RESOURCES		EXPENDITURES	
Land Sales:		Examining Lands	$2,262.09
Average Price per Acre $10.09, per lot $66.67	$46,966.90	Expense of Investigation	98.40
Stumpage Sales	13,941.00	Commissions	3,569.04
Stumpage Contracts	20,289.00	General Office Expenses	5,229.59
Interest and Discount	34,184.48	Land Agents	1,369.07
Rents	694.41	Printing and Advertising	4,216.50
Royalties	106,788.71	Mine Examinations	17,149.90
Commissions on Outside Sales	75.50	Tax Department Expenses	240.25
Miscellaneous	100.00	Taxes	54,214.42
		Legal Expenses	3,128.68
		Trustees' Expenses	1,520.27
		Surplus for year ending June 30th, 1911, carried to Profit and Loss Account	130,041.79
Total	$223,040.00	Total	$223,040.00

Land Department Profit and Loss Account, Year Ending June 30, 1911.

To Payments to Sinking Fund, year ending June 30, 1911	$131,644.48	By Balance to Credit of Profit and Loss Account, June 30, 1910	$729,909.04
Balance to Credit of Profit and Loss Account, June 30, 1911	728,306.35	By Surplus for year ending June 30, 1911, brought down	130,041.79
Total	$859,950.83	Total	$859,950.83

Acreage Account

	Under Contract	Balance	Total
Balance, June 30, 1910	12,791.94	413,994.64	426,786.58
Deeded during the year	2,797.63	495.30	3,292.93
Cancellations during the year	2.49	2.49	.....
	9,991.82	413,501.83	423,493.65
New Contracts	4,079.42	4,079.42	.....
Balance June 30, 1911	14,071.24	409,422.41	423,493.65

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

Mileage

The mileage owned and operated is as follows:

Owned—

Chicago, Ill.(Central Ave.)	to Withrow, Minn.	426.42	
Spencer, Wis.	to Ashland, Wis.	145.75	
Abbotsford, Wis.	to Owen, Wis.	12.32	
Owen, Wis.	to Superior, Wis.	153.66	
Duluth Terminals		.73	
Neenah, Wis.	to Manitowoc, Wis.	37.23	
Stevens Point, Wis.	to Portage, Wis.	70.75	
Packwaukee Junction, Wis.	to Montello, Wis.	7.68	
Marshfield, Wis.	to Nekoosa, Wis.	32.61	
Marshfield, Wis.	to Greenwood, Wis.	22.44	
Chippewa Falls, Wis.	to Eau Claire, Wis.	9.59	
Chelsea, Wis.	to Rib Lake, Wis.	5.57	
Mellen, Wis.	to Bessemer, Wis.	33.77	
Abbotsford, Wis.	to Goodrich, Wis.	25.33	
Ashland Ore Dock and Yard Line		2.26	
Ashland Commercial Dock Line		1.27	
Total			987.38

Trackage Rights—

Ill. Cent. R. R., So. Water St., Chicago, to Harlem Jct.	14.37	
C. M. & St. P. Ry., Milwaukee, Wis., to Rugby Jct., Wis.	27.60	
C. M. & St. P. Ry., Magenta to Eau Claire Terminal	1.32	
C. M. & St. P. Ry., Eau Claire Branch	.25	
C. M. & St. P. Ry., Main Line, Chippewa Falls	.57	
C. M. & St. P. Ry., Manitowoc Branch	7.19	
M. St. P. & S. S. M. Ry., Withrow to Cardigan Jct.	12.23	
M. St. P. & S. S. M. Ry. Minneapolis, St. Paul, Duluth and Superior Terminals	43.07	
Total		106.60
Total Mileage		1,093.98

54.89 miles second track not included above.

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PROPERTY OF
HARVEY FISK & SONS
STATISTICAL DEPARTMENT
15 NASSAU STREET, NEW YORK

1912

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

TWENTY-FOURTH ANNUAL REPORT

FOR THE YEAR ENDING JUNE 30, 1912

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

TWENTY-FOURTH ANNUAL REPORT

FOR THE YEAR ENDING JUNE 30, 1912

Minneapolis
Farnham Printing & Stationery Co.
1912

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

DIRECTORS

E. Pennington	Minneapolis, Minn.
W. D. Washburn	Minneapolis, Minn.
C. H. Pettit	Minneapolis, Minn.
H. Lowry	Minneapolis, Minn.
Alfred H. Bright	Minneapolis, Minn.
W. L. Martin	Minneapolis, Minn.
G. R. Newell	Minneapolis, Minn.
E. A. Young	St. Paul, Minn.
Sir Thomas G. Shaughnessy, K. C. V. O.	Montreal, Quebec.
R. B. Angus	Montreal, Quebec.
I. G. Ogden	Montreal, Quebec.

OFFICERS

E. Pennington,	President,	Minneapolis, Minn.
W. L. Martin,	Vice-President and Traffic Manager,	Minneapolis, Minn.
C. F. Clement,	Treasurer,	Minneapolis, Minn.
G. W. Webster,	Secretary,	Minneapolis, Minn.
G. R. Huntington,	General Manager,	Minneapolis, Minn.
C. W. Gardner,	Comptroller,	Minneapolis, Minn.

Transfer and Fiscal Agents, Agents Bank of Montreal,
64 Wall Street, New York.
Registrar of Stocks and Bonds, Central Trust Co., New York.

Annual meeting third Tuesday in September, at Minneapolis, Minn.

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MINNEAPOLIS ST. PAUL AND SAULT STE MARIE RAILWAY COMPANY

WISCONSIN CENTRAL RAILWAY COMPANY

DIRECTORS

E. Pennington	Minneapolis, Minn.
J. S. Pillsbury	Minneapolis, Minn.
C. E. Wales	Minneapolis, Minn.
Alfred H. Bright	Minneapolis, Minn.
W. L. Martin	Minneapolis, Minn.
C. T. Jaffray	Minneapolis, Minn.
Leroy W. Baldwin	New York City
Wm. Irvine	Chippewa Falls, Wis.
Sidney G. Courteen	Milwaukee, Wis.
M. H. Ballou	Menasha, Wis.
W. F. Fitch	Marquette, Mich.

OFFICERS

E. Pennington,	President,	Minneapolis, Minn.
Alfred H. Bright,	Vice-President,	Minneapolis, Minn.
W. F. Fitch,	Vice-President,	Marquette, Mich.
C. F. Clement,	Treasurer,	Minneapolis, Minn.
G. W. Webster,	Secretary,	Minneapolis, Minn.
J. A. Millington,	Assistant Secretary,	Milwaukee, Wis.
C. W. Gardner,	Comptroller,	Minneapolis, Minn.

Transfer and Fiscal Agents, Agents Bank of Montreal,
64 Wall Street, New York.
Registrar, Empire Trust Co., New York.

Annual meeting second Tuesday in October, at Milwaukee, Wis

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ANNUAL REPORT

OF THE

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

Including Chicago Division (Wisconsin Central)

FOR THE YEAR ENDING JUNE 30, 1912.

Herewith is submitted report for the Fiscal Year ending June 30, 1912. The Gross Earnings, Expenses, Fixed Charges and Surplus Income are shown in condensed form as follows:

	Soo Line.	Chicago Division.	Soo Line System.
Gross Earnings	$17,105,685.95	$9,578,554.98	$26,684,240.93
Operating Expenses	9,586,408.46	6,636.882.56	16,223,291.02
Net Earnings	$ 7,519,277.49	$2,941,672.42	$10,460,949.91
Income from Other Sources	1,058,236.45	40,783.08	1,099,019.53
Total Income	$ 8,577,513.94	$2,982,455.50	$11,559,969.44
Fixed Charges, Taxes, etc.	4,353,224.05	2,477,805.97	6,831,030.02
Surplus Income	$ 4,224,289.89	$ 504,649.53	$ 4,728,939.42

Notwithstanding the fact that the grain crop last season was much below an average yield, the Gross Earnings exceed those of any previous year. The average mileage operated was 3,773.37 miles, an increase of 49.03 miles. As is generally known, by reason of increasing cost of labor and higher cost of supplies, the cost of handling traffic continues to advance, while the general tendency to lower rates and increase taxation makes more difficult the earning of profits sufficient for reasonable returns to shareholders and for improvements required for a higher grade of service.

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During the year the extension from Frederic to Duluth was completed and traffic between the Twin Cities and Duluth is now being handled over this new line.

The line in North Dakota between Drake and Fordville (130 miles), construction of which was begun in 1910 and temporarily discontinued on account of crop failures, will be ready for traffic about October 1st.

To properly care for and encourage the further expansion of business of the Chicago Division it was thought advisable to make some new provision for terminals at Chicago. Accordingly there was incorporated the Central Terminal Railway Company of Illinois with an authorized capital of $2,000,000 fully subscribed for by the Minneapolis, St. Paul & Sault Ste. Marie Railway Company. This Company has acquired property for the purpose. It embraces the tract of land, one block wide, located on the west side of the Chicago River, between Canal and Clinton Streets and extending from 12th Street to West 15th Place. It is very centrally located and unusually desirable for the purpose. Contracts have been made for the construction of concrete freight houses thereon. These improvements will be up-to-date in every particular. The property is made available by a contract with the Baltimore & Ohio Chicago Terminal Railroad Company for the use of that Company's tracks to a connection with this Company's Chicago Division. A strip of land one-half block wide extending from Canal Street to Halstead Street has been acquired for the purpose of connection with the Baltimore & Ohio Chicago Terminal Railroad Company's tracks and a considerable tract of land also acquired at 50th Street for yards, etc. It is expected that the improvement of these properties will be completed and ready for use when required.

In order to finance this proposition the Minneapolis, St. Paul & Sault Ste. Marie Railway Company and the Central Terminal Railway Company executed a joint mortgage covering the property and its improvements—Guaranty Trust Company of New York, Trustee. The mortgage provides for a possible issue of twenty million dollars of four per cent gold bonds. Six Million Dollars of these bonds were sold. The proceeds are sufficient to complete the terminals as now planned.

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To provide funds for building the Frederic Extension to Duluth, temporary advances for which had been made from the Company's surplus account, there were issued $1,520,000 of Minneapolis, St. Paul & Sault Ste. Marie Railway Co.'s First Mortgage Consolidated Gold Bonds. There was also issued during the year $1,020,000 of Minneapolis, St. Paul & Sault Ste. Marie Railway Co.'s Equipment Trust notes in connection with additional equipment contracted for delivery prior to September 1, 1912.

To provide for temporary advances that were made for revision work on the Chicago Division, for payment of car trust obligations and retirement of maturing bonds of underlying mortgages of the Wisconsin Central Railway Co. there were issued and sold during the year $3,500,000 of Wisconsin Central Railway Co. First and Refunding Mortgage Bonds.

The Company's property, including equipment, has been fully maintained to its usual standard and the policy of replacing where necessary temporary structures with those of a more substantial and permanent character has been continued.

The increase in Gross Earnings under the somewhat depressed commercial conditions that have existed during the past two years reflects to some extent the growth and development of the country adjacent to the more recently constructed lines.

The prospects for an unusually large grain crop in the Northwest this season are very bright and assures a very generous volume of business for the current year.

Respectfully submitted,

E. PENNINGTON,

President.

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The Directors of the MINNEAPOLIS, ST. PAUL & SAULT STE MARIE RAILWAY COMPANY, desiring to express their appreciation of the valuable services of the late Honorable William Drew Washburn, and their deep sense of loss at his death, direct that the following Memorial be spread upon the records of this company, and further direct that a copy of such Memorial be forwarded to his family with assurance of their sympathy.

William Drew Washburn

Born January 14, 1831
Died July 29, 1912

In the fullness of years and achievement, the first President of this company and one of its directors from the time of its organization, WILLIAM DREW WASHBURN, passed away at his home in the City of Minneapolis, Minnesota on the 29th day of July, 1912. In his death not only has this company lost an able and loyal conservator of its interests, but this Board has also parted from a personal friend, whose presence and counsel will be deeply missed after the association of so many years.

He was always in the forefront with those laboring for the material prosperity and moral uplift of the State and City in which he made his home. In the Pioneer days of the state his optimism and unbounded faith in its future possibilities never wavered, and from that time until his earthly labors were ended the great constructive energy for which he was noted was directed to its upbuilding and development. He saw the incalculable benefit to his home City and the Northwest of a highway of commerce to the seaboard by way of Sault Ste. Marie, and with his usual zeal and energy, surmounted all apparent obstacles and difficulties, and with other associates whose interest he enlisted in the enterprise, began the construction of such a highway, and to-day the "Soo Line" exists as a monument to his enterprise and genius.

He was one of Nature's Noblemen, of high personal character and purpose, kindly and courteous and he leaves to posterity an untarnished name.

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In Memoriam

On March 27, 1912, the Company lost by death the services of its Chief Engineer, **THOMAS WHYLER GREENE.**

He had been continuously in the service since 1891 and had performed the duties of his official position with distinguished ability since his appointment in 1898.

Sincere appreciation of his worth from every view point that makes a man and a fellow officer respected and loved by his associates, makes more emphatic the regret and sorrow of his loss.

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New York, September 11, 1911.

E. Pennington, Esq., President,
Minneapolis, St. Paul & Sault Ste. Marie Railway Co.
Wisconsin Central Railway Company,
Minneapolis, Minnesota.

We have audited the accounts of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company and of the Wisconsin Central Railway Company for the fiscal year ended June 30, 1911, and have approved the respective Balance Sheets and Income Accounts submitted herewith. These contain full and true statements of the financial condition of the two Companies. The net earnings shown were fairly earned after charging off all expenses of operation, the total maintenance expenditures that were charged against Earnings and Income account being, in our opinion, sufficient to maintain the integrity of the properties.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

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General Balance Sheet,

ASSETS

Property Investment:		
Road	$ 84,932,028.33	
Equipment	16,798,078.09	
	$101,730,106 42	
Less Reserve for Accrued Depreciation	1,145,797.09	
Total		$100,584,309.33
Securities of Proprietary, Affiliated and Controlled Companies:		
Wisconsin Central Ry. Co. Stock	$ 3,661,120.88	
St. Paul Union Depot Co. Stock	103,600.00	
Minnesota Transfer Ry. Co. Stock	7,000.00	
Sault Ste. Marie Bridge Co. Stock	500.00	
Sault Ste. Marie Union Depot Co. Stock	50,590.56	
Minnesota Transfer Ry. Co. Bonds	54,000.00	
Total		3,876,811.44
Other Investments:		
Physical Property Real Estate	$ 176,758.03	
Miscellaneous Investments:		
Interstate Exploration Co. Stock	156,000.00	
Tri-State Land Co. Stock	25,000.00	
Western Express Co. Stock	50,000.00	
Coeur d'Alene & Pond d'Oreille Ry. Co. 5% Bonds	25,200.00	
Total		432,958.03
Working Assets:		
Cash	$ 2,520,432.40	
Securities in Treasury:		
M. S. S. M. & Atl. Ry. Co. 4% First Mortgage Bonds	10,000.00	
Pillsbury-Washburn Flour Milling Co., Ltd., 5% Bonds	4,700.00	
Village of Alexandria Bonds	4,000.00	
Traffic and Car Service Balances due from Other Companies	443,563.96	
Net Balances due from Agents and Conductors	1,140,794.93	
Miscellaneous Accounts and Bills Receivable	644,087.91	
Materials and Supplies	2,493,508.06	
Total		7,261,087.26
Accrued Income Not Due:		
Unmatured Dividends		111,455.00
Deferred Debit Items:		
Tri-State Land Co.	$ 1,329,287.59	
Land Sales (Deferred Payments)	151,297.25	
Special Deposit for Equipment	736,310 42	
Wisconsin Central Ry. Co.	1,089,852.62	
Milwaukee Terminal Ry. Co.	247,000.00	
Unextinguished Discount on Funded Debt	238,481.97	
Total		3,792,229.85
Grand Total		$116,058,850.91

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June 30, 1912.

LIABILITIES

Capital Stock:		
Common	$25,206,800.00	
Preferred	12,603,400.00	
Total		$ 37,810,200.00
Mortgage, Bonded and Secured Debt:		
First Mortgage M. & P. Ry. Co. 4% Bonds	$ 286,000.00	
First Mortgage M. S. S. M. & Atl. Ry. Co. 4% Bonds	8,204,000.00	
First Mortgage M. St. P. & S. S. M. Ry. Co. Consolidated 4% Bonds	52,225,000.00	
Second Mortgage M. St. P. & S. S. M. Ry. Co. 4% Bonds	3,500,000.00	
Equipment Trust Obligations	4,051,000.00	
Total		68,266,000.00
Working Liabilities:		
Traffic and Car Service Balances due to Other Companies	$ 204,819.46	
Audited Vouchers and Wages Unpaid	3,488,714.32	
Miscellaneous Accounts Payable	378,984.53	
Matured Interest and Dividends Unpaid	1,242,745.50	
Total		5,315,263.81
Accrued Liabilities not Due:		
Unmatured Interest	$ 142,492.00	
Taxes Accrued	458,091.38	
Total		600,583.38
Deferred Credit Items:		
Operating Reserve	$ 241,124.60	
Other Deferred Credit Items	31,649.61	
Total		272,774.21
Profit and Loss		11,707,346.06
Grand Total		$123,972,167.46

Contingent Liabilities:

As joint maker with the Central Terminal Railway Company of Illinois, of Bonds secured by mortgage on property of the Central Terminal Railway Company	$6,000,000.00
4 per cent Leased Line Certificates of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, issued in exchange for preferred stock of the Wisconsin Central Railway Company, held therefor	$11,448,700.00

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OPERATING REVENUES AND EXPENSES

Revenue from Transportation:

Freight Revenue	$11,934,791.52	
Passenger Revenue	3,872,487.90	
Excess Baggage Revenue	37,811.08	
Mail Revenue	380,004.45	
Express Revenue	300,609.30	
Other Passenger Train Revenue	1,591.90	
Switching Revenue	47,261.46	
Special Service Train Revenue	3,802.60	
Miscellaneous Transportation Revenue	5,819.40	
Total Revenue from Transportation		$16,584,179.61

Revenue from Operation Other Than Transportation:

Station and Train Privileges	$ 14,246.08	
Parcel Room Receipts	1,056.15	
Storage, Freight	1,882.63	
Storage, Baggage	1,620.48	
Car Service	32,866.97	
Telegraph Service	75,902.87	
Rents of Buildings and Other Property	45,541.00	
Miscellaneous	3,445.32	
Total Revenue from Operations Other Than Transportation		176.561.50
Joint Facilities Revenue		9,958.68
Total Operating Revenues		$16,770,699.79

Operating Expenses:

Maintenance of Way and Structures	$ 1,697,401.88	
Maintenance of Equipment	2,027,240.32	
Traffic Expenses	295,361.08	
Transportation Expenses	4,985,875.71	
General Expenses	336,564.88	
Total Operating Expenses		9,342,443.87
Net Operating Revenue		$ 7,428,255.92

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INCOME ACCOUNT, FISCAL YEAR ENDING JUNE 30, 1912

Net Operating Revenue		$ 7,428,255.92
Outside Operations:		
Revenues	$ 334,986.16	
Expenses	243,964.59	
Net Revenue from Outside Operations		91,021.57
Total Net Revenue		$ 7,519,277.49
Taxes Accrued		1,123,135.50
Operating Income		$ 6,396,141.99
Other Income:		
Dividends on Stock Owned	$ 450,002.00	
Hire of Equipment	336,144.99	
Interest and Discount	155,062.56	
Rents Receivable	69,879.73	
Interest on W. C. Ry. Equipment Contract	41,089.69	
Interest on Bonds Owned	6,057.48	
Total Other Income		1,058,236.45
Gross Corporate Income		$ 7,454,378.44
Deductions from Gross Corporate Income:		
Interest on Bonds	$2,507,440.00	
Interest on W. C. Ry. Leased Line Certificates	445,836.94	
Interest on Equipment Notes	152,415.00	
Rental of Terminals	124,396.61	
Total Deductions from Gross Corporate Income		3,230,088.55
Net Corporate Income		$ 4,224,289.89

PROFIT AND LOSS ACCOUNT TO JUNE 30, 1912.

By Balance June 30, 1911		$ 9,957,910.52
Net Corporate Income for the Year Ending June 30, 1912		4,224,289.89
Premium on Sale of Minneapolis, St. Paul & Sault Ste. Marie Ry. Co. Capital Stock		5,703.22
		$14,187,903.63
Deductions for Year:		
7 per cent Dividend on Preferred Stock	$ 805,679.00	
7 per cent Dividend on Common Stock	1,611,358.00	
Extinguishment of Discount on Bonds and Car Trust Notes	12,556.18	
Equipment Depreciation Prior to July 1, 1907	50,964.39	
		2,480,557.57
Balance Credit June 30, 1912		$11,707,346.06

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Detailed Statement of Earnings and Expenses.

EARNINGS

	1912	1911
From Freight	$11,934,791.52	$ 8,726,607.52
From Passenger	3,872,487.90	3,190,563.55
From Mail	380,004.45	367,337.44
From Express	300,609.30	266,399.74
From Miscellaneous	282,806.62	268,279.32
From Outside Operations	334,986.16	316,720.23
Total Earnings	$17,105,685.95	$13,135,907.80

OPERATING EXPENSES

Maintenance of Way and Structures:		
Superintendence	$ 56,249.87	$ 44,702.03
Ballast	18,785.68	8,855.86
Ties	231,424.10	186,717.06
Rails	16,316.10	2,005.17
Other Track Material	66,307.81	40,691.30
Roadway and Track	793,314.95	635,989.00
Removal of Snow, Sand and Ice	49,508.63	73,872.73
Tunnels	1,045.90	47.34
Bridges, Trestles and Culverts	154,823.32	157,855.61
Over and Under Grade Crossings	187.96	45.13
Grade Crossings, Fences, Cattle Guards and Signs	19,168.16	21,078.37
Snow and Sand Fences and Snowsheds	4,542.95	5,560.49
Signals and Interlocking Plants	5,037.25	4,269.85
Telegraph and Telephone Lines	34,780.70	31,717.97
Buildings, Fixtures and Grounds	144,073.13	137,023.89
Docks and Wharves	14,662.76	10,781.13
Roadway Tools and Supplies	25,994.70	19,493.64
Injuries to Persons	23,813.76	13,207.90
Stationery and Printing	1,570.07	1,427.86
Other Expenses	7,296.52	4,706.01
Maintaining Joint Tracks, Yards and Other Facilities, Dr.	32,161.91	27,615.46
Maintaining Joint Tracks, Yards and Other Facilities, Cr.	3,664.35	.....
Total	$1,697,401.88	$1,427,663.80
Maintenance of Equipment:		
Superintendence	$ 38,558.20	$ 36,352.86
Steam Locomotives —Repairs	686,130.88	623,662.48
Steam Locomotives —Renewals	.....	1,439.57
Steam Locomotives —Depreciation	83,224.67	77,752.09
Passenger Train Cars—Repairs	178,605.01	167,818.28
Passenger Train Cars—Renewals	8,429.18	6,806.85
Passenger Train Cars—Depreciation	21,927.12	19,293.22
Freight Train Cars —Repairs	666,521.75	598,134.23
Freight Train Cars —Renewals	37,951.38	3,800.77
Freight Train Cars —Depreciation	194,037.16	177,593.11
Work Equipment —Repairs	28,200.86	31,126.10
Work Equipment —Renewals	Cr. 32.33	Dr. 50.32
Work Equipment —Depreciation	6,934.35	5,140.13
Shop Machinery and Tools	58,910.00	49,559.35
Injuries to Persons	6,195.27	5,896.87
Stationery and Printing	4,554.91	4,263.93
Other Expenses	480.79	.....
Maintaining Joint Equipment at Terminals Dr.	6,992.62	8,416.42
Maintaining Joint Equipment at Terminals Cr.	381.50	
Total	$2,027,240.32	$1,817,106.58
Traffic Expenses:		
Superintendence	$ 62,486.60	$ 64,252.00
Outside Agencies	133,061.25	141,451.29
Advertising	43,783.50	38,499.65
Traffic Associations	3,333.64	5,017.14
Fast Freight Lines	6,703.42	6,311.39
Industrial and Immigration Bureaus	18,007.90	7,237.38
Stationery and Printing	27,921.58	23,977.82
Other Expenses	63.19	22.98
Total	$ 295,361.08	$ 286,769.65

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Detailed Statement of Earnings and Expenses—Continued.

	1912	1911
Transportation Expenses:		
Superintendence	$ 96,182.35	$ 87,627.05
Dispatching Trains	65,995.82	56,758.66
Station Employes	551,881.94	497,526.49
Weighing and Car Service Associations	12,707.79	12,180.47
Flour and Merchandise Docks	36,796.41	44,589.91
Coal and Ore Docks	6,740.51	557.92
Station Supplies and Expenses	49,127.46	44,945.46
Yardmasters and their Clerks	36,912.27	32,533.34
Yard Conductors and Brakemen	171,137.53	141,504.84
Yard Switch and Signal Tenders	8,807.86	7,761.82
Yard Supplies and Expenses	1,423.52	1,094.64
Yard Enginemen	111,578.65	89,525.87
Enginehouse Expenses—Yard	37,006.91	31,663.61
Fuel for Yard Locomotives	121,046.15	96,914.59
Water for Yard Locomotives	6,268.16	6,627.07
Lubricants for Yard Locomotives	1,707.94	1,771.57
Other Supplies for Yard Locomotives	3,053.43	2,695.37
Operating Joint Yards and Terminals.....Dr.	114,601.14	100,128.64
Operating Joint Yards and Terminals.....Cr.	14,368.25	.....
Road Enginemen	652,240.11	537,526.34
Enginehouse Expenses—Road	220,956.35	190,229.77
Fuel for Road Locomotives	1,254,027.89	1,025,343.47
Water for Road Locomotives	64,642.62	67,786.28
Lubricants for Road Locomotives	19,475.51	20,697.13
Other Supplies for Road Locomotives	30,366.40	18,541.62
Road Trainmen	684,899.81	566,605.00
Train Supplies and Expenses	201,716.28	203,718.00
Interlockers and Block and Other Signals—Operation	21,829.42	16,094.51
Crossing Flagmen and Gatemen	5,041.20	4,087.60
Drawbridge Operation	1,393.01	1,333.77
Clearing Wrecks	16,488.98	12,465.60
Telegraph and Telephone—Operation	20,783.44	17,108.43
Stationery and Printing	35,534.59	33,923.52
Other Expenses	10,924.03	8,684.60
Loss and Damage—Freight	136,968.82	121,407.82
Loss and Damage—Baggage	1,471.49	2,145.40
Damage to Property	24,909.74	45,837.25
Damage to Stock on Right of Way	17,002.34	25,196.68
Injuries to Persons	136,377.40	139,373.10
Operating Joint Tracks and Facilities.....Dr.	14,646.94	12,797.52
Operating Joint Tracks and Facilities.....Cr.	4,428.25	374.38
Total	$4,985,875.71	$4,326,936.35
General Expenses:		
Salaries and Expenses of General Officers	$ 70,250.21	$ 68,238.28
Salaries and Expenses of Clerks and Attendants	116,758.27	112,984.72
General Office Supplies and Expenses	11,486.94	10,079.93
Law Expenses	40,854.57	35,131.45
Insurance	43,340.42	41,544.00
Pensions	2,063.44	1,603.80
Stationery and Printing	23,196.64	18,189.49
Other Expenses	27,277.75	15,269.77
General Administration Joint Tracks, Yards and Terminals	1,336.64	1,646.76
Total	$ 336,564.88	$ 304,688.20
Total Operating Expenses	$9,342,443.87	$8,163,164.58
Outside Operating Expenses	243,964.59	212,830.45
Total Expenses	$9,586,408.46	$8,375,995.03
Net Earnings	$7,519,277.49	$4,759,912.77
Percentage of Expenses to Earnings	56.0	63.8

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Comparative Statement of Earnings and Expenses.

EARNINGS

	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902
Freight	$8,726,607.52	$10,691,434.54	$8,622,167.84	$ 7,828,851.60	$9,506,447.12	$8,468,674.79	$6,387,247.86	$4,987,476.36	$5,254,735.41	$4,566,222.89
Passenger	3,190,563.55	3,540,577.79	2,947,875.36	2,681,221.84	2,655,549.19	2,427,538.94	1,799,034.13	1,523,262.18	1,524,378.01	1,257,037.61
Mail	367,337.44	345,643.45	355,882.77	317,504.13	268,231.07	242,243.60	230,918.78	226,519.87	206,928.27	195,573.34
Express	266,399.74	229,615.63	192,183.43	179,505.03	188,317.67	175,445.43	118,629.00	116,879.98	116,090.72	101,723.52
Miscellaneous	268,279.32	252,965.91	221,645.50	186,637.36	273,533.98	260,559.23	180,791.81	139,360.02	135,131.87	101,830.19
Outside Operations	316,720.23	346,942.08	269,544.27	255,347.17						
Total $	13,135,907.80	$15,407,179.40	$12,609,299.17	$11,449,067.13	$12,892,079.03	$11,574,461.99	$8,716,621.58	$6,993,498.41	$7,237,264.28	$6,222,387.55

EXPENSES

	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902
Maintenance of Way and Structures	$1,427,663.80	$1,442,700.47	$1,262,244.17	$1,295,766.06	$1,495,147.09	$1,023,733.70	$ 743,693.20	$ 705,516.74	$ 800,791.71	$ 684,160.69
Maintenance of Equipment	1,817,106.58	1,568,602.91	1,364,318.57	1,368,438.35	1,440,085.97	1,090,480.37	881,702.13	730,674.10	661,058.37	521,182.27
Traffic Expenses	286,769.65	284,857.43	221,204.81	231,475 36						
Conducting Transportation	4,326,936.35	4,315,752.64	3,794,085.51	3,953,951.72	4,259,848.00	3,450,287.89	2,687,173.57	2,143,575.99	2,098,027.42	1,596,206.13
General Expenses	304,688.20	276,740.54	272,754.31	231,485.80	238,467.73	220,057.82	190,038.43	167,013.66	160,045.13	140,078.31
Outside Operating Expenses	212,830.45	229,668.47	183,109.22	132,187.80						
Total	$8,375,995.03	$8,118,322.46	$7,097,716.59	$7,213,305.09	$7,433,548.79	$5,784,559.78	$4,502,607.33	$3,746,780.49	$3,719,922.63	$2,941,627.40
Percentage of Expenses to Earnings	63.8	52.7	56.3	63.	57.6	50.	51.7	53.6	51.4	47.3
Net Earnings	$4,759,912.77	$7,288,856.94	$5,511,582.58	$4,235,762.04	$5,458,530.24	$5,789,902.21	$4,214,014.25	$3,246,717.92	$3,517,341.65	$3,280,760.15
Income from other sources	913,204.23	865,613.95	356,298.92	829,321.76						
Total	$5,673,117.00	$8,154,470.89	$5,867,881.50	$5,065,083.80	$5,458,530 24	$5,789,902.21	$4,214,014.25	$3,246,717.92	$3,517,341.65	$3,280,760.15
Fixed Charges, Taxes, and Terminal Rentals	$3,841,690.35	$3,754,028.70	$3,334,236.90	$3,064,214.69	$2,849,844.46	$2,522,216.09	$2,150,599.34	$1,859,472.04	$1,852,844.22	$1,694,258.67
Surplus Income	$1,831,426.65	$4,400,442.19	$2,533,644.60	$2,000,869.11	$2,608,685.78	$3,267,686.12	$2,063,414.91	$1,387,245.88	$1,664,497.43	$1,586 501.48
Average miles operated	2,638.56	2,460.70	2,359.75	2,303.91	2,232.50	2,020.39	1,773.98	1,529.85	1,463.97	1,396.43
Gross Earnings per mile of road	$4,978.44	$6,261,30	$5,343.49	$4,969.41	$5,774.73	$5,728.83	$4,913.60	$4,571.36	$4,943.59	$4,455.92
Operating Expenses per mile of Road	$3,174.46	$3,299.19	$3,007 83	$3,130.90	$3,329.70	$2,863.09	$ 2,538.14	$2,449.12	$2,540.98	$2,106.53
Surplus Income per mile of road	$ 694.10	$1,788.29	$1,073,69	$ 868.47	$1,168.50	$1,617.35	$1,163.16	$ 906.79	$1,136.97	$1,136.11

Freight Traffic Movement.

(Company's Material Excluded)

COMMODITY	1911		1910		1909	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	627,149	12.52	1,316,900	24.42	1,107,390	23.85
Flour	285,445	5.70	256,542	4.76	301,206	6.49
Other mill products	78,306	1.56	65,225	1.21	50,423	1.09
Hay	69,355	1.38	31,601	.59	27,249	.59
Tobacco	50	.....	1,084	.02	903	.02
Fruit and vegetables	62,875	1.25	61,139	1.13	42,324	.91
Tea	3,720	.07	2,695	.05	4,490	.09
Other agricultural products	10,885	.22	16,982	.31	5,78	.12
Live stock	62,695	1.25	59,404	1.10	53,604	1.16
Dressed meats	11,342	.23	10,887	.20	16,125	.35
Other packing-house products	11,390	.23	5,214	.10	2,189	.05
Poultry, fish and game	8,890	.18	7,678	.14	6,593	.14
Wool	246	.....	169		429	.01
Hides and leather	17,704	.35	15,308	.28	14,574	.31
Dairy Products	11,161	.22	9,048	.17	6,579	.14
Anthracite coal	105,422	2.11	50,625	.94	38,619	.83
Bituminous coal	235,776	4.70	255,710	4.73	248,239	5.35
Lignite coal	201,795	4.03	134,824	2.50	135,323	2.92
Coke	17,640	.35	4,380	.08	3,460	.07
Ores	119,209	2.38	148,881	2.76	122,010	2.63
Stone, sand, etc	102,047	2.03	95,490	1.77	92,201	1.99
Salt	23,943	.48	18,455	.34	18,228	.39
Lumber	1,810,072	36.11	1,664,354	30.86	1,418,148	30.55
Charcoal	1,764	.04	10,714	.20	4,686	.10
Cooperage	24,677	.49	22,439	.42	22,712	.49
Petroleum and other oils	57,956	1.16	36,977	.69	25,934	.56
Sugar	4,144	.08	4,742	.09	4,728	.10
Iron, pig and bloom	22,227	.44	26,230	.49	15,985	.35
Iron and steel rails	38,318	.76	37,550	.70	20,550	.44
Other castings and machinery	59,931	1.20	49,027	.91	26,592	.57
Bar and sheet metal	43,461	.87	33,283	.62	25,729	.55
Cement, brick and lime	131,464	2.62	118,985	2.21	91,364	1.97
Agricultural implements	31,296	.62	26,071	.48	16,412	.35
Wagons, carriages, tools, etc	8,838	.18	7,043	.13	3,392	.07
Wines, liquors and beers	15,180	.30	16,484	.31	17,241	.37
Household goods and furniture	61,069	1.22	73,755	1.37	46,253	1.00
Merchandise	251,179	5.01	318,088	5.90	339,132	7.30
Miscellaneous	384,165	7.66	378,756	7.02	265,830	5.73
Total	5,012,786	100.00	5,392,739	100.00	4,642,635	100.00

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

	1911		1910	
	Passengers, Tonnage Rates and Revenue		Passengers, Tonnage Rates and Revenue	
Passenger Traffic				
Number of Passengers Carried Earning Revenue	1,846,822		1,958,919	
Number of Passengers Carried One Mile	156,655,913		179,603,207	
Number of Passengers Carried One Mile per Mile of Road	59,372		72,989	
Average Distance Carried, Miles	84	82	91	68
Total Passenger Revenue	$3,190,563	55	$3,540,577	79
Average Amount Received from Each Passenger	$1	72759	$1	80741
Average Receipts per Passenger per Mile	$	02367	$	01971
Total Passenger Service Train Revenue	$3,863,147	67	$4,159,146	68
Passenger Service Train Revenue per Mile of Road	$1,464	11	$1,690	23
Passenger Service Train Revenue per Train Mile	$1	14634	$1	32260
Freight Traffic				
Number of Tons Carried of Freight Earning Revenue	5,012,786		5,392,739	
Number of Tons Carried One Mile	1,070,804,319		1,341,468,901	
Number of Tons Carried One Mile per Mile of Road	405,829		545,157	
Average Distance Haul of One Ton, Miles	213	61	248	75
Total Freight Revenue	$8,726,607	52	$10,691,434	54
Average Amount Received for Each Ton of Freight	$1	74087	$1	98256
Average Receipts per Ton per Mile	$	00815	$	00797
Freight Revenue per Mile of Road	$3,307	34	$4,344	88
Freight Revenue per Train Mile	$2	67504	$3	01274
Total Traffic				
Operating Revenues	$12,819,187	57	$15,060,237	32
Operating Revenues per Mile of Road	$4,858	41	$6,120	31
Operating Revenues per Train Mile	$2	03851	$2	37482
Operating Expenses	$8,163,164	58	$7,888,653	99
Operating Expenses per Mile of Road	$3,093	80	$3,205	86
Operating Expenses per Train Mile	$1	29811	$1	24395
Net Operating Revenue	$4,656,022	99	$7,171,583	33
Net Operating Revenue per Mile of Road	$1,764	61	$2,914	45

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Traffic and Mileage Statistics—Continued.

CLASSIFICATION	1911	1910
Locomotive Mileage, Revenue Service:		
Freight Locomotive-Miles	2,978,775	3,288,187
Passenger Locomotive-Miles	3,047,244	2,810,387
Mixed Locomotive-Miles	373,423	386,887
Special Locomotive-Miles	20,803	22,735
Switching Locomotive-Miles	897,491	796,743
Total Revenue Locomotive Mileage	7,317,736	7,304,939
Non-revenue Service Locomotive-Miles	308,127	392,979
Car Mileage, Revenue Service:		
Freight Car-Miles:		
Loaded	70,008,812	79,059,696
Empty	25,954,478	22,558,146
Caboose	2,940,013	3,235,926
Total Freight Car-Miles	98,903,303	104,853,768
Passenger Car-Miles:		
Passenger	6,876,994	6,643,327
Sleeping, Parlor and Observation	4,746,041	4,762,591
Other Passenger Train Cars	5,634,654	5,124,835
Total Passenger Car-Miles	17,257,689	16,530,753
Special Car-Miles:		
Freight, Loaded	9,016	46,824
Freight, Empty	0	0
Caboose	409	2,308
Passenger	1,824	0
Sleeping, Parlor and Observation	2,640	2,040
Other Passenger Train Cars	4,464	0
Total Special Car-Miles	18,353	51,172
Total Revenue Car Mileage	116,179,345	121,435,693
Non-revenue Service Car-Miles	2,575,367	3,008,125
Train Mileage, Revenue Service		
Freight Train-Miles	2,903,495	3,192,911
Passenger Train-Miles	3,011,257	2,788,833
Mixed Train-Miles	358,740	355,830
Special Train-Miles	15,014	4,051
Total Revenue Train Mileage	6,288,506	6,341,625
Non-revenue Service Train-Miles	93,135	119,743
Average Number of Passengers per Car-Mile	13	16
Average Number of Passengers per Train-Mile	46	57
Average Number of Passenger Cars per Train-Mile	5.12	5.26
Average Number of Tons of Freight per Loaded Car-Mile	15.30	16.97
Average Number of Tons of Freight per Train-Mile	328.24	378.01
Average Number of Freight Cars per Train-Mile	30.32	29.55
Average Number of Loaded Cars per Train-Mile	21.46	22.28
Average Number of Empty Cars per Train-Mile	7.96	6.36
Average Mileage Operated During Year	2,638.56	2,460.70

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Expenditures Account of Construction and Equipment.

Year Ending June 30, 1911

Preliminary Surveys		$ 2,123.24
Minneapoils Terminals		70,313.58
St. Paul Terminals		88,811.82
Superior and Duluth Terminals		239,943.40
Superior Ore Dock Line and Dock		670,646.15
Superior Line		100,406.84
Bemidji-Cass Lake Line		1,786,885.69
Cuyuna Iron Range Line		547,549.15
Frederic Line		365,416.98
Shoreham North Town Line		11,934.15
Shoreham Cut-off		60,249.43
Fordville-Drake Line		484,026.31
Reserve Extension	Cr.	4.05
Camden Place Wheat Yard		305.15
Sault Ste. Marie Terminals	Cr.	1,182.42
A. B. & N. W. Ry		74.25
Advances for Construction	Cr.	200,000.00
Additions and Betterments to Main Line (See Statement Page 23)		490,253.30
Equipment (See Statement Page 24)		2,366,760.99
		$7,084,513.96

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Additions and Betterments Year Ending June 30, 1911.

Right of Way and Station Grounds	$ 40,554.62
Real Estate	1,952.72
Widening Cuts and Fills	568.28
Grade Reductions and Changes of Line	24,425.14
Bridges, Trestles and Culverts	34,869.18
Increased Weight of Rail	29,811.63
Improved Frogs and Switches	604.10
Track Fastenings and Appurtenances	1,535.58
Ballast	6,296.17
Additional Main Tracks	53,407.88
Sidings and Spur Tracks	31,312.06
Terminal Yards	50,434.48
Fencing Right of Way	5,183.60
Elimination of Grade Crossings	828.80
Station Buildings and Fixtures	35,847.35
Shops, Enginehouses and Turntables	113,465.93
Shop Machinery and Tools	37,004.92
Water and Fuel Stations	14,943.00
Snow and Sand Fences and Snow Sheds	3,409.91
Other Additions and Betterments	3,797.95
	$490,253.30

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Additions to Equipment.

Year Ending June 30, 1911

34	Locomotives	$706,325.14	
900	Box Cars	791,077.22	
100	Automobile Cars	92,209.90	
300	Stock Cars	215,577.50	
516	Ore Cars	528,349.76	
1	Dining Car	19,473.35	
3	Combination Mail and Baggage Cars	22,879.64	
2	Wrecking Cranes	26,648.21	
1	Official Car	22,940.47	
	Air Brake Equipment	12,481.49	
	Electric Lights for Sleeping Cars	9,524.58	
	Rebuilding 2 Mail and Express Cars	2,292.31	
			$2,449,779.57
Less Equipment Destroyed:			
65	Box Cars	$ 25,549.31	
18	Ore Cars	17,426.56	
13	Flat Cars	5,611.24	
2	Logging Cars	470.00	
2	Refrigerator Cars	1,957.39	
9	Caboose Cars	9,146.05	
1	Express and Mail Car	6,969.63	
1	Sleeping Car	14,941.40	
2	Tool Cars	947.00	
			83,018.58
			$2,366,760.99

Reserve for Equipment Depreciation.

Balance from Previous Year	$ 844,240.11
Depreciation on Locomotives	77,752.09
Depreciation on Freight Cars	183,207.21
Depreciation on Work Cars	5,102.25
Depreciation on Passenger Cars	18,875.04
Depreciation on Sleeping and Tourist Cars	13,210.37
Depreciation on Dining and Buffet Cars	3,410.02
	$1,145,797.09

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Equipment Owned June 30, 1911.

Locomotives	300
First Class Passenger Coaches	45
Second Class Passenger Coaches	31
Combination Cars	15
Sleepers	25
Tourist Cars	16
Diners	12
Buffet Cars	1
Observation Cars	6
Baggage, Mail and Express Cars	51
Official Cars	4
Total Passenger Cars	206
Box Cars	11,743
Caboose	139
Flat	1,211
Gondola	32
Ore	634
Stock	393
Refrigerator	167
Charcoal	8
Furniture	8
Automobile	100
Total Freight Cars	14,435
Miscellaneous:	
Tool Cars	2
Steam Shovels	5
Pile Drivers	2
Ditchers	3
Snow Plows	5
Ballast Unloaders	4
Wrecking Cranes	6
Concrete Mixers	2
Ballast Cars	148
Total Miscellaneous	177

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Mileage.

The mileage owned and operated is as follows:

Owned:

Sault Ste. Marie, Mich.	to Minneapolis, Minn.	493.36	
Cardigan Junction, Minn.	to St. Paul, Minn.	8.04	
Dresser Junction, Wis.	to St. Croix Falls, Wis.	4.30	
Summit Junction, Wis.	to Frederic, Wis.	22.43	
Barron, Wis.	to Ridgeland, Wis.	18.52	
Cameron, Wis.	to Reserve, Wis.	41.64	
Tony Branch, Wis.		2.21	
Rex, Mich.	to Meades Quarry, Mich.	12.24	
Rapid River, Mich.	to Eben Junction, Mich.	30.55	
Gladstone Coal Docks, Mich.		1.53	
Total Mileage East of Minneapolis			634.82
Minneapolis, Minn.	to Portal, N. D.	546.51	
Glenwood, Minn.	to Emerson, Minn.	265.05	
Thief River Falls, Minn.	to Kenmare, N. D.	296.44	
Egeland, N. D.	to Armourdale, N. D.	21.88	
Hankinson, N. D.	to Bismarck, N. D.	214.18	
Bismarck, N. D.	to Max, N. D.	91.53	
Drake, N. D.	to Plaza, N. D.	83.62	
Flaxton, N. D.	to Ambrose, N. D.	51.14	
Wishek, N. D.	to Pollock, S. D.	70.25	
Brooten, Minn.	to Duluth, Minn.	186.84	
Moose Lake, Minn.	to Plummer, Minn.	192.57	
Lawler Junction, Minn.	to Cuyuna, Minn.	36.06	
Iron Hub, Minn.	to Deerwood, Minn.	4.61	
Cuyuna, Minn.	to Crosby, Minn.	3.92	
Ironton Branch, Minn.		1.80	
Total Mileage West of Minneapolis			2,066.40
Spur Lines			10.80
Total Mileage Owned June 30th, 1911			2,712.02
Trackage Rights over Terminal Properties in Minneapolis, St. Paul, Sault Ste. Marie and Duluth		18.94	
Wisconsin Central Railway operated under lease as Chicago Division, including trackage rights other than those over Soo Line tracks		1,038.68	
			1,057.62
Total Mileage Operated			3,769.64

4.07 miles second track not included above.

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ANNUAL REPORT

OF THE

Wisconsin Central Railway Company

("SOO LINE" CHICAGO DIVISION)

FOR THE YEAR ENDING JUNE 30, 1911

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WISCONSIN CENTRAL

General Balance Sheet

ASSETS

Property Investment:		
Road	$60,695,662.31	
Equipment	6,940,179.77	
	$67,635,842.08	
Less Reserve for Accrued Depreciation	931,672.39	
Total		$66,704,169.69
Securities of Proprietary, Affiliated and Controlled Companies:		
Milwaukee Terminal Railway Co. Stock	150,000.00	
M. & L. W. R. R. Co. First Mortgage Bonds	5,302.80	
Total		155,302.80
Other Investments:		
Wisconsin Central Land Company Stock	1,000.00	
Manitowoc Land Improvement Co. Stock	100.00	
La Pointe Iron Company Stock	100.00	
Minnesota Transfer Railway Co. First Mortgage Bonds	12,000.00	
Total		13,200.00
Working Assets:		
Cash	627,442.85	
Securities in Treasury:		
W. C. Ry. Co. Common Stock	1,353,232.57	
W. C. Ry. Co. Preferred Stock	1,232,895.64	
Miscellaneous Accounts and Bills Receivable	31,227.73	
Materials and Supplies	12,288.69	
Total		3.257.087.48
Accrued Income Not Due:		
Interest Accrued on Minnesota Tfr. Ry. Co. Bonds		216.66
Deferred Debit Items:		
Taxes Paid in Advance	27,754.20	
W. C. Ry. Co. First General Mortgage Sinking Fund	11,107.04	
M. & S. E. Division Purchase Money Mortgage Sinking Fund	663.57	
Milwaukee Terminal Ry. Co. Advances	90,400.00	
Wisconsin Central Land Co. Advances	19,728.94	
Other Deferred Debit Items	74,351.20	
Total		224,004.95
Grand Total		$70,353,981.58

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RAILWAY COMPANY

June 30, 1911

LIABILITIES

Capital Stock:		
Common	$17,500,000.00	
Preferred	12,500,000.00	
Total		$30,000,000.00
Mortgage, Bonded and Secured Debt:		
W. C. Ry. Co. First General Mortgage Bonds	23,797,000.00	
W. C. Ry. Co. First and Refunding Mortgage Bonds	2,500,000.00	
Sup. & Dul. Div. & Terminal Mortgage Bonds	7,500,000.00	
C. W. & M. R. R. Co. First Mortgage Bonds	776,000.00	
M. & L. W. R. R. Co. First Mortgage Bonds	604,000.00	
M. & S. E. Div. Pur. Money Mortgage Bonds	394,000.00	
Equipment Trust Obligations	1,200,849.00	
Total		36,771,849.00
Working Liabilities:		
Audited Vouchers	35,235.72	
Matured Interest and Dividends Unpaid	507,268.00	
Working Advances Due Soo Line	1,089,852.62	
Total		1,632,356.34
Accrued Liabilities not Due:		
Unmatured Interest and Dividends		330,015.99
Deferred Credit Items:		
Operating Reserve	2,174.72	
Other Deferred Credit Items	1,720.72	
Total		3,895.44
Land Department;		
Land Contracts, etc.	728,306.35	
Less Deferred Payments	598,392.08	
		129,914.27
Profit and Loss		1,485,950.54
Grand Total		$70,353,981.58

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

OPERATING REVENUES AND EXPENSES.

Revenue from Transportation:

Freight Revenue	$6,431,268.42	
Passenger Revenue	1,780,924.76	
Excess Baggage Revenue	13,635.67	
Mail Revenue	129,898.02	
Express Revenue	204,734.05	
Milk Revenue	72,092.39	
Switching Revenue	48,730.03	
Special Service Train Revenue	5,209 37	
Miscellaneous Transportation Revenue	7,042.16	
Total Revenue from Transportation		$8,693,534.87

Revenue from Operations Other than Transportation:

Station and Train Privileges	$ 4,322.48	
Parcel Room Receipts	394.60	
Storage, Freight	6,931.53	
Storage, Baggage	1,013.71	
Car Service	25,113.00	
Rents of Buildings and Other Property	11,126.19	
Miscellaneous	1,716.90	
Total Revenue from Operations Other Than Transportation		$ 50,618.41
Joint Facilities Revenues		5,299.62
Total Operating Revenues		$8,749,452.90

Operating Expenses.

Maintenance of Way and Structures	$ 931,945.46	
Maintenance of Equipment	1,342,077.31	
Traffic Expenses	256,693.53	
Transportation Expenses	3,814,057.97	
General Expenses	191,871.41	
Total Operating Expenses		6,536,645.68
Net Operating Revenue		$2,212,807.22

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

INCOME ACCOUNT, FISCAL YEAR ENDING JUNE 30, 1911

Net Operating Revenue		$2,212,807.22
Outside Operations:		
Revenues	$ 87,217.08	
Expenses	85,697.57	
Net Revenue from Outside Operations		1,519.51
Total Net Revenue		$2,214,326.73
Taxes Accrued		406,768.50
Operating Income		$1,807,558.23
Other Income:		
Interest on Bonds Owned	$ 520.00	
Interest and Discount	17,229.24	
Rents Receivable	33,129.10	
Total Other Income		50,878.34
Gross Corporate Income		$1,858,436.57
Deductions from Gross Corporate Income:		
Rentals of Terminals	$ 430,715.19	
Hire of Equipment	150,794.74	
Interest on Bonds	1,452,190.69	
Interest on Equipment Notes	56,014.98	
Total Deductions		2,089,715.60
Net Corporate Loss		$ 231.279.03

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

PROFIT AND LOSS ACCOUNT, JUNE 30, 1911

By Balance June 30th, 1910		$2,246,835.41
W. C. Ry. Co. First General Mortgage Bonds, Surrendered by Reorganization Managers	$ 27,738.14	
Discount on M. & S. E. Div. P. M. M. Bonds Purchased	836.81	
Discount on W. C. Ry. Co. First General Mortgage Bonds Purchased	11,012.50	
Recovery of Advances for Iron Ore Explorations Abandoned	1,263.65	
		40,851.10
		$2,287,686.51
Deductions for Year:		
Net Corporate Loss for Year Ending June 30, 1911	$231,279.03	
Depreciation Prior to July 1, 1907, on Equipment Sold or Destroyed During this Fiscal Year	26,129.54	
Value, Less Salvage, of Property Abandoned Account of Colfax to Howard Cut-off	87,054.95	
Amount Paid State of Wisconsin in full Settlement for Taxes Prior to this Fiscal Year	6,584.45	
2 per cent Dividend, No. 7, on Preferred Stock	225,344.00	
2 per cent Dividend, No. 8, on Preferred Stock	225,344.00	
		801,735.97
Balance Credit June 30, 1911		$1,485,950.54

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WISCONSIN CENTRAL RAILWAY COMPANY

("SOO LINE," CHICAGO DIVISION)

FUNDED DEBT

The following changes in funded debt have occurred during the year:

Total Funded Debt June 30, 1910		$37,248,932.00
Obligations Retired:		
W. C. Ry. Co. First General Mortgage Bonds	$150,000.00	
M. & S. E. Division Purchase Money Mortgage Bonds	11,000.00	
Dickinson Trust Equipment Bonds	24,000.00	
W. C. Ry. Co. Gold Equipment Trust Bonds	60,000.00	
Equipment Contracts	232,083.00	
Decrease in Funded Debt		477,083.00
Total Funded Debt June 30, 1911 (Page 42)		$36,771,849.00

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CHICAGO DIVISION

Detailed Statement of Earnings and Expenses

EARNINGS:

	1911	1910
From Freight	**$6,431,268.42**	**$6,818,992.34**
From Passenger	**1,780,924.76**	**1,531,410.53**
From Mail	**129,898.02**	**125,542.85**
From Express	**204,734.05**	**203,806.64**
From Miscellaneous	**202,627.65**	**182,078.76**
From Outside Operations	**87,217.08**	**66,393.46**
Total Earnings	**$8,836,669.98**	**$8,928,224.58**

OPERATING EXPENSES:

Maintenance of Way and Structures:		
Superintendence	$ 26,245.01	$ 18,576.37
Ballast	14,629.48	55,549.10
Ties	102,524.66	151,973.45
Rails	6,111.79	34,984.83
Other Track Material	38,071.46	46,244.52
Roadway and Track	392,639.26	372,170.97
Removal of Snow, Sand and Ice	15,593.50	26,335.92
Bridges, Trestles and Culverts	123,777.89	107,183.65
Over and Under Grade Crossings	75.64	13.77
Grade Crossings, Fences, Cattle Guards and Signs	17,644.73	22,025.77
Snow and Sand Fences and Snowsheds	370.65	287.76
Signals and Interlocking Plants	4,430.21	12,277.39
Telegraph and Telephone Lines	9,310.05	20,954.90
Buildings, Fixtures and Grounds	66,209.71	73,157.20
Docks and Wharves	36,325.70	36,409.44
Roadway Tools and Supplies	9,604.63	13,062.47
Injuries to Persons	8,012.03	3,824.13
Stationery and Printing	449.33	697.47
Other Expenses	4,362.38	9,399.29
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	64,594.49	72,795.21
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	9,037.14	4,886.29
Total	$ 931,945.46	$1,073,037.32
Maintenance of Equipment:		
Superintendence	26,853.97	$ 26,056.48
Steam Locomotives—Repairs	473,466.91	401,447.62
Steam Locomotives—Renewals	694.42	5,661.25
Steam Locomotives—Depreciation	34,818.59	24,427.86
Passenger-Train Cars—Repairs	136,614.03	125,969.58
Passenger-Train Cars—Depreciation	8,078.61	6,410.70
Freight-Train Cars—Repairs	489,489.44	417,274.66
Freight-Train Cars—Renewals	5,730.69	28,993.40
Freight-Train Cars—Depreciation	100,664.17	75,726.84
Work Equipment—Repairs	24,162.62	24,387.92
Work Equipment—Renewals	644.69	522.23
Work Equipment—Depreciation	2,973.77	2,276.34
Shop Machinery and Tools	23,787.95	20,992.56
Injuries to Persons	6,863.43	5,206.08
Stationery and Printing	3,837.89	2,713.34
Other Expenses	364.65	218.92
Maintaining Joint Equipment at Terminals—Dr.	3,153.04	2,864.25
Maintaining Joint Equipment at Terminals—Cr.	121.56	115.30
Total	$1,342,077.31	$1,171,034.73
Traffic Expenses:		
Superintendence	$ 47,348.96	$ 49,487.93
Outside Agencies	162,280.79	159,794.72
Advertising	23,238.63	25,869.10
Traffic Associations	2,649.21	2,990.91
Industrial and Immigration Bureaus	6,270.42	6,913.77
Stationery and Printing	14,895.60	23,384.76
Other Expenses	9.92	.....
Total	$ 256,693.53	$ 268,441.19

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CHICAGO DIVISION

Detailed Statement of Earnings and Expenses—Continued.

	1911	1910
Transportation Expenses:		
Superintendence	$ 66,061.24	$ 66,984.61
Dispatching Trains	49,049.80	47,721.68
Station Employees	504,832.16	435,036.86
Weighing and Car-Service Associations	11,009.96	11,071.88
Flour and Merchandise Docks	4,489.46	.....
Coal and Ore Docks	18,938.93	32,602.79
Station Supplies and Expenses	41,292.14	31,942.71
Yardmasters and their Clerks	34,527.61	23,940.69
Yard Conductors and Brakemen	184,373.57	138,569.29
Yard Switch and Signal Tenders	3,989.41	3,352.10
Yard Supplies and Expenses	1,004.24	2,528.86
Yard Enginemen	114,788.15	89,125.24
Enginehouse Expenses—Yard	34,741.31	20,232.39
Fuel for Yard Locomotives	140,061.25	142,034.34
Water for Yard Locomotives	5,172.09	5,684.93
Lubricants for Yard Locomotives	2,216.88	999.13
Other Supplies for Yard Locomotives	3,346.26	1,342.81
Operating Joint Yards and Terminals—Dr.	88,385.13	71,946.05
Operating Joint Yards and Terminals—Cr.	16,610.46	28,371.98
Road Enginemen	461,178.33	407,459.97
Enginehouse Expenses—Road	100,581.92	78,703.71
Fuel for Road Locomotives	909,726.42	738,958.47
Water for Road Locomotives	35,532.19	27,235.67
Lubricants for Road Locomotives	19,019.46	18,168.66
Other Supplies for Road Locomotives	15,102.84	8,656.76
Road Trainmen	503,388.92	434,713.87
Train Supplies and Expenses	128,138.93	90,430.05
Interlockers, Block and Other Signals—Operation	5,481.81	3,798.28
Crossing Flagmen and Gatemen	18,811.89	16,589.24
Drawbridge Operation	3,657.07	3,824.07
Clearing Wrecks	13,269.08	10,486.06
Telegraph and Telephone—Operation	8,077.89	7,094.55
Stationery and Printing	32,178.10	27,372.30
Other Expenses	6,565.87	4,356.90
Loss and Damage—Freight	96,737.31	48,452.11
Loss and Damage—Baggage	584.10	441.04
Damage to Property	38,437.16	10,428.33
Damage to Stock on Right of Way	8,098.82	4,226.06
Injuries to Persons	89,201.96	67,211.72
Operating Joint Tracks and Facilities—Dr.	31,529.22	29,009.31
Operating Joint Tracks and Facilities—Cr.	2,910.45	5,314.34
Total	$3,814,057.97	$3,129,047.17
General Expenses:		
Salaries and Expenses of General Officers	$ 40,994.93	$ 41,402.54
Salaries and Expenses of Clerks and Attendants	66,257.02	56,857.68
General Office Supplies and Expenses	14,513.39	21,106.51
Law Expenses	32,565.93	28,519.00
Insurance	16,751.95	18,283.73
Pensions	2,366.02	.....
Stationery and Printing	10,147.35	18,718.25
Other Expenses	7,468.75	8,718.11
Gen'l Admin. Joint Trks., Yds. & Terminals—Dr.	875.32	1,648.39
Gen'l Admin. Joint Trks., Yds. & Terminals—Cr.	69.25	222.51
Total	$ 191,871.41	$ 195,031.70
Total Operating Expenses	$6,536,645.68	$5,836,592.11
Outside Operating Expenses	85,697.57	59,355.24
Total Expenses	$6,622,343.25	$5,895,947.35
Net Earnings	$2,214,326.73	$3,032,277.23
Percentage of Expenses to Earnings	74.9	66.0

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CHICAGO DIVISION. Comparative Statement of Earnings and Expenses.

EARNINGS

	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902
Freight, Iron Ore	$ 243,914.92	$ 358,762.87	$ 267,048.07	$ 267,123.31	$ 283,308.44	$ 344,301.36	$ 422,581.48	$ 259,824.58	$ 428,718.50	$ 447,412.90
Freight, Other	6,187,353.50	6,460,229.47	5,242,392.64	5,056,808.02	5,327,424.54	4,972,935.28	4,513,638.08	4,505,780.03	4,595,758.95	4,031,464.03
Passenger	1,780,924.76	1,531,410.53	1,509,110.00	1,538,310.55	1,558,673.21	1,412,434.14	1,341,474.44	1,344,329.21	1,297,326.78	1,205,274.44
Mail	129,898.02	125,542.85	128,715.37	122,949.84	126,724.06	127,679.31	127,720.48	127,750.67	125,184.26	124,173.47
Express	204,734.05	203,806.64	190,561.01	178,531.54	156,359.77	133,281.53	130,500.00	115,447.15	96,000.00	96,022.67
Miscellaneous	202,627.65	182,078.76	156,527.88	143,588.09	124,688.64	127,944.61	114,969.08	113,044.94	108,874.25	137,122.65
Outside Operations	87,217.08	66,393.46								
Total	$8,836,669.98	$8,928,224.58	$7,494,354.97	$7,307,311.35	$7,577,178.66	$7,118,576.23	$6,650,883.56	$6,466,176.58	$6,651,862.74	$6,041,470.16

EXPENSES

	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902
Maintenance of Way and Structures	$ 931,945.46	$1,073,037.32	$ 850,365.92	$ 821,966.38	$ 843,192.14	$ 859,723.40	$ 866,202.55	$ 737,204.76	$ 763,096.97	$ 781,674.14
Maintenance of Equipment	1,342,077.31	1,171,034.73	1,019,772.36	1,051,146.82	812,851.33	805,666.00	776,650.29	709,160.08	721,615.43	609,596.65
Traffic Expenses	256,693.53	268,441.19	282,345.78	252,572.75						
Transportation Expenses	3,814,057.97	3,129,047.17	2,705,384.65	2,760,803.82	2,858,993.35	2,618,433 81	2,466,140.73	2,629,143.67	2,459,097.74	2,253,947.27
General Expenses	191,871.41	195,031.70	236,638.32	244,153.32	215,056.19	258,653.31	265,342.50	266,930.86	262,183.34	238,155.54
Outside Operations	85,697.57	59,355.24								
Total	$6,622,343.25	$5,895,947.35	$5,094,507.03	$5,130,643.09	$4,730,093.01	$4,542,476.52	$4,374,336.07	$4,342,439.37	$4,205,993.48	$3,883,373.60
Percentage of Expenses to Earnings	74.9	66.0	68.0	70.2	62.4	63.8	65.8	67.2	63.2	64.3
Net Earnings	$2,214,326.73	$3,032,277.23	$2,399,847.94	$2,176,668.26	$2,847,085.65	$2,576,099.71	$2,276,547.49	$2,123,737.21	$2,445,869.26	$2,158,096.56
Income from other sources	50,878.34	55,669.39	34,723.88	50,569.67	30,404.24	30,827.32	41,233.55	50,007.70	37,320.14	30,654.60
Total	$2,265,205.07	$3,087,946.62	$2,434,571.82	$2,227,237.93	$2,877,489.89	$2,606,027.03	$2,317,781.04	$2,173,744.91	$2,483,189.40	$2,188,751.16
Fixed Charges, Taxes and Terminal Rentals	$2,496,484.10	$2,250,801.89	$1,986,529.28	$1,876,228.50	$1,814,034.22	$1,804,739.03	$1,761,936.77	$1,749,497.72	$1,759,115.44	$1,708,646.48
Surplus income	Dr. $231,279.03	$837,144.73	$448,042.54	$351,009.43	$1,063,455.67	$802,188.00	$555,844.27	$424,247.19	$724,073.96	$480,104.68
Average miles operated	1,085.78	1,077.58	975.64	1,022.74	1,018.23	977.04	977.04	977.04	977.04	977.77
Gross Earnings per mile of road	$8,138.55	$8,285.44	$7,681.47	$7,144.84	$7,441.52	$7,285.86	$6,807.18	$6,618.13	$6,808.18	$6,178.83
Operating Expenses per mile of road	$6,099.16	$5,471.47	$5,221.70	$5,016.57	$4 645.41	$4,649.22	$4,477.13	$4,444.48	$4,304.83	$3,971.67
Surplus Income per mile of road	Dr. $ 213.01	$ 776.87	$ 459.23	$ 343.20	$1,044.42	$ 821.04	$ 568.91	$ 434.22	$ 741.09	$ 491.02

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CHICAGO DIVISION

Freight Traffic Movement.

(Company's Material Excluded.)

	1911		1910		1909	
	Whole Tons	Per Cent	Whole Tons	Per Cent	Whole Tons	Per Cent
Grain	108,596	1.94	152,913	2.66	91,427	1.90
Flour	222,970	3.99	263,324	4.58	200,861	4.24
Other Mill Products	88,975	1.59	67,452	1.17	45,002	.95
Hay	37,803	.68	34,895	.61	34,951	.74
Tobacco	691	.....	1,247	.02	1,220	.02
Fruit and Vegetables	119,192	2.13	126,503	2.20	87,879	1.87
Other Agricultural Products	26,558	.47	26,883	.46	24,474	.52
Live Stock	55,761	1.00	42,268	.74	34,161	.74
Dressed Meats	2,985	.05	4,215	.07	3,779	.10
Other Packing House Products	4,583	.08	2,313	.04	5,246	.12
Poultry, Game and Fish	3,462	.06	2,678	.05	2,021	.04
Wool	3,778	.07	5,662	.10	5,166	.10
Hides and Leather	13,241	.24	14,377	.25	13,096	.28
Other Products of Animals	9,218	.17	1,702	.03	1,264	.02
Anthracite Coal	126,961	2.27	106,621	1.86	93,555	1.98
Bituminous Coal	398,554	7.13	452,793	7.88	465,097	9.82
Coke	25,171	.45	15,253	.27	13,370	.28
Ores	699,805	12.52	1,013,040	17.63	753,378	15.90
Stone, Sand, etc	270,552	4.84	222,752	3.88	212,278	4.48
Other Products of Mines	22,556	.40	15,101	.26	17,386	.37
Lumber	593,256	10.61	742,366	12.92	462,501	9.77
Other Forest Products	1,051,929	18.82	788,834	13.72	788,219	16.64
Petroleum and Other Oils	61,837	1.11	54,031	.94	45,428	.95
Sugar	17,120	.31	23,985	.42	19,990	.40
Iron, Pig and Bloom	23,263	.42	33,273	.58	14,853	.32
Iron and Steel Rails	40,284	.72	69,992	1.22	21,611	.45
Other Castings and Machinery	44,522	.80	36,520	.63	23,074	.49
Bar and Sheet Metal	83,213	1.49	75,330	1.31	15,944	.33
Cement, Brick and Lime	158,605	2.84	136,499	2.37	91,562	1.93
Agricultural Implements	16,644	.30	18,459	.32	15,129	.33
Wagons, Carriages, Tools, etc	7,189	.13	6,854	.12	6,678	.14
Wines, Liquors and Beers	46,055	.82	38,065	.66	32,110	.68
Household Goods and Furniture	21,274	.38	18,366	.32	14,332	.31
Merchandise	234,266	4.19	299,854	5.22	227,931	4.82
Miscellaneous	949,034	16.98	832,583	14.49	850,912	17.97
Total	5,589,903	100.00	5,747,003	100.00	4,735,885	100.00

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CHICAGO DIVISION

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

	1912		1911	
	Passengers, Tonnage Rates and Revenue		Passengers, Tonnage Rates and Revenue	
Passenger Traffic				
Number of Passengers Carried Earning Revenue	1,826,658		1,777,920	
Number of Passengers Carried One Mile	100,124,362		99,278,532	
Number of Passengers Carried One Mile per Mile of Road	91,753		91,435	
Average Distance carried, Miles	54	81	55	84
Total Passenger Revenue	$1,829,759	41	$1,780,924	76
Average Amount Received from Each Passenger	$1	00170	$1	00169
Average Receipts per Passenger per Mile	$	01827	$	01794
Total Passenger Service Train Revenue	$2,259,391	63	$2,201,284	89
Passenger Service Train Revenue per Mile of Road	$2,070	48	$2,027	38
Passenger Service Train Revenue per Train Mile	$1	00413	$1	01869
Freight Traffic				
Number of Tons Carried of Freight Earning Revenue	5,842,231		5,589,903	
Number of Tons Carried One Mile	1,061,557,528		991,681,168	
Number of Tons Carried One Mile per Mile of Road	972,799		913,335	
Average Distance Haul of One Ton, Miles	181	70	177	41
Total Freight Revenue	$7,109,491	99	$6,431,268	42
Average Amount Received for Each Ton of Freight	$1	21691	$1	15052
Average Receipts per Ton per Mile	$	00670	$	00649
Freight Revenue per Mile of Road	$6,515	06	$5,923	18
Freight Revenue per Train Mile	$2	98518	$2	20380
Total Traffic				
Operating Revenues	$9,493,296	51	$8,749,452	90
Operating Revenues per Mile of Road	$8,699	55	$8,058	22
Operating Revenues per Train Mile	$2	14851	$1	78610
Operating Expenses	$6,540,284	03	$6,536,645	68
Operating Expenses per Mile of Road	$5,993	44	$6,020	23
Operating Expenses per Train Mile	$1	48019	$1	33438
Net Operating Revenue	$2,953,012	48	$2,212,807	22
Net Operating Revenue per Mile of Road	$2,706	11	$2,037	99

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Traffic and Mileage Statistics—Continued.

CLASSIFICATION	1912	1911
Locomotive Mileage, Revenue Service:		
Freight Locomotive-Miles	3,860,020	2,978,775
Passenger Locomotive-Miles	3,126,532	3,047,244
Mixed Locomotive-Miles	368,274	373,423
Special Locomotive-Miles	3,796	20,803
Switching Locomotive-Miles	981,946	897,491
Total Revenue Locomotive Mileage	8,340,568	7,317,736
Non-revenue Service Locomotive-Miles	368,039	308,127
Car Mileage, Revenue Service:		
Freight Car-Miles:		
Loaded	90,928,929	70,008,812
Empty	28,601,135	25,954,478
Caboose	3,837,821	2,940,013
Total Freight Car-Miles	123,367,885	98,903,303
Passenger Car-Miles:		
Passenger	7,219,917	6,876,994
Sleeping, Parlor and Observation	5,126,561	4,746,041
Other Passenger Train Cars	5,825,287	5,634,654
Total Passenger Car-Miles	18,171,765	17,257,689
Special Car-Miles:		
Freight, Loaded	11,041	9,016
Freight, Empty	0	0
Caboose	630	409
Passenger	0	1,824
Sleeping, Parlor and Observation	0	2,640
Other Passenger Train Cars	0	4,464
Total Special Car-Miles	11,671	18,353
Total Revenue Car Mileage	141,551,321	116,179,345
Non-revenue Service Car-Miles	4,962,894	2,575,367
Train Mileage, Revenue Service		
Freight Train-Miles	3,814,546	2,903,495
Passenger Train-Miles	3,124,183	3,011,257
Mixed Train-Miles	364,560	358,740
Special Train-Miles	1,135	15,014
Total Revenue Train Mileage	7,304,424	6,288,506
Non-revenue Service Train-Miles	145,526	93,135
Average Number of Passengers per Car-Mile	14.	13.
Average Number of Passengers per Train-Mile	48.	46.
Average Number of Passenger Cars per Train-Mile	5.21	5.12
Average Number of Tons of Freight per Loaded Car-Mile	18.18	15.30
Average Number of Tons of Freight per Train-Mile	395.50	328.24
Average Number of Freight Cars per Train-Mile	29.52	30.32
Average Number of Loaded Cars per Train-Mile	21.76	21.46
Average Number of Empty Cars per Train-Mile	6.84	7.96
Average Mileage Operated During Year	2740.63	2,638.56

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ADDITIONS AND BETTERMENTS
Year Ending June 30, 1912.

WISCONSIN CENTRAL RAILWAY COMPANY
("SOO LINE," CHICAGO DIVISION)

Right of Way and Station Grounds		$ 15,414.14
Real Estate	Cr.	1,276.50
Widening Cuts and Fills		11,783.67
Protection of Banks and Drainage		18,555.78
Grade Reductions and Changes of Line	Cr.	629.79
Bridges, Trestles and Culverts		21,115.89
Increased Weight of Rail		22,102.65
Improved Frogs and Switches		11.34
Ballast	Cr.	528.97
Sidings and Spur Tracks		72,672.75
Terminal Yards	Cr.	14,620.14
Elimination of Grade Crossings	Cr.	2,287.31
Interlocking Apparatus		8,587.45
Station Buildings and Fixtures		28,747.99
Shops, Engine Houses and Turntables		3,207.61
Water and Fuel Stations		1,491.99
Dock and Wharf Property		3,862.50
Total		$ 188,261.05

New Construction, Year Ending June 30, 1912.

Owen to Spencer Cut-off	Cr.	$ 451.18
Boyd to Cadott Cut-off	Cr.	961.81
Colfax to Howard Cut-off		7,465.61
Cylon to Downing Cut-off		26,564.69
Withrow to New Richmond Cut-off		54,486.26
Total		$87,103.57

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EQUIPMENT CHANGES

Year ending June 30, 1912

WISCONSIN CENTRAL RAILWAY COMPANY
("SOO LINE," CHICAGO DIVISION)

Additions:		
25 Locomotives	$552,954.95	
6 Passenger Cars	92,813.40	
1 Dining Car	21,856.83	
20 Cabooses	24,140.24	
1 Steam Wrecker	13,529.17	
1 Locomotive Crane	2,500.00	
Electric Headlights	14,655.68	
Miscellaneous Charges	522.38	
		$ 722,972.65
Deductions:		
1 Locomotive Sold	$ 3,567.01	
1 Passenger Car Destroyed	3,000.00	
198 Box Cars Destroyed	73,583.61	
19 Flat Cars Destroyed	6,995.21	
1 Gondola Car Destroyed	302.11	
25 Ballast Cars Destroyed	15,329.48	
136 Ore Cars Destroyed	35,702.50	
18 Caboose Cars Destroyed	7,615.60	
15 Work Cars Destroyed	3,060.88	
		149,156.40
		$ 573,816.25

Reserve for Accrued Depreciation.

Balance from Previous Year	$ 931,672.39
Depreciation on Locomotives	45,882.88
Depreciation on Freight Cars	86,344.39
Depreciation on Work Cars	1,226.54
Depreciation on Passenger Cars	9,619.08
Depreciation on Dining Cars	3,235.17
Depreciation on Ore Dock	22,128.00
Total	$1,100,108.45

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EQUIPMENT OWNED JUNE 30, 1912.

WISCONSIN CENTRAL RAILWAY COMPANY
("SOO LINE," CHICAGO DIVISION)

Locomotives	219
First Class Passenger Coaches	50
Second Class Passenger Coaches	21
Combination Cars	12
Chair Cars	3
Parlor Cars	7
Dining Cars	5
Composite Cars	4
Baggage Cars	19
Mail and Express Cars	10
Combination Baggage, Mail and Express Cars	2
Official Cars	3
Mail Cars	6
Milk Cars	3
Total Passenger Cars	145
Box Cars	6,045
Caboose Cars	135
Flat Cars	866
Gondola Cars	45
Ore Cars	1,205
Stock Cars	149
Refrigerator Cars	161
Total Freight Cars	8,606
Miscellaneous:	
Ballast Cars	451
Pile Driver, Steam Shovel and Road Service Cars	122
Total Miscellaneous	573

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LAND DEPARTMENT

WISCONSIN CENTRAL RAILWAY COMPANY
("SOO LINE" CHICAGO DIVISION)

The gross land sales of the Land Department for the year were 4,042.01 acres, for	$ 39,134.37
The average sale price per acre being	$ 9.68
Town lot sales amounted to (3 lots)	$ 180.00
The average price per lot being	$ 60.00
Timber sales amounted to	$217,964.70
The royalties accrued during the year from iron ore mined from the Company's land amounted to	$ 53,489.33
The gross cash receipts from lands, lots, timber, royalties, deferred payments, interest on deferred payments, rents, etc., were	$216,061.55
The expenses of the Land Department, including taxes and the cost of caring for the property, were	$ 81,712.19
The total number of acres remaining in the grant on the 30th of June, 1912, was	421,301.38
Number of acres under contract of sale	16,340.98
Number of acres unsold	405,460.40
The land, timber and town lot sales increased	$176,082.17

Land Department Condensed Balance Sheet, June 30, 1912.

	Dr.	Cr.
Unpaid Balances on Land and Stumpage Contracts	$712,934.39	
Cash in Banks	216,807.32	
Interest Accrued on Land Contracts	8,682.04	
Interest Accrued on Stumpage Contracts	16,239.02	
Ashland City Bonds	400.00	
Stump Pulling Plant	9,283.43	
Royalties Accrued	19,327.74	
Accrued Rents	150.00	
Phillips Lot Sales, Joint Account	1,029.51	
Westboro Lot Sales, Joint Account	191.24	
Accrued Taxes, 1912	.....	$27,000.00
Accrued Commissions	.....	417.79
Options	.....	876.00
Surplus	.....	956,750.90
	$985,044.69	$985,044.69

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LAND DEPARTMENT

WISCONSIN CENTRAL RAILWAY COMPANY
("SOO LINE," CHICAGO DIVISION)

Land Department Income Account, Year Ending June 30, 1912.

RESOURCES		EXPENDITURES	
Land Sales: Average Price per Acre... $9.68, per lot $60.00....	$ 39,314.37	Examining Lands.....	$1,940.63
Stumpage Sales.....	19,059.00	Expense of Investigation....	125.08
Stumpage Contracts.....	198,905.70	Commissions.....	3,630.78
Interest and Discount.....	38,321.86	General Office Expenses.....	5,570.05
Rents.....	469.96	Land Agents.....	1,220.46
Royalties.....	53,489.33	Printing and Advertising....	3,773.62
Commissions on Outside Sales	204.00	Operating Stump Pulling Plant.....	5,364.27
Miscellaneous.....	2,389.31	Tax Department Expenses..	407.40
		Taxes.....	53,648.27
		Legal Expenses.....	3,019.25
		Sassen Tract.....	3,012.38
		Surplus for year ending June 30th, 1912 carried to Profit and Loss Account.....	270,441.34
Total.....	$352,153.53	Total.....	$352,153.53

Land Department Profit and Loss Account, Year Ending June 30, 1912.

To Payments to Sinking Fund, year ending June 30, 1912...	$ 41,996.79	By Balance to Credit of Profit and Loss Account, June 30, 1911.....	$728,306.35
Balance to Credit of Profit and Loss Account, June 30, 1912.....	956,750.90	By Surplus for year ending June 30, 1912, brought down.....	270,441.34
Total.....	$998,747.69	Total.....	$998,747.69

Acreage Account

	Under Contract	Balance	Total
Balance, June 30, 1911	14,071.24	409,422.41	423,493.65
Deeded during the year.....	564.38	1,127.89	1,692.27
Cancellations during the year.....	80.00	80.00	.....
	13,426.86	408,374.52	421,801.38
New Contracts.....	2,914.12	2,914.12	.....
Balance June 30, 1912.....	16,340.98	405,460.40	421,801.38

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MILEAGE

WISCONSIN CENTRAL RAILWAY COMPANY
("SOO LINE," CHICAGO DIVISION)

The mileage owned and operated is as follows:

Owned:

Chicago, Ill. (Central Ave.) to Withrow, Minn.	423.68	
Spencer, Wis. to Ashland, Wis.	145.75	
Abbotsford, Wis. to Owen, Wis.	12.32	
Owen, Wis. to Superior, Wis.	153.66	
Duluth Terminals	.68	
Neenah, Wis. to Manitowoc, Wis.	37.23	
Stevens Point, Wis. to Portage, Wis.	70.75	
Packwaukee Junction, Wis. to Montello, Wis.	7.68	
Marshfield, Wis. to Nekoosa, Wis.	32.61	
Marshfield, Wis. to Greenwood, Wis.	22.44	
Chippewa Falls, Wis. to Eau Claire, Wis.	9.59	
Chelsea, Wis. to Rib Lake, Wis.	5.57	
Mellen, Wis. to Bessemer, Mich.	33.77	
Abbotsford, Wis. to Goodrich, Wis.	25.33	
Ashland Ore Dock Line	2.26	
Ashland Commercial Dock Line	1.27	
Total Mileage Owned, June 30, 1912		984.59

Trackage Rights:

Ill. Cent. R. R., So. Water St., Chicago to Harlem Jct.	14.37	
C. M. & St. P. Ry., Milwaukee, Wis., to Rugby Jct., Wis.	27.60	
C. M. & St. P. Ry., Magenta to Eau Claire Terminal	1.32	
C. M. & St. P. Ry., Main Line, Chippewa Falls	.57	
C. M. & St. P. Ry., Manitowoc Branch	7.19	
C. M. & St. P. Ry., Eau Claire Branch	25	
M. St. P. & S. S. M. Ry., Withrow to Cardigan Jct.	11.92	
M. St. P. & S. S. M. Ry., Minneapolis, St. Paul, Duluth and Superior Terminals	43.43	
Total		106.65
Total Mileage Operated June 30, 1912		1,091.24

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76.15

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

THE MINNEAPOLIS, SAULT STE. MARIE & ATLANTIC RAILWAY COMPANY

—TO THE—

CENTRAL TRUST COMPANY OF NEW YORK,

Trustee.

32	†Minn., S.S. M. & Atl. 1st mtg. gold	1886	495	4	Ja & Jl	Ja	1926	8,280,000

32 1st mtg. Minneapolis, Minn., to Sault Ste. Marie, Mich., 495 miles. No more bonds to be issued. Den. $1,000. Int. guar. by Canadian Pacific Ry. Co.

FIRST MORTGAGE, JAN. 1, 1886.

BURGOYNE'S "Quick" Print, 146-150 Centre St., N. Y.

due
1926.

Interest reduced to 4%.
(See Canadian Pacific report for 1890, p. 43.)
a listing A 943

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An Indenture, made the first day of January, 1886, between the MINNEAPOLIS, SAULT STE. MARIE AND ATLANTIC RAILWAY COMPANY, party of the first part, the MINNEAPOLIS AND ST. CROIX RAILWAY COMPANY, party of the second part, the MENOMINEE AND SAULT STE. MARIE RAILWAY COMPANY, party of the third part, and the CENTRAL TRUST COMPANY OF NEW YORK, party of the fourth part.

WHEREAS, the Minneapolis, Sault Ste. Marie and Atlantic Railway Company, the party hereto of the first part, hereinafter called the Wisconsin Company, is a corporation created, organized and existing under and pursuant to the laws of the State of Wisconsin by virtue of the due execution and filing of articles of incorporation in the Office of the Secretary of State of the State of Wisconsin on the 29th day of September, A. D. 1883, and by the issue to it of a patent from the Governor of the said State of Wisconsin on the same day; and the said Railway Company is, by virtue of its incorporation as aforesaid, and by virtue of the general laws of the State of Wisconsin, authorized and empowered to acquire, construct, maintain and operate a main line of railway through the State of Wisconsin from a point in the County of Polk and State of Wisconsin on the St. Croix River and on the boundary line between the States of Wisconsin and Minnesota, near the Village of Osceola, to a point at or near the town of Florence, upon the Menominee River, on the boundary line between the State of Wisconsin and the State of Michigan, a distance of about two hundred and twenty-five (225) miles; and is also authorized to build branches of the said main line;

AND WHEREAS, the said Railway Company, under the powers possessed as aforesaid, is also authorized to connect, at the said

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terminal points, its said railway with the railways of other railway companies in the States of Minnesota and Michigan, and is also authorized to furnish money for the construction of the railways of any other railway company or companies with which it can be lawfully connected, whether within or without the State of Wisconsin, and to purchase and hold the stock or bonds of such other company or companies, or to lease or purchase the railways of the said company or companies for such consideration and on such terms as may be agreed upon by the respective boards of directors of the several companies; and it is also authorized by the laws of the State of Minnesota, as well as of the State of Wisconsin, to acquire by lease, purchase or otherwise, connecting railways in the State of Minnesota; and is also authorized by the laws of the States of Wisconsin, Minnesota and Michigan to consolidate with other railway corporations in Wisconsin, Minnesota or Michigan, whose railways can be lawfully connected with its own so as to form a continuous line of railway, or whose lines form a continuous line with its own;

And whereas, it has at all times been a part of the plan and purpose in pursuance of which the said Wisconsin Company was incorporated, to construct, maintain and operate its said line of railway in the State of Wisconsin as a part of a through line of railway within the States of Minnesota, Wisconsin and Michigan, running from Minneapolis and St. Paul in the State of Minnesota, eastwardly through the States of Minnesota, Wisconsin and Michigan to Sault Ste. Marie, situated on the Sault Ste. Marie or St. Mary's River, in the State of Michigan, and to the boundary line between the United States of America and the Dominion of Canada, with a view of connecting thereat with the Canadian Pacific Railway or other railways in the Dominion of Canada, running or to run from said boundary line to the City of Montreal, in the Dominion of Canada, and connecting with railways running to the City of New York, the

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City of Boston and the City of Portland and other seaports upon the Atlantic Ocean;

And whereas, there was, in the month of September, 1883 in pursuance of the said plan and purpose, duly created and organized under the laws of the State of Minnesota, the Minneapolis and St. Croix Railway Company, the party hereto of the second part, hereinafter called the Minnesota Company, which company, in and by articles of incorporation duly filed in the Office of the Secretary of State of the State of Minnesota, and by the general laws of the State of Minnesota, is authorized and empowered to acquire, construct, maintain and operate a main line of railway, extending from the City of Minneapolis and from the City of St. Paul, in the State of Minnesota, in a northeasterly direction to a point upon the St. Croix River and to a connection with the said line of railway of the Wisconsin Company, the party hereto of the first part, a distance of about fifty (50) miles; and also to build branches of the said main line; and the said company is authorized, under and by virtue of the laws of the State of Minnesota, to sell or transfer its stock or to sell and convey or to lease the said line of railway constructed or to be constructed by it, and any of its rights, property and franchises, to the Wisconsin Company aforesaid, or to consolidate its railway, stock and franchises with the railway, stock and franchises of the Wisconsin Company aforesaid;

And whereas, in further pursuance of the said plan and purpose, there was, in the month of April, 1885, duly created and organized under and by virtue of the laws of the State of Michigan, the Menominee and Sault Ste. Marie Railway Company, the party hereto of the third part, hereinafter called the Michigan Company; which corporation, under and by virtue of articles of association filed and recorded in the Office of the Secretary of State of the State of Michigan, and under and by

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virtue of the general laws of the State of Michigan, is authorized and empowered to acquire, construct, operate and maintain a main line of railway, beginning at a point on the boundary line between the States of Wisconsin and Michigan, in Menominee County in the State of Michigan, and a point of connection with the railway of the Wisconsin Company aforesaid, and running thence in an easterly direction through the State of Michigan, by the way of Sault Ste. Marie, to a point on the Sault Ste. Marie, or St. Mary's River, and on the easterly boundary of the said State of Michigan, in the County of Chippewa, a distance of about two hundred (200) miles; and also to build branches of the said main line; and the said Michigan Company, under its said articles of association and the general laws of the State of Michigan, is authorized to consolidate with the Wisconsin Company aforesaid;

And whereas, each of the said Minnesota, Wisconsin and Michigan Companies is empowered to borrow money for the construction and equipment of its railways, and to secure the payment thereof by mortgage upon its railways, property and franchises;

And whereas, the Wisconsin Company, the party hereto of the first part, has constructed and equipped with steel rails, sidings, water-tanks, depots, station-houses, switches, bridges and all the appurtenances necessary to a first-class railway, together with the rolling stock necessary to operate the same, that portion of its main line which extends from Turtle Lake in the County of Barron and State of Wisconsin (a point of connection with the railway of the Chicago, St. Paul, Minneapolis and Omaha Railway Company), by the way of Bruce, on the Chippewa River, in the County of Chippewa, in the State of Wisconsin, to Main Creek, in the said County of Chippewa, a distance of about seventy (70) miles, and is now operating the said portion of its said line;

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And whereas, the Wisconsin Company aforesaid, under the powers possessed as aforesaid, is about to extend and complete, in the same substantial manner as the railway already constructed, its entire line of railway within the State of Wisconsin, an additional distance of about one hundred and sixty (160) miles; and has entered into certain agreements with the Minnesota Company and with the Michigan Company to aid in the construction of their respective lines of railway aforesaid, which railways are to be built in the same substantial manner as the railways of the Wisconsin Company.

And whereas, in and by the said agreement between the Wisconsin and Minnesota Companies (which bears date the fifteenth day of December, 1885), it is, among other things, agreed; that the main lines of the railways of the two companies should meet and connect with each other on the boundary line between the said States of Minnesota and Wisconsin, so as to form one continuous line of railway; that the Minnesota Company should at once commence, and thereafter continue, the construction of, and by the first day of December, 1887 fully complete, its said entire main line of railway; that the Wisconsin Company should aid the Minnesota Company in the construction of its said line of railway by furnishing to the Minnesota Company the first mortgage five per cent. forty-year gold bonds of the Wisconsin Company to an amount equal to twenty thousand dollars of the par value thereof (or the proceeds of the same) for each mile in length of the said lines of railway of the Minnesota Company; that after the completion of its said line of railway the Minnesota Company should sell and convey the same unto the Wisconsin Company, and the Wisconsin Company should purchase the said line of railway; and that in the meanwhile, in order to secure the payment of the moneys or bonds so advanced to the Minnesota Company, it should secure the payment of the said bonds by a first mortgage lien upon its said railways and the property and franchises appurtenant thereto;

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And whereas, in and by the aforesaid agreement between the Michigan and Wisconsin Companies (which bears date the twenty-second day of December, 1885), it is, among other things, agreed; that the lines of the two companies should meet and connect at the boundary line between the States of Wisconsin and Michigan, so as to form a continuous or connected line; that the Michigan Company should at once commence, and thereafter continue and fully complete the construction of its railways; that the Wisconsin Company should aid the Michigan Company in securing the moneys to defray the cost of its construction by furnishing to the Michigan Company the first mortgage five per cent. forty-year gold bonds of the Wisconsin Company to an amount equal to twenty thousand dollars of the par value thereof (or the proceeds of the same) for each mile in length of the said railways of the said Michigan Company; that as soon as might be convenient the two companies should become and be consolidated under the name of the Minneapolis, Sault Ste. Marie and Atlantic Railway Company; that the said first mortgage bonds of the Wisconsin Company should, upon said consolidation, become the bonds and obligations of the consolidated company so formed; and that in the meanwhile, in order to secure the payment of the moneys or bonds so advanced to the Michigan Company, it should secure the payment of the said bonds by a first mortgage lien upon its railways, property and franchises;

And whereas, the Wisconsin Company has resolved, in due form of law, to borrow money to construct, complete and equip its lines of railway; and, for the purpose of securing the moneys so to be borrowed, and of fulfilling its agreements made as aforesaid with the Minnesota and Michigan Companies, has duly resolved to issue its first mortgage five per cent. forty-year gold bonds to an amount equal to twenty thousand dollars of the par value thereof per mile in length of the lines of its railways and of the railways of the Minnesota and Michigan Com-

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panies; and to secure by mortgage upon its railways, property and franchises, the bonds so issued by it upon its lines of railway;

And whereas, it has been found most convenient that said Wisconsin, Minnesota and Michigan Companies, the parties hereto of the first, second and third part, and each of them, in carrying out the agreements made between them as aforesaid, should provide for the issue of but one series of the bonds of the Wisconsin Company, and should secure the whole of the said issue of bonds upon the railways of the three companies by a mortgage in which the said companies should unite, so that, upon the consummation of the purchase by the Wisconsin Company of the railways of the Minnesota Company, and the consummation of the consolidation of the Wisconsin and Michigan Companies, the said issue of bonds shall become the obligations of the said consolidated company, and shall be secured by a single mortgage upon all the railways, property and franchises of the consolidated company;

And whereas, it has been agreed by and between the parties hereto of the first, second and third part, with the view of making the bonds of the said issue of greater market value, that the same shall be at first issued only at the rate of sixteen thousand dollars per mile of completed railway actually constructed or acquired by either of the said railway companies or by the said consolidated company, and that an additional amount of not exceeding four thousand dollars per mile of completed railway may, from time to time, be issued to an amount not in excess of the sums of money actually expended by either of the said companies, or the said consolidated company, either for rolling stock to be used upon the said railways; or for the construction or acquisition of bridges across the St. Croix, Chippewa, Flambeau, Wisconsin, Menominee, Escanaba, Manistique and St. Mary's Rivers, or any other bridge actually constructed

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upon the said lines of railway the total cost of which bridge shall exceed ten thousand dollars; or for the acquisition of terminal grounds and yards and the construction or acquisition of shops, tracks, warehouses and other terminal facilities at Minneapolis and Sault Ste. Marie; or for the acquiring of yards, grounds and the constructing or acquiring shops, warehouses, docks, piers and other terminal facilities at Sanders' Point, or any other lake port on the said lines of railway and on the northern shore of Lake Michigan;

And whereas, the said parties of the first, second and third part have agreed that the bonds to be issued and secured as aforesaid, shall be substantially in the form below set forth; and the Board of Directors of the said Wisconsin Company, with the due consent and approval of the stockholders of the said company, have authorized and directed its officers to make and execute a series of the bonds of the said Wisconsin Company for one thousand dollars each, and to issue the same in the manner and to the extent in this indenture set forth, and have directed that such bonds should be made and executed substantially in the following form:

[FORM OF BOND.]

UNITED STATES OF AMERICA.

No. —— 1,000. No. ——

The Minneapolis, Sault Ste. Marie and Atlantic Railway Company.

First Mortgage Bond.

Know all men by these presents, that The Minneapolis, Sault Ste. Marie and Atlantic Railway Company is indebted to the Central Trust Company of New York, or bearer, in the sum of one thousand dollars, lawful money of the United States of

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America, which indebtedness it promises to pay in United States gold coin of the present standard, to the Central Trust Company of New York, or to the bearer hereof,on the first day of January, A. D. one thousand nine hundred and twenty-six, at the office or agency of said Railway Company, in the City of New York, with interest thereon in the meantime in like gold coin, at the rate of five per centum per annum, payable semi-annually, on the first days of January and July of each year, at said office or agency, upon presentation and surrender of the annexed coupons as they severally fall due.

The payment of each and all of the bonds of said series, together with the interest thereon, without reference to the time when said bonds shall be actually issued, is secured by a mortgage or deed of trust, bearing date on the first day of January, in the year one thousand eight hundred and eighty-six, duly executed by The Minneapolis, Sault Ste. Marie and Atlantic Railway Company, The Minneapolis and St. Croix Railway Company, and The Menominee and Sault Ste. Marie Railway Company, to the Central Trust Company of New York, trustee, conveying the railways of said companies, extending from Minneapolis and St. Paul, through the States of Minnesota, Wisconsin and Michigan, to Sault Ste. Marie and the boundary line between Michigan and Canada, constructed and to be constructed, and all extensions and branches thereof, and the equipment, property, revenues and franchises conveyed by said mortgage.

On six months default in the payment of the interest on this bond, the principal may be made due in the manner set forth in said mortgage.

This bond may be registered, as provided by the endorsement hereon.

This bond shall not be obligatory until certified by said Trust Company.

In witness whereof, The Minneapolis, Sault Ste. Marie and Atlantic Railway Company has caused its corporate seal to

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be hereto affixed and the same to be attested by the signatures of its President and Secretary, on the first day of January, 1886.

President Minneapolis, Sault Ste. Marie and Atlantic Railway Company.

Secretary Minneapolis, Sault Ste. Marie and Atlantic Railway Company.

And whereas, it has been further directed that there should be attached to the said bonds, coupons representing the semi-annual interest thereon, authenticated by the engraved facsimile signature of the Treasurer of the said Minneapolis, Sault Ste. Marie and Atlantic Railway Company (adopted as the signature of the said company), substantially in the following form:

[Form of Coupon.]

"$25. The Minneapolis, Sault Ste. Marie and Atlantic
" Railway Company will pay to the bearer twenty-five dollars in
" gold coin of the United States, of the present standard, at the
" office or agency of the company, in the City of New York,
" on the day of , A. D. 1——, being six months'
" interest on its first mortgage bond, No. —.

" Treasurer."

And whereas, it has been further directed that there should be endorsed upon each of said bonds a clause providing for the registration thereof, substantially in the following form:

[Form of Registration Clause.]

" This bond may be registered in the owner's name, on the

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" company's books in New York City, such registry being " noted on the bond by the company's transfer agent, after " which no transfer shall be valid unless made on the com- " pany's books by the registered owner, and similarly noted on " the bond; but the same may be discharged from registry by " being transferred to bearer, after which it shall be trans- " ferable by delivery, but it may be again registered as before. " The registry of the bond shall not restrain the negotiability " of the coupons by delivery merely; but the coupons may be " surrendered and the interest made payable only to the reg- " istered owner of the bond."

And whereas, it has been also directed that there should be endorsed upon the said bonds a certificate of the Central Trust Company of New York, as trustee, executed within the terms of this indenture, substantially in the following form:

Form of Trustee's Certificate.

" This is one of a series of bonds issued by the Minneapo- " lis, Sault Ste. Marie and Atlantic Railway Company as " authorized by the mortgage or deed of trust referred to in " the within bond.

Central Trust Company of New York, Trustee.

By President."

And whereas, the Wisconsin Company, the Minnesota Company and the Michigan Company, the parties hereto of the first, second and third part, for the purpose of securing the payment of the entire issue of the said bonds of the Wisconsin Company, by the action of their respective boards of directors, duly assented to and approved by the stockholders of said companies respectively, have severally authorized and directed their respective presidents and secretaries to execute in their respective corporate names, and under their re-

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spective corporate seals, and to deliver to the Central Trust Company of New York, (a corporation of the State of New York, the said party of the fourth part hereto, hereinafter called The Trust Company), a mortgage or deed of trust substantially in the terms hereof, conveying by way of mortgage all the railways of the Minnesota, Wisconsin and Michigan Companies, respectively, both main line and branches, constructed or to be constructed, and all railways, both main line and branches, now owned or hereafter acquired by either of said companies or its successors or assigns, whether by lease, purchase, consolidation or otherwise; and also, generally, all the rights, properties and franchises now owned, held or possessed, or hereafter acquired or held by the Wisconsin Company, the Michigan Company, and each of them, their and each of their successors and assigns;

Now, therefore, in consideration of the premises, and of the sum of one dollar to each of the railway companies, the parties hereto of the first, second and third part, duly paid by the party of the fourth part, the receipt of which is hereby acknowledged, and in execution of the powers in that behalf possessed by each of the said railway companies as hereinbefore recited, **This Indenture Witnesseth:**

That the Minneapolis, Sault Ste. Marie and Atlantic Railway Company, the party hereto of the first part, the Minneapolis and St. Croix Railway Company, the party hereto of the second part, and the Menominee and Sault Ste. Marie Railway Company, the party hereto of the third part, have, and each of the same has, granted, bargained, sold, conveyed and assigned, and by these presents doth grant, bargain, sell, convey and assign unto the said Central Trust Company of New York, and to its successors in this trust, all the railways, property and franchises hereinafter more fully described, to wit:

The Minneapolis and St. Croix Railway Company doth grant, bargain, sell, convey and assign unto the said Trust Company all

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the main line of railway constructed or to be constructed or acquired by it, and extending from the City of Minneapolis and from the City of St. Paul, in the State of Minnesota, easterly through the Counties of Hennepin, Ramsey, Washington and Chisago, in the said State of Minnesota, to a point of connection with the said main line of the railway of the Wisconsin Company aforesaid, at the boundary line between the States of Wisconsin and Minnesota, and also all branches and extensions of the said main line of railway hereafter made or acquired by it; together with all the property, real and personal, of the Minnesota Company aforesaid, now owned or hereafter acquired by it appurtenant to the railways hereby conveyed, and necessary or convenient in the operation thereof; and also all its rights, privileges, immunities and franchises necessary or convenient for the operation, maintenance and repair of the railways hereby conveyed:

The Minneapolis, Sault Ste. Marie and Atlantic Railway Company doth grant, bargain, sell, convey and assign unto the said Trust Company all the main line of railway constructed or to be constructed or acquired by it, and extending from a point of connection with the said main line of the Minnesota Company aforesaid at the St. Croix River, by the way of Turtle Lake, in the State of Wisconsin, on the line of the railway of the Chicago, St. Paul, Minneapolis and Omaha Railway Company and a point of connection with the said railway, and by the way of Barron, Bruce and Rhinelander, in the State of Wisconsin, to a point upon the Menominee River, on the boundary line between the States of Wisconsin and Michigan, running through the Counties of Polk, Barron, Chippewa, Lincoln, Taylor, Langdale, Oconto, Florence and Marinette, or some of them, and if necessary, through other counties in the State of Wisconsin; and also all branches or extensions of the said railways hereafter constructed or acquired by the said Wisconsin Company, together with all the property, real and personal, of the said Wisconsin Company, now or hereafter owned or

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acquired by it, appurtenant to the railways hereby conveyed or neccessary or convenient in the operation thereof; and also all the rights, privileges, immunities and franchises of the said Wisconsin Company of whatever kind or nature now held or hereafter acquired:

The Menominee and Sault Ste. Marie Railway Company doth grant, bargain, sell, convey and assign unto the said Trust Company all its main line of railway, constructed or to be constructed or acquired by it, and extending from a point of connection with the railways of the said Wisconsin Company upon the Menominee River and the boundary line between the States of Wisconsin and Michigan, and running thence easterly through the Counties of Menominee, Marquette, Delta, Schoolcraft, Mackinac and Chippewa, or some of them, and if necessary through other counties in the State of Michigan, by the way of Sault Ste. Marie, in the said County of Chippewa, to a point on the Sault Ste. Marie, or St. Mary's River, and on the easterly boundary line of the State of Michigan, in the County of Chippewa; and also any branches or extensions of the said railways hereafter constructed or acquired by the said Michigan Company, together with all the property, real and personal, now held or hereafter acquired by the said Michigan Company appurtenant to the railways hereby conveyed, or necessary or convenient for the operation thereof; and also all the rights, privileges, immunities and franchises of whatever kind now held or hereafter acquired by the said Michigan Company;

And it is hereby declared that among the property, real and personal, intended to be conveyed by each of the parties of the first, second and third part, as property forming a part of or connected with the said railways, are embraced the following, viz.:

1. All the lands, real estate, grants, ways and rights of way, station-grounds, licenses and easements of each of the said parties respectively, upon which its before described railway or rail-

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ways are or shall be situated, or which are necessary, useful or convenient for the use, maintenance and operation of the said railways; whether now owned or hereafter acquired;

2. Also all the bridges, trestles, viaducts, culverts, tracks (double or single), side-tracks, sidings, switches and turntables, upon or forming a part of said railways respectively; whether now held or owned or hereafter acquired as a part of the said railways;

3. Also all the depots, station-houses, freight-houses, engine-houses, car-houses, machine and other shops, water-tanks, and any other structure erected or acquired for use in connection with the railways respectively above conveyed; whether now held and owned or hereafter acquired for use in connection with said railways;

4. Also all terminal grounds and yards, warehouses, docks, piers and other terminal facilities, whether at the City of Minneapolis or the Village of Sault Ste. Marie, or at Sanders' Point, or at any other lake port on the northern shore of Lake Michigan, reached by the said railways, or at any other terminus or station of the railways of the said parties of the first, second and third part respectively; whether now held or owned or hereafter acquired;

5. All locomotives, engines, tenders, passenger and freight cars, and all other rolling-stock or equipment, and all kinds of machinery and tools, and all fuel and all rails and material and other supplies; whether the said equipment, machinery, tools and supplies, or any of the same, are now held or hereafter acquired for use by the said parties respectively, in operating, repairing or replacing the said railways, or any part thereof;

6. All things in action, contracts, leases, claims and demands arising out of the operation of the railways of the parties of the first, second and third part, whether now owned or hereafter acquired, and also all other personal property of

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the said parties of the first and third part now owned or hereafter acquired by them or either of them;

Together with all and singular the tenements, hereditaments and appurtenances belonging to any or all of the before-described property, and the reversions, remainders, tolls, freights, income, issues and profits derived from the operations of the railways hereby conveyed or any of them, including all the estate, right, title and interest whatsoever, as well at law as in equity, of the said parties of the first, second and third part respectively, or their respective successors and assigns, to any or all of the before-described property, whether owned absolutely or under lease, or otherwise, and whether in possession or expectancy;

To have and to hold all and singular the premises, lands, rights, franchises and property, real and personal, above conveyed, with the said appurtenances thereof, whether now owned or hereafter acquired, unto the Central Trust Company of New York, the party hereto of the fourth part, as trustee, and to its successor or successors in the said trust, and to its or their assigns, according to the nature, tenor or quality of the trust expressed of and concerning the same:

In trust, however, for the person or persons, firm or firms, bodies politic or corporate, who shall at any time become and from time to time be the purchasers or holders or owners of the said bonds or of any or either of them and for the purposes and on the conditions herein expressed.

And for the further carrying into effect the conveyances hereinbefore expressed, the said railway companies, parties hereto of the first, second and third part, do respectively hereby appoint the Central Trust Company of New York, its successor or successors in said trust, the attorney or attorneys of the said railway companies respectively, to ask and receive payment and delivery of all and every the sums of money, goods, chattels and effects hereinbefore conveyed; to pay, assign and transfer and to give effectual releases and discharges

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for any and every of the purposes aforesaid or of this instrument; to appoint an attorney or attorneys, and from time to time to revoke such appointments, and to use the name of the said parties of the first, second and third part respectively for such purposes in relation to the premises as it or they shall see fit.

And it is hereby declared that the trusts, uses, purposes, agreements and conditions upon which the lands, railways, grants, ways, rights of way, licenses, easements and other property, real, personal and mixed, aforesaid, and all the aforesaid franchises, rights, privileges and immunities are conveyed to and are to be had, held and disposed of by the said party of the fourth part, as Trustee, and subject to which agreements and conditions the bonds secured hereby are to be issued, and the bonds so issued are to be held by each and every holder of the said bonds, and the agreements and covenants of the said party of the first part in respect to the said bonds and to the proceeds thereof are as follows, to wit:

ARTICLE 1.

After this Indenture shall have been executed and delivered, the said Minneapolis, Sault Ste. Marie and Atlantic Railway Company, the party hereto of the first part, or any successor company, may execute in the name of the Minneapolis, Sault Ste. Marie and Atlantic Railway Company any portion or all of the bonds intended to be secured hereby, and deliver the same unto the Central Trust Company of New York, the party hereto of the fourth part, or its successor or successors, as Trustee, for certification by it within the terms of this Indenture.

The said Trustee shall thereupon certify or countersign and deliver to the said Railway Company or its successors, for issue by it or them, an amount of the said bonds equal at par to sixteen thousand dollars thereof, for each mile of the railways

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hereinbefore described and conveyed, whether main line or branches, constructed or acquired by either of the parties of the first, second or third part, or its or their successors, which shall have been actually and fully built and completed. The fact of such actual construction and completion shall be sufficiently evidenced to the said Trustee to justify its certification or counter-signature of the said bonds to the extent per mile as aforesaid, whenever there shall be filed with the said Trustee a certificate signed and duly verified by the president or vice-president and the chief engineer of the party of the first part or any successor company, certifying, that there have been so completed at least five additional miles of the said railways, not embraced in previous certificates.

The Trustee shall, from time to time, also certify bonds hereunder and deliver the same to the said party of the first part or to any successor company, for issue by it, to a further amount of not exceeding four thousand dollars, at par, for each mile of the said railways actually constructed, as aforesaid, but only to an amount not in excess of the sums of money actually theretofore expended by either of the parties of the first, second or third part, or its or their successors, either in the purchase of equipment; or in the construction of bridges over the St. Croix; Chippewa, Flambeau, Wisconsin, Menominee, Escanaba, Manistique or St. Mary's Rivers, or of any other bridge or bridges actually built on the line of the said railways and costing more than the sum of ten thousand dollars; or in the acquisition of terminal grounds or yards at Minneapolis, St. Paul, Sault Ste. Marie, Sanders' Point, or any other lake port on the northern shore of Lake Michigan; or in the construction of shops, warehouses, docks, piers, or other terminal facilities at the places last above named. The fact of the actual expenditure of money by the said parties of the first, second or third part, or either of them, or their successors or assigns, for either or all of the above-named purposes, shall be sufficiently evidenced

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to the Trustee to justify its certification of the said bonds to the extent permitted under this provision, by the filing with it of the verified certificate of the president or vice-president and treasurer of the party of the first part or of any successor company, showing the acquisition, as aforesaid, of additional rolling stock, free from lien for the purchase money thereof, and the cost of such rolling stock; or showing the completion of any of the bridges above named and the actual cost thereof; or showing the acquisition of terminal grounds or yards of the character before named and the actual cost thereof; or showing the completion of shops, docks, piers or warehouses of the character before named and the actual cost thereof.

ARTICLE 2.

All the bonds issued under and in pursuance of the terms of this mortgage shall be in all respects equally and ratably secured by these presents upon all of the property hereinbefore described, without preference, priority or discrimination on account of, or with reference to, the actual time or times of the issue of the said bonds, or any of them; or with reference to the actual issue thereof on account of construction of or expenditures upon the railways or equipment of the railways of either of the parties hereto of the first, second or third part, or to the actual issue thereof by the party of the first part, or by any successor company; it being the true intent and meaning of this Indenture that, in case the party hereto of the first part shall become consolidated with either or both the Minneapolis and St. Croix Railway Company, or the Menominee and Sault Ste. Marie Railway Company, the consolidated or successor company thereby formed may execute and issue in the name of the party of the first part, or otherwise, bonds of the description aforesaid, and the Trustee shall certify the same to the extent and on the terms hereinbefore provided; and that any bonds so issued and certified shall be equally and ratably secured by this Indenture.

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ARTICLE 3.

Until the party of the first part, or its successors or assigns, shall make default in the payment of some principal money or interest of the said bonds, or some one of them according to the terms thereof, or of the coupons thereto annexed, at the time or in the manner appointed for the payment thereof, or shall make default or breach in the performance or observation of any other condition, obligation or requirement by the said bonds or by the present deed imposed on the parties of the first, second and third part, or their successors or assigns, the said Central Trust Company of New York, and every other trustee from time to time of these presents (who are hereinafter referred to as " the said Trustee "), shall permit and suffer the parties of the first, second and third part, and their respective successors and assigns, to possess, manage, operate and enjoy the said railways respectively, with their equipments and appurtenances, and other the lands, premises, property and franchises hereinbefore described as conveyed hereby, and to receive, take and use the tolls, incomes, revenues, rents, issues and profits thereof in the same manner and with the same effect as if this deed had not been made.

ARTICLE 4.

In case the said party of the first part, or its successors or assigns, shall make default in payment of the interest on any of the said bonds, according to the tenor thereof, or of the coupons thereto annexed, (the payment of interest having been demanded by presentation at the company's office or agency in the City of New York of the coupons representing the same), and such default shall continue for the period of six months after such demand, then and thereupon the principal of all said bonds shall, at the election of the said Trustee, to be signified to the said Railway Company, or its successors or assigns, by the said Trustee in writing, become immediately due and payable:

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Provided, nevertheless, that at any time after such default shall have been so made and have continued as aforesaid, and before the actual payment of the principal, it shall be lawful for a majority in interest of the holders of the said bonds for the time being to direct the Trustee either forthwith to exercise its power of declaring the principal of said bonds due and payable, or to waive the exercise of said power (if unexercised) or to withdraw and annul the exercise of said power (if exercised), either absolutely or on such terms as may be directed by the said majority by the same instrument: Provided, nevertheless, that no action taken by the said trustee, or by the bondholders under this article, as to any default, shall prejudice or affect the powers or rights of the said Trustee or of the bondholders in the event of any subsequent default.

ARTICLE 5.

If and whenever the said party of the first part, or its successors or assigns, shall make any default in payment, as mentioned in the last preceding article, upon any of the said bonds, or the coupons belonging thereto, and such default shall continue for the period of six months after demand made for such payment; or if and whenever the said Railway Company or its successor shall make default or breach in the performance or observance of any such other condition, obligation or requirement as is mentioned in the last preceding article, and such last mentioned default shall continue for the period of six months after demand made for performance; then, and in either of such cases, it shall be lawful for the said Trustee to enter into and upon and to take and possess all and singular the railways and all the premises hereinbefore expressed to be conveyed, or any of them, or any part or parts thereof respectively; and to have, hold and use the same, and to work, and operate, by its superintendents, managers, receivers or servants, or other attorneys or agents, the said railways; and to conduct the business

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thereof, and to make from time to time such repairs and replacements and such useful alterations, additions and improvements thereto as may seem to it or to them to be judicious or convenient; and to collect or receive all tolls, freights, incomes, revenues, rents, issues and profits of the said railways and premises, and of every part and parcel thereof; and after deducting and defraying the expenses of working and operating the said railways and conducting the business thereof, and of all the said repairs, replacements, alterations, additions and improvements, and all payments which may be made for charges or liens of any kind prior to the lien of these presents, and other expenses and outgoings whatsoever incurred in relation thereto, as well as just compensation for its own services and for the services of such attorneys and counsel, and all other agents and persons as may have been by it employed, the said Trustee shall apply the moneys arising from such collection and receipt as aforesaid in or towards the payment of interest on the said bonds in the order in which the said interest shall have become due, ratably to the persons holding the coupons evidencing the right to such interest; and after paying all interest or coupons which shall have become due, shall apply the residue of the said money in or towards the payment of the principal of such of said bonds as may be at that time outstanding, due and unpaid, ratably and without discrimination as to persons, and if, after satisfaction thereof, a surplus shall remain, it shall pay over such surplus to the parties hereto of the first, second and third part, and their respective successors or assigns, as any court of competent jurisdiction shall order. Provided, nevertheless, that if the said Trustee shall not think it expedient, after such entry as aforesaid, itself to work and operate said railway and premises in manner aforesaid, it shall be lawful for it to demise and let the said railways and premises (subject, however, to the provisions hereof) to any person or persons, corporation or corporations willing to work and operate the

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same, for such term or period at such rent or proportion of receipts and profits, and generally upon such terms and conditions as the said Trustee shall, in its discretion, think fit; and the said Trustee shall apply the revenue or income to arise from such demise or letting in the same manner as the net revenue or income to arise in the event of the said railways and premises being worked and operated by the said Trustee is applicable under the provisions immediately hereinbefore contained.

ARTICLE 6.

In case any default shall be made as aforesaid in the payment of the principal or interest of said bonds, or in the performance of any other covenant hereof, and such default shall continue as aforesaid, it shall likewise be lawful for the said Trustee, on the request of the holders of at least one-fourth of the bonds secured hereby then outstanding, and not otherwise, either after such entry as aforesaid or without entry, by its attorneys or agents, to sell and dispose of all and singular the premises and property hereby conveyed, or any part thereof, at public auction in the City of New York and State of New York, or in the City of Minneapolis and State of Minnesota, or in the City of Chicago and State of Illinois, in the discretion of said Trustee, at such time as it many appoint, first giving notice of said sale and of the time, place and terms thereof by advertisement twice a week for the term of three months in some daily newspaper published in the City of New York, and also in some daily or weekly newspaper published in whichever of the other said cities the said sale may be appointed to be held. The sale of said property shall be for cash, either wholly payable in hand, or one-third in hand and the balance in two annual instalments with interest, as the Trustee may deem advisable, a lien being reserved for any unpaid instalments. The proceeds of sale shall be applied—first, in payment of the expenses connected with said sale and trust, includ-

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ing the compensation of the Trustee and all charges incurred by it as such Trustee; and secondly, in payment of the unpaid interest and the principal of the said several bonds, whether or not the principal is then due, applying such proceeds ratably, both to interest and principal alike and without discrimination as to persons; and if, after paying in full said bonds and coupons, there shall be any money remaining in the hands of said Trustee, it shall pay the same to the parties hereto of the first, second and third part or their respective successors or assigns, as a court of competent jurisdiction shall direct. The said Trustee shall have power to adjourn the said sale from time to time at its discretion, and if adjourned to another date, it may make the said sale at the time appointed without further notice. The said Trustee shall have power to make and deliver to the purchaser or purchasers at said sale good and sufficient deeds of conveyance of the property sold. And it is further declared and agreed that the receipt of the said Trustee shall be sufficient discharge to the purchaser or purchasers of the premises which shall be sold as aforesaid for his or their purchase money; and such purchasers shall not, after the payment of such purchase money, be liable to see to its application upon or to the purposes or trusts of these presents, or be in any manner answerable for any loss, misapplication or non-application of such purchase money, or any part thereof, or be obliged to inquire into the necessity or expediency of or for any such sale.

ARTICLE 7.

It is hereby declared and agreed that it shall be the duty of the said Trustee to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to proceed by suit or suits, in equity or at law, to enforce the rights of the bondholders, in the several cases of default on the part of the said party of the first part or its successors herein specified, in the manner and subject to the qualifications herein expressed

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upon the requisition of bondholders therein prescribed, as follows:

If the said party of the first part, or its successors, shall make any default in the payment of any of the principal money, or the interest of said bonds, or some one of them, according to the tenor thereof, or of the coupons thereto annexed, or shall make default in the performance of some other covenant hereof, and in either such case such default shall have continued for six months after demand made for such payment or performance, then,and in either such case, upon a requisition in writing signed by the holder or holders of said bonds to an aggregate amount of not less than one-fourth thereof, and a proper indemnification by such holder or holders of the said Trustee against the cost and expenses to be by it incurred, it shall be the duty of the Trustee to enforce the rights of the bondholders under these presents by entry, sale or suit, or suits, in equity or at law, as it, being advised by counsel learned in the law, shall deem most expedient for the interest of the holders of said bonds:—Provided, nevertheless, that it shall be lawful for a majority in interest of the holders of said bonds for the time being, by an instrument under their hands and seals, to direct the said Trustee to waive such default and to discontinue any proceedings taken upon such terms as may be directed by the said majority in said instrument. And it is hereby provided that no action taken by the Trustee, or by the bondholders, under this clause, shall prejudice or affect the power or rights of the said Trustee, or of the bondholders, in the event of any subsequent default.

ARTICLE 8.

It is hereby further provided, and expressly agreed and made binding upon each and every holder of the bonds secured by this Indenture as a condition upon which the said bonds are to be taken and held by such holder, that no proceedings at law or in equity shall be taken by any bondholder or bond-

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holders to enforce the payment of the said bonds, or to foreclose the equity of redemption under this instrument, or to procure a sale of the property covered thereby independently of the party of the fourth part as trustee, or its successor and successors in said trust, except after a requisition shall have been made to the said Trustee in manner and form as hereinbefore provided, and also until after a refusal or unreasonable delay of the said Trustee to comply with said requisition according to the provisions herein made in respect thereto.

ARTICLE 9.

The action of the Trustee herein in regard to enforcing to any extent the lien created by this mortgage, either by taking possession or by sale at auction, or by lease, or by resort to judicial proceedings, or by any means authorized or contemplated hereby, shall be at all times subject, so far as may be consistent with a reasonable protection to the interests of the minority, to the control of a majority in amount of the holders of said bonds, their wishes being expressed in writing to said Trustee.

Upon any sale of the mortgaged premises hereunder, the purchaser shall have the right [provided sufficient money shall be first paid to satisfy the costs and all other charges which have to be paid in cash], to use and apply in payment of the purchase price, any of the bonds and coupons then outstanding and secured hereby to the payment of which the proceeds of such sale would be applicable, to the extent to which such purchaser as the holder of such bonds or coupons would be entitled to share in the proceeds of such sale.

ARTICLE 10.

Whenever any lands or real estate now owned or hereafter acquired by the parties of the first, second or third part, or

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either of them, and hereby conveyed, shall be or become unnecessary for use in the construction, operation, maintenance or repair of any of the railways hereby conveyed,it shall be and is hereby made the duty of the party of the fourth part to release such lands and real estate from the lien and effect of this mortgage upon the demand in writing of the party of the first part, its successors or assigns, and proof by affidavit or otherwise, to the reasonable satisfaction of the party of the fourth part, that the lands and real estate so demanded to be released, are at the time of such demand unnecessary for use in the construction, operation, maintenance or repair of the railways conveyed hereby.

ARTICLE 11.

The party of the first part doth hereby covenant, promise and agree to and with the party of the fourth part, and its successors, that the party of the first part will well and truly pay the said bonds which these presents are executed to secure, and the interest due and to grow due thereon, according to the tenor thereof, and the parties of the first, second and third part also covenant, each for itself and its successors and assigns that it will not at any time or in any manner make, apply for or avail itself of any injunction or stay of proceedings, or plead, use, interpose or take advantage of any extension law, stay law, valuation law, redemption law, or any other law of the States of Minnesota, Wisconsin and Michigan now in force or which may hereafter be in force in either of the said States, and which may in any way alter, affect, impair or impede the rights or remedies of the holders of said bonds, or of the said party of the fourth part, or of its successors, as herein declared, or which shall affect or change the time, place, means or mode of perfecting or enjoying or enforcing any such rights, interests or remedies, as the same are therein declared and set forth; and also that it will well and truly pay all taxes assessed or imposed by any local or general authority or government upon the property hereby mortgaged belonging to it.

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ARTICLE 12.

Subject to the security hereby created for the due payment of said bonds, and the principal moneys and interest thereon, and for the performance of the conditions, obligations and requirements thereby, or by the present deed imposed on the parties of the first, second and third part, and its or their successors or assigns, said Trustee shall stand possessed of all and singular the premises hereinbefore expressed to be conveyed, and the property and effects for the time being, representing the same in trust for the said railway companies respectively and their respective successors and assigns; and upon and immediately after the due completion of every such payment and the due performance and observance of every such condition, obligation and requirement, said Trustee shall reconvey all and singular the said premises, property and effects to the said railway companies respectively and their respective successors and assigns, as they or as a court of competent jurisisdiction shall direct.

ARTICLE 13.

It is mutually agreed by and between the parties hereto that the expressions "the said Trustee" and "the Trustee" as used in these presents shall be construed to mean the trustee for the time being; and it is mutually agreed by and between the parties hereto that every trustee of these presents shall be entitled to the ordinary indemnity and right to reimbursement given to trustees, and shall not be answerable for any error or mistake made by it in good faith, but only for gross negligence or willful default in the discharge of its duties as trustee; and also that every such trustee shall be entitled to just compensation for all services which it may hereafter render in this trust, to be paid by the party of the first part or its

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successors or assigns, or out of the income of the trust property; and for that purpose it may at any time apply to any court of competent jurisdiction, without notice, except to the said party of the first part or its successors or assigns. In the event of the resignation, declination or inability to act of the said Trustee, or any trustee of these presents, it shall be the duty of the party of the first part to give notice to the bondholders, by advertisement for four successive weeks in some daily newspaper published in the City of New York, of a time and place of meeting for the election of a trustee, at which meeting a majority in interest of the bonds there represented may, with the concurrence of the said party of the first part, its successors or assigns in the choice of said majority, elect or appoint a trustee; and in the event that the party of the first part, its successors or assigns and said majority cannot agree upon a trustee, then, upon application of any bondholder under these presents and notice to the said party of the first part, its successors or assigns, or upon application of the said party of the first part, its successors or assigns, a trustee may be appointed by a Judge of any Circuit Court of the United States for any district of Wisconsin. Upon the election or appointment of any such trustee at any meeting aforesaid, a statement or certificate of such election or appointment shall be made showing the amount of said bonds represented at said meeting and the amount thereof voting for the trustee so elected or appointed, which statement or certificate shall be signed by the President or Chairman and Secretary of said meeting and by the proper officers of the said party of the first part, its successors or assigns, and said statement or certificate shall have attached thereto a copy of said printed notice, with proof of the publication thereof. If an appointment of trustee shall be made by a Judge of said Circuit Court, as hereinbefore provided, the party applying for such appointment shall procure the appointment to be signed by the said Judge making the

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same and attested by the Clerk of said Court, and shall have attached thereto a copy of the application for such appointment. And the said statement or certificate of election, or the appointment at said meeting and the appointment of the trustee, signed by said Judge as aforesaid, with the acceptance of such appointment endorsed thereon, shall be filed with the Secretary of State of the State of Wisconsin, and the person or persons or corporation named in such statement or certificate, or in such Judge's appointment, shall thereupon be and become the trustee for the time being of these presents as fully to all intents and purposes as if this present deed had in the first place been executed and delivered to such person or persons or corporation.

ARTICLE 14.

The parties hereto of the first, second and third part, each for itself and its successors and assigns, hereby covenants and agrees to and with the party of the fourth part as Trustee aforesaid, that each and every of the branches or extensions constrncted by either of the parties of the first, second or third part, or by their or either of their successors or assigns, which shall be embraced in the property mortgaged hereby, and upon which bonds shall be issued hereunder, shall be in all respects constructed in as thorough, complete and substantial manner as the main lines of railway mortgaged hereby; and that any default in the performance of this covenant, may be deemed and taken as a default under this mortgage within the meaning of articles five and six hereof.

ARTICLE 15.

And the said parties of the first, second and third part, each for itself and its successors and assigns, in consideration of the

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premises and of one dollar to it paid by the said party of the fourth part, the receipt whereof is hereby acknowledged, hereby further covenants and agrees to and with the said party of the fourth part and its successors, that it, and they, and upon the consummation of any consolidation of the parties of the first, second and third part, or any two of them, the consolidated company, shall and will from time to time, and at all times hereafter, and as often as thereunto requested by the Trustee, execute and acknowledge and deliver all such further deeds of conveyance and assurances in the law for the better assuring unto said Trustee the railways, equipments, appurtenances and all other property and things whatsoever hereinbefore mentioned as by this instrument to be conveyed, and all franchises of every nature pertaining thereto now held or hereafter to be acquired by it or them within the description of the property conveyed hereby or intended so to be, as by the said Trustee or by its counsel learned in the law shall be reasonably advised, devised or required.

ARTICLE 16.

The said party of the first part, for itself and its successors, in consideration of the premises and of one dollar to it duly paid by the said party of the fourth part, the receipt whereof is hereby acknowledged, further covenants and agrees to and with the said party of the fourth part, and its successors or assigns, that it, the said party of the first part and its successors and assigns, shall and will at all times hereafter keep open an office or agency in the City of New York for the payment of the principal and interest of and upon the bonds hereinbefore recited and described as the same shall become payable, and for the transfer and registration of the said bonds, and that until notice of the establishing of such office or agency shall have been given by the party of the first part by

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advertisement published each week day for a period of two weeks in a daily newspaper published in the City of New York, the said Central Trust Company of New York shall be deemed to be the agency of the party of the first part for the purposes aforesaid within the meaning of any provision of this indenture providing for the presentment or demand of payment of the said principal or interest of the said bonds.

In Witness Whereof, the said parties of the first, second and third part have each caused these presents to be signed by its President, sealed with its corporate seal and countersigned by its Secretary, and the said Central Trust Company of New York has, to testify its acceptance of said trust, likewise caused the same to be signed by its President and Secretary and sealed with its corporate seal, the day and year first above written.

In the presence of
C. D. HAMMOND,
JNO. C. WESTLEY.

W. D. WASHBURN,
President of the Minneapolis, Sault Ste. Marie and Atlantic Railway Company.

[SEAL.]

In the presence of
C. D. HAMMOND,
JNO. C. WESTLEY.

M. P. HAWKINS,
Secretary Minneapolis, Sault Ste. Marie and Atlantic Railway Company.

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In the presence of
C. D. HAMMOND,
JNO. C. WESTLEY.

E. W. HERRICK,
President of the Minneapolis and St. Croix
Railway Company.

[SEAL.]

In the presence of
C. D. HAMMOND,
JNO. C. WESTLEY.

M. P. HAWKINS,
Secretary Minneapolis and St. Croix
Railway Company.

In the presence of
C. D. HAMMOND,
JNO. C. WESTLEY.

T. F. ANDREWS,
President of the Menominee and Sault
Ste. Marie Railway Company.

[SEAL.]

In the presence of
C. D. HAMMOND,
JNO. C. WESTLEY.

WM. H. EUSTIS,
Secretary Menominee and Sault Ste.
Marie Railway Company.

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In the presence of
GEO. ELLIS,
H. E. MARTIN.

F. P. OLCOTT,
President of the Central Trust Company
of New York.

[SEAL.]

In the presence of
GEO. ELLIS,
H. E. MARTIN.

C. H. P. BABCOCK,
Secretary of the Central Trust Company
of New York.

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STATE OF MINNESOTA, }
County of Hennepin, } ss.:

On this 3d day of April, A. D. 1886, before the undersigned, a Notary Public in and for said county and State, personally came W. D. Washburn, President, and M. P. Hawkins, Secretary, of the Minneapolis, Sault Ste. Marie and Atlantic Railway Company, to me personally known to be such President and Secretary, and to be the persons who executed the foregoing instrument, and whose names are thereunto subscribed as such officers, and severally duly acknowledged the same to be their free and voluntary act and deed as such President and Secretary, and the free and voluntary act and deed of the said Minneapolis, Sault Ste. Marie and Atlantic Railway Company, for the uses and purposes therein expressed; and the said W. D. Washburn and M. P. Hawkins, being by me first severally duly sworn, did depose and say that they are respectively President and Secretary, as hereinbefore stated, of said Railway Company; that they know the corporate seal of said company; that the seal affixed to the foregoing instrument is tho corporate seal of said Railway Company; that said instrument was signed and sealed on behalf of said Railway Company by order of its Board of Directors duly made, and that they signed their respective names thereto as such President and Secretary by the like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

C. D. HAMMOND,
[SEAL.] Notary Public,
Hennepin County, Minnesota.

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STATE OF MINNESOTA, }
County of Hennepin, } ss.:

On this 3d day of April, A. D. 1886, before the undersigned, a Notary Public in and for said county and State, personally came E. W. Herrick, President, and M. P. Hawkins, Secretary, of the Minneapolis and St. Croix Railway Company, to me personally known to be such President and Secretary, and to be the persons who executed the foregoing instrument, and whose names are hereunto subscribed as such officers, and severally duly acknowledged the same to be their free and voluntary act and deed as such President and Secretary, and the free and voluntary act and deed of the said The Minneapolis and St. Croix Railway Company, for the uses and purposes therein expressed; and the said E. W. Herrick and M. P. Hawkins, being by me first severally duly sworn, did depose and say that they are respectively President and Secretary, as hereinbefore stated, of said Railway Company; that they know the corporate seal of said company; that the seal affixed to the foregoing instrument is the corporate seal of said Railway Company; that said instrument was signed and sealed on behalf of said Railway Company by order of its Board of Directors duly made, and that they signed their respective names thereto as such President and Secretary by the like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

C. D. HAMMOND,

[SEAL.] Notary Public,
Hennepin County, Minnesota.

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STATE OF MINNESOTA, }
County of Hennepin, } ss.:

On this 3d day of April, A. D. 1886, before the undersigned a Notary Public in and for said county and State, personally came T. F. Andrews, President, and Wn. H. Eustis, Secretary, of the Menominee and Sault Ste. Marie Railway Company, to me personally known to be such President and Secretary, and to be the persons who executed the foregoing instrument, and whose names are thereunto subscribed as such officers, and severally duly acknowledged the same to be their free and voluntary act and deed as such President and Secretary, and the free and voluntary act and deed of the said The Menominee and Sault Ste. Marie Railway Company, for the uses and purposes therein expressed; and the said T. F. Andrews and Wm. H. Eustis, being by me first severally duly sworn, did depose and say that they are respectively President and Secretary, as hereinbefore stated, of said Railway Company; that they know the corporate seal of said company; that the seal affixed to the foregoing instrument is the corporate seal of said Railway Company; that said instrument was signed and sealed on behalf of said Railway Company by order of its Board of Directors duly made, and that they signed their respective names thereto as such President and Secretary by the like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

C. D. HAMMOND,
[SEAL.] Notary Public,
Hennepin County, Minnesota.

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STATE OF MINNESOTA, }
County of Hennepin, } ss.:

I, E. J. DAVENPORT, Clerk of the District Court in and for said County of Hennepin and State of Minnesota, the same being a Court of Record, do hereby certify that C. H. Hammond whose name is subscribed to the certificate of the proof or acknowledgement of the annexed instrument, and thereon written was, at the time of taking such proof and acknowledgement, a notary public in and for said County of Hennepin and State of Minnesota, dwelling in said County, commissioned and sworn, and duly authorised to take the same. And further, that I am well acquainted with the handwriting of such notary, and verily believe that the signature to the said certificate of proof or acknowledgement is genuine. I further certify that said instrument is executed and acknowledged according to the laws of the State of Minnesota.

IN TESTIMONV WHEREOF, I have hereunto set my hand and affixed the seal of said Court the 3d day of April, 1886.

[SEAL.] EDWARD J. DAVENPORT,
Clerk.

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STATE OF NEW YORK, }
City and County of New York, } ss. :

On this 6th day of April, A. D. 1886, before me, a Notary Public in and for said City, County and State, personally came F. P. Olcott, the President, and C. H. P. Babcock, the Secretary, of the Central Trust Company of New York, grantee and trustee in the foregoing instrument, to me personally known to be the identical persons whose names are subscribed to the foregoing instrument as such officers, and severally acknowledged the said instrument to be their free and voluntary act and deed and for and as the voluntary act and deed of said Central Trust Company; and the said F. P. Olcott and C. H. P. Babcock, being by me first severally duly sworn, did depose and say that they are respectively, and as hereinabove stated, President and Secretary of said Central Trust Company of New York; that they know the corporate seal of said company; that the seal affixed to the foregoing instrument was and is such corporate seal; that it was affixed thereto by order of the Board of Directors of said company duly made, and that they signed their names thereto as such President and Secretary by the like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[SEAL.] D. G. FANNING,
Notary Public,
Kings County.

Cert. filed in City, County and State of New York.

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STATE OF NEW YORK,
City and County of New York, } ss.:

I, James A. Flack, Clerk of the City and County oi New York, and also Clerk of the Supreme Court for the said City and County, the same being a Court of Record, do hereby certify that D. G. Fanning has filed in the Clerk's Office of the County of New York, a certified copy of his appointment as Notary Public for the County of Kings with his autograph signature, and was at the time of taking the proof or acknowledgement of the annexed instrument duly authorized to take the same. And further, that I am well acquainted with the handwriting of such Notary and verily believe the signature to the said certificate, proof or acknowledgement to be genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County the 6th day of April, 1886.

[SEAL.] JAMES A. FLACK,
Clerk.

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12/7/11

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

MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY

AND

CENTRAL TERMINAL RAILWAY COMPANY

TO

GUARANTY TRUST COMPANY OF NEW YORK,
as Trustee.

Chicago Terminal
First Mortgage and Deed of Trust.

Dated November 1, 1911.
Due " 1, 1941

Securing an Authorized Issue of $20,000,000 First Mortgage Chicago Terminal Four Per Cent. Thirty-Year Sinking Fund Gold Bonds of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and the Central Terminal Railway Company.

Interest payable May 1 and November 1.
Coupon: $ 1,000. Prin. may be registered.
Registered: $1,000 + $5,000. C. + R. bonds interchangeable

C. G. BURGOYNE, 72 to 78 Spring Street, New York.

Red. on any int. date after May 1. 1916. as a whole at 105 + int. on 90 days' notice, and in part by lot for S.F. @ 102½ + int.

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AN INDENTURE, dated the first day of November, 1911, between the CENTRAL TERMINAL RAILWAY COMPANY, a corporation existing under the laws of the State of Illinois (hereinafter called the Terminal Company), of the first part, the MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY, a consolidated corporation existing under the laws of the States of Michigan, Wisconsin, Minnesota and North Dakota (hereinafter called the Railway Company), of the second part (the Railway Company and the Terminal Company being hereinafter sometimes called the "Companies), and the GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the Trustee), of the third part.

WHEREAS, the Railway Company has purchased and now owns the majority of the common stock of the Wisconsin Central Railway Company, a corporation existing under the laws of the States of Wisconsin and Illinois, and, under an agreement with the owners thereof made on April 1, 1909, is the holder of record for ninety-nine (99) years, of all the Twelve Million, Five Hundred Thousand Dollars ($12,500,000) par value preferred stock of said company except $121,700 par value thereof, together with all rights of ownership therein except the right to sell, pledge or otherwise part with the same; and

WHEREAS, the Railway Company is operating as a part of its system of railway under a lease for ninety-nine (99) years from April 1, 1909, the railway of said Wisconsin Central Railway Company, extending from the cities of Minneapolis, St. Paul and Duluth, Minnesota, to Altenheim, Illinois, near

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the City of Chicago, Illinois, with numerous branch lines in the State of Wisconsin; and

WHEREAS, the Railway Company has entered into an arrangement with the Baltimore and Ohio Chicago Terminal Railroad Company for the joint use of terminal facilities of that Company in the city of Chicago during the term of said lease, except freight house and freight house yard facilities which must otherwise be provided to enable the Railway Company to transact its freight business in said city; and

WHEREAS, the Terminal Company has been organized with authority to build a railway from Altenheim into the City of Chicago, and for the purpose of acquiring, improving and operating, and has acquired and is about to acquire land for and to erect thereon, a suitable terminal in the vicinity of, and to be connected with, said Baltimore and Ohio Chicago Terminal Railroad, with outlying auxiliary yards and tracks for said terminal, and is willing to make such arrangements with the Railway Company for the use and occupation thereof as will enable the Railway Company to transact its freight business in said City of Chicago, and is also willing to connect said terminal by its own tracks with the Wisconsin Central Railway at or near Altenheim; and

WHEREAS, the Railway Company is desirous of acquiring further terminal facilities in the City of Chicago, and to that end has entered into an agreement with the Terminal Company concurrently herewith by which the Railway Company has been given the prior right, on just and reasonable terms, to use said terminal and said yards and tracks in the transaction of its business in said city during the whole term of its said lease of April 1, 1909, and in consideration thereof has agreed to join the Terminal Company in issuing their joint and several bonds, to be secured by a First Mortgage on all property acquired or to be acquired by the Terminal Company, to aid in providing the

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Terminal Company with the necessary funds for purchase and improvement of said terminal, yards and tracks and extensions thereof and additions thereto, and permanent betterments and improvements (including additional lands), and upon the condition that the Railway Company will provide funds to create a sinking fund for the payment of the principal of said bonds when they shall become due and payable, and funds to pay taxes, maintainance and operating expenses of the Terminal Company; and

WHEREAS, the aggregate principal sum of all bonds certified under this indenture and at any one time outstanding shall never exceed Twenty Million Dollars ($20,000,000), and said bonds shall all be ratably secured by this indenture, without any preference, priority or distinction as to lien or otherwise; and

WHEREAS, the Railway Company, for the purposes aforesaid, has resolved by resolutions of its Board of Directors and stockholders, duly adopted, to create said bonds, limited to the principal amount of Twenty Million Dollars ($20,000,000) at any one time outstanding (hereinafter sometimes called "terminal bonds"), to be secured by this indenture and to become a party to, and join the Terminal Company in the execution and delivery of this indenture; and

WHEREAS, in order to secure the payment of the principal and interest on all the terminal bonds at any time issued under this indenture, equally and ratably, without priority or distinction, irrespective of the date of issue of the same, the Terminal Company, by the unanimous action of its Board of Directors, at a meeting of said Board duly called and held, and by the affirmative vote of the holders of the entire capital stock of the Terminal Company, at a meeting of said stockholders duly called and held and of which notice had been given and published in accordance with the laws of the State

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of Illinois and with the charter and by-laws of the Terminal Company, has determined to execute and deliver a mortgage or deed of trust in the terms of this indenture, to Guaranty Trust Company of New York, party hereto of the third part, as Trustee, of all the lines of railroad, franchises and property at the time of the execution and delivery of this indenture owned by the Terminal Company or thereafter to be acquired by it, as hereinafter set forth; and

WHEREAS at said meetings of the Boards of Directors and stockholders of the Railway Company and of the Terminal Company, the form of this indenture was duly approved and the execution and delivery of this indenture and of the bonds to be secured thereby in the forms so approved was duly authorized and directed; and

WHEREAS the coupon bonds, the registered bonds, the coupons attached to the coupon bonds and the certificate of authentication of the Trustee on all bonds, are to be substantially in the following forms respectively, the blanks therein to be appropriately filled from time to time and the words "unless the bond hereinafter mentioned shall have been called for previous redemption" to be omitted from all coupons maturing on or before May 1, 1916.

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[FORM OF COUPON BOND.]

No..... $1,000.

UNITED STATES OF AMERICA

MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY AND CENTRAL TERMINAL RAILWAY COMPANY.

First Mortgage Chicago Terminal Four Per Cent. Thirty-Year Sinking Fund Gold Bond,

Due 1941.

Be it known that the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, incorporated under the laws of Michigan, Wisconsin, Minnesota and North Dakota (hereinafter called the "Railway Company"), and the Central Terminal Railway Company, incorporated under the laws of Illinois (hereinafter called the "Terminal Company"), for value received, hereby jointly and severally promise to pay to the bearer hereof, or, if this bond shall be registered as hereinafter provided, to the registered holder thereof, the sum of one thousand dollars ($1,000) on the first day of November, 1941, and to pay interest thereon in the meantime at the rate of four per cent. (4%) per annum, payable semi-annually on the first days of May and November in each year, to the bearer of the annexed coupons, on presentation and surrender thereof as they shall respectively mature. The principal and interest of this bond are payable at the agency of the Railway Company in the City of New York, in United States gold coin of the present standard of weight and fineness, and the Railway Company and the Terminal Company hereby jointly and severally promise to pay the same without deduction for any tax or taxes which the Railway Company, the Terminal Company or the Trustee under the mortgage securing the payment of this bond and hereinafter referred to, may be required to pay on said principal or interest, or to retain therefrom, by

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any present or future law or ordinance of the United States of America or of any other country or nation, or of any state, province, county or municipality therein. The interest upon this bond is also, at the option of the holder, payable in London, England, in sterling, in accordance with the terms of the annexed coupons.

The principal of this bond, in the event of default for six months in the payment of interest on any of the said bonds, may be declared due at any time in the discretion of the Trustee under said mortgage or at the election of the holders of a majority in interest of the bonds comprised in the issue hereinafter mentioned at the time outstanding, or it shall become due in the event of foreclosure sale as specified in the indenture of mortgage hereinafter mentioned.

This bond is one of an authorized issue of coupon and registered bonds, amounting at face value to the aggregate principal sum of twenty million dollars ($20,000,000), all of like tenor and all equally secured by an indenture of mortgage, on the property of the Terminal Company, dated the first day of November, 1911, executed by the Railway Company and the Terminal Company to the Guaranty Trust Company of New York as Trustee. Reference is hereby made to the said indenture of mortgage for a description of the lands, terminals, railroads and property of the Terminal Company conveyed thereby, the nature and extent of the security, and the rights of the holders of the said bonds therein and thereto, and the terms and conditions upon which the said bonds are issued and secured.

The bonds of this issue are subject to redemption at the option of the Railway Company and the Terminal Company in whole but not in part at face value and a premium of five per centum and accrued interest, on November 1, 1916, or on any interest date thereafter, upon ninety days' prior notice, as provided in said mortgage.

The bonds of this issue are entitled to the benefits of the Sinking Fund provided by said mortgage, and are subject to

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purchase for the Sinking Fund at face value and a premium of two and one-half per centum and accrued interest after the year 1915.

This bond may be registered in the name of the owner on the books of the Railway Company at its said agency in the City of New York, such registry being noted hereon by its transfer agent, and thereafter no transfer hereof shall be valid unless made on the said books by the registered owner or his attorney and similarly noted on this bond, but the same may be discharged from registry by being transferred to bearer, after which it shall become transferable by delivery, but may again and from time to time be registered as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery.

This bond with coupons for all interest installments which shall not have matured may also be exchanged for a registered bond without coupons, as provided in said indenture of mortgage.

This bond shall not become obligatory for any purpose until the certificate hereon endorsed shall have been signed by the Trustee above mentioned, or its successor as trustee.

No recourse shall be had for the payment of the principal or interest of this bond or for any claim based thereon, or otherwise, in any manner in respect thereof or of said indenture of mortgage, against any stockholder, officer or director, present or future, of the Railway Company or the Terminal Company, either directly or through the Railway Company or the Terminal Company, respectively, whether by virtue of any statute or by the enforcement of any assessment or penalty or otherwise, and any and all personal liability of the stockholders, officers and directors of the Railway Company and the Terminal Company, in respect hereof or in respect of any of the said issue of bonds, is hereby and by the acceptance of this bond expressly waived and released by every holder hereof.

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In witness whereof, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and the Central Terminal Railway Company have caused this bond to be signed by their respective Presidents or Vice-Presidents, and their respective corporate seals to be hereto affixed, attested by their respective Secretaries or Assistant Secretaries, and the coupons for said interest authenticated by the engraved signatures of their respective treasurers to be attached hereto as of the first day of November, 1911.

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

By

----------,

President.

Attest:

----------,

Secretary.

Central Terminal Railway Company,

By

----------,

Vice-President.

Attest:

----------,

Secretary.

[form of coupon.]

$20.

On the first day of ----------, 19----, unless the bond hereinafter mentioned shall have been called for previous redemption, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and Central Terminal Railway Company will jointly and severally pay to the bearer, without deduction for taxes and upon surrender of this coupon, the sum of twenty dollars ($20) at the agency of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company in the City of

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New York, in United States gold coin of the present standard of weight and fineness, or £4. 2. 2½, in London, England, for six months' interest then due on their First Mortgage Chicago Terminal Four Per Cent. Thirty Year Sinking Fund Gold Bond No.....

----------,
Treasurer.
(M. St. P. & S. Ste. M. Ry. Co.)

----------,
Treasurer.
(Cent. Term. Ry. Co.)

[FORM OF REGISTERED BOND.]

No.-------- $--------

UNITED STATES OF AMERICA

MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY AND CENTRAL TERMINAL RAILWAY COMPANY.

Registered First Mortgage Chicago Terminal Four Per Cent. Thirty Year Sinking Fund Gold Bond.

Due 1941.

Be it known that the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, incorporated under the laws of Michigan, Wisconsin, Minnesota and North Dakota (hereinafter called the "Railway Company"), and the Central Terminal Railway Company, incorporated under the laws of Illinois (hereinafter called the "Terminal Company"), for value received, hereby jointly and severally promise to pay to ..... or registered assigns, the sum of ..... Thousand Dollars ($,000) on the first day of November, 1941, and to pay interest thereon from the date of this bond at the rate of four per cent. (4%) per annum, payable semi-annually on

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the first days of May and November in each year, until the payment of said principal sum. The principal and interest of this bond are payable at the agency of the Railway Company in the City of New York, in United States gold coin of the present standard of weight and fineness, and the Railway Company and the Terminal Company hereby jointly and severally promise to pay the same without deduction for any tax or taxes which the Railway Company, the Terminal Company or the Trustee under the mortgage securing the payment of this bond and hereinafter referred to, may be required to pay on said principal or interest, or to retain therefrom, by any present or future law or ordinance of the United States of America or of any other country or nation, or of any state, province, county or municipality therein.

The principal of this bond, in the event of default for six months in the payment of interest on any of the said bonds, may be declared due at any time in the discretion of the Trustee under said mortgage or at the election of the holders of a majority in interest of the bonds comprised in the issue hereinafter mentioned at the time outstanding, or it shall become due in the event of foreclosure sale as specified in the indenture of mortgage hereinafter mentioned.

This bond is one of an authorized issue of coupon and registered bonds, amounting at face value to the aggregate principal sum of Twenty Million Dollars ($20,000,000), all of like tenor and all equally secured by an indenture of mortgage on the property of the Terminal Company, dated the first day of November, 1911, executed by the Railway Company and the Terminal Company to the Guaranty Trust Company of New York as Trustee. Reference is hereby made to the said indenture of mortgage for a description of the lands, terminals, railroads and property of the Terminal Company conveyed thereby, the nature and extent of the security, and the right of the holders of the said bonds therein and thereto, and the terms and conditions upon which the said bonds are issued and secured.

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The bonds of this issue are subject to redemption at the option of the Railway Company and the Terminal Company in whole but not in part at face value and a premium of five per centum and accrued interest, on November 1, 1916, or on any interest date thereafter, upon ninety days' prior notice, as provided in said mortgage.

The bonds of this issue are entitled to the benefits of the sinking fund provided by said mortgage, and are subject to purchase for the sinking fund at face value and a premium of two and one-half per centum and accrued interest after the year 1915.

This bond is transferable by the registered holder hereof in person or by attorney duly authorized, on the books of the Railway Company, at its said agency in the City of New York, upon surrender and cancellation of this bond, and thereupon a new registered bond will be issued to the transferee in exchange herefor, as provided in the said mortgage. This bond also, in the manner prescribed in the said mortgage and upon payment, if the Railway Company shall require it, of the charge therein provided for, is exchangeable for coupon bonds of the denomination of One Thousand Dollars for the same aggregate principal sum, carrying the same rate of interest and bearing all unmatured coupons.

This bond shall not become obligatory for any purpose until the certificate hereon endorsed shall have been signed by the Trustee above mentioned, or its successor, as Trustee.

No recourse shall be had for the payment of the principal or interest of this bond or for any claim based thereon, or otherwise, in any manner in respect thereof or of said indenture of mortgage, against any stockholder, officer or director, present or future, of the Railway Company or the Terminal Company, either directly or through the Railway Company or the Terminal Company, respectively, whether by virtue of any statute or by the enforcement of any assessment or penalty or otherwise, and any and all personal liability of the stockhold-

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ers, officers and directors of the Railway Company and the Terminal Company, in respect hereof or in respect of any of the said issue of bonds, is hereby and by the acceptance of this bond expressly waived and released by every holder hereof.

IN WITNESS WHEREOF, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and the Central Terminal Railway Company have caused this bond to be signed by their respective Presidents or Vice-Presidents, and their respective corporate seals to be hereto affixed, attested by their respective Secretaries or Assistant Secretaries as of the first day of , 19 .

MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY,

By

President.

Attest :

Secretary.

CENTRAL TERMINAL RAILWAY COMPANY,

By

Vice-President.

Attest :

Secretary.

[FORM OF TRUSTEE'S CERTIFICATE ON ALL BONDS.]

This bond is one of the bonds described in the within mentioned indenture of mortgage.

GUARANTY TRUST COMPANY OF NEW YORK,

Trustee,

By----------

and

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WHEREAS, all acts and things prescribed by law and by the charter and the by-laws of the Companies have been duly complied with, and the Companies have executed this indenture in the exercise of each and every legal right and power in them respectively vested, and all things necessary to make said bonds when certified by the Trustee the valid and binding obligations of the Companies, and to make this indenture a valid and binding mortgage and agreement for the security of said bonds, have been done and performed; and

WHEREAS, the Companies have become parties to this indenture for the purpose of entering into their covenants and agreements hereinafter expressed;

Now, therefore, this indenture witnesseth, that in consideration of the premises, and of the purchase and acceptance of the terminal bonds secured hereby by the holders thereof, and of the sum of One hundred Dollars ($100) each to the Companies, respectively, duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal and interest of all the terminal bonds at any time issued and outstanding under this indenture, according to their tenor and effect, and the performance of all the covenants and conditions herein contained, and to declare the terms and conditions on which the terminal bonds shall be issued and received, the Companies, parties of the first and second parts hereto, have executed and delivered this indenture, and the Terminal Company, party of the first part hereto, has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred, set over, mortgaged, pledged and hypothecated, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, assign, transfer, set over, mortgage, pledge and hypothecate unto the Trustee, party of the third part hereto, its successors in the trust and its and their assigns forever,

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The following lands now owned or being acquired by it in Chicago, Illinois, for freight terminal purposes, to wit:

All that tract or parcel of land lying and being in the County of Cook and State of Illinois, including those certain Streets and Alleys embraced therein, which may hereafter be vacated, described as follows, to-wit:

Commencing at the Southwest corner of Lot Twenty-three (23) in Block Fifty-four (54) in the Canal Trustees' New Subdivision of Blocks in the Northwest quarter of Section Twenty-one (21) in Township Thirty-nine (39) North, of Range Fourteen (14) East of the Third Principal Meridian; thence North along the West line of said Lot Twenty-three (23) to the Northwest corner thereof; thence East along the South line of West Fifteenth Street in the City of Chicago to a point in the North line of Lot Four (4) in C. C. Robinson's Subdivision of Lot Ten (10) in Block Fifty-two (52) in the Canal Trustees' New Subdivision, etc., which point is twelve and one half (12½) feet East of the Northwest corner of said Lot Four (4); thence North on a straight line to the Northwest corner of Lot Seventeen (17) in John Nutt's Subdivision of Lots Four (4) Five (5) and Six (6) in said Block Fifty-two (52); thence East along the North line of Lots Seventeen (17), Eighteen (18), Nineteen (19), Twenty (20), Twenty-one (21) and Twenty-two (22) to a point One hundred thirty-seven and five tenths (137.5) feet East of said Northwest corner of Lot Seventeen (17); thence North in a straight line to the Northwest corner of Lot Two (2) in said John Nutt's subdivision etc.; thence East to the Northeast corner of Lot One (1) in said John Nutt's Subdivision etc.; thence North in a straight line to the Northwest corner of Lot Twenty (20) in B. F. Barrett's Subdivision of Block Two (2), in said Canal Trustees' New Subdivision etc.; thence East along the North line of said Block Two (2) to the Northeast corner thereof; thence South along the West line of South Canal Street to the Southeast corner of

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Lot Eighteen (18) in C. B. Chase's Subdivision of Lots One (1), Two (2) Thirteen (13) and Fourteen (14) in said Block Fifty-two (52); thence West in a straight line to the place of beginning.

Also the following lands now owned or being acquired for an auxiliary yard and tracks:

All that tract or parcel of land lying and being in the County of Cook and State of Illinois, including those certain Streets and alleys embraced therein, which may hereafter be vacated, described as follows, to-wit:

Commencing at a point in the South line of Colorado Avenue in the City of Chicago where same is intersected by the East line of Walnut Avenue produced across same; thence North along said East line of Walnut Avenue and the production thereof to the centre line of West Polk Street; thence Easterly along said centre line of said West Polk Street to its intersection with the West line of Lot Twenty-seven (27) in Block Two (2) of F. C. Wood's Subdivision of Lots Two Hundred Fifteen (215), Two Hundred Sixteen (216) and Two Hundred Seventeen (217) in the School Trustees' Subdivision of the North part of Section Sixteen (16), in Township Thirty-nine (39) North, of Range Thirteen (13) East of the Third Principal Meridian, when said West line is produced across same; thence North along said West line of Lot Twenty-seven (27) and the production thereof to the center line of the alley in said block Two (2); thence Easterly in a straight line to the Northwest corner of Block Two Hundred Thirteen (213) in said School Trustees' Subdivision of the North part of Section Sixteen (16) in Township Thirty-nine (39) North, of Range Thirteen (13) East of the Third Principal Meridian; thence East in a straight line along the North line of said Block Two Hundred Thirteen (213) and a production thereof to the center line of South Fifty First Avenue; thence North along the center line of South Fifty First Avenue to the

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South line of Lexington Street; thence East along said South line of Lexington Street to the West line of South Fiftieth Avenue; thence South along the West line of South Fiftieth Avenue to the South line of Colorado Avenue; thence Westerly along said South line of Colorado Avenue to the place of beginning.

Also all other lands which may be hereafter acquired by it for such purposes, or for any purpose in the construction, operation and maintenance of the railway and railway and terminal facilities authorized by its charter.

Also all railway owned by the Terminal Company in the State of Illinois now constructed or which may hereafter be constructed on any lands hereinbefore described, or elsewhere, and all betterments and improvements hereafter made, constructed or acquired, and all future additions, extensions and branches to and of the railway above described, and all other railway and property hereafter acquired.

Also all roadbeds, superstructures, rights of way, bridges, viaducts, buildings, depots, stations, warehouses, car houses, engine houses, freight houses, fences, docks, and all other structures, erections and fixtures, and all other property of whatever kind now owned or hereafter acquired by the Terminal Company, or its successors, which shall in any way or at any time appertain to or be acquired for use upon or for the purpose of any of the said railway, railway terminals and property hereby conveyed or intended so to be, and any and all other property, real or personal, of every kind or description, now owned or hereafter acquired by the Terminal Company, or its successors, for use upon or for the purposes of said railway and terminal properties, or any of them.

Also any and all locomotives, engines, motors, cars, and other rolling stock, equipment, machinery, instruments, tools, implements, materials, furniture, and other chattels of the Terminal Company now owned or hereafter held, acquired or provided by the Terminal Company, or its successors, for use upon any of such railway or railway terminals.

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Also any and all corporate or other rights, privileges, and franchises which the Terminal Company now has or which it, or its successors, shall hereafter acquire, possess or become entitled to for the construction, maintenance, use or operation of any of such railway and railway terminals.

Also any and all the rents, issues, profits, tolls and other income of such railway or other property hereby conveyed now or at any time subject to the lien of this indenture.

Also the rights, powers and privileges of the Terminal Company as lessor under the agreement of lease between the Railway Company and Terminal Company dated the first day of November, 1911, and all renewals and extensions thereof and under all other leases which may hereafter be made by the Terminal Company, with any corporation, association or person whatsoever, and with all extensions and renewals thereof.

Also all and singular the corporate property, estate (as lessees or otherwise), powers, privileges, franchises and other rights of the Terminal Company now held by it or hereafter acquired under any lease, trackage, traffic or other agreement with any corporation, association or person whatsoever.

Also any and all property of every kind and description owned by the Terminal Company at the time of the execution of this indenture, or hereafter purchased or acquired by it.

Also any and all property of every kind and description (notwithstanding that the same be not now particularly described in this indenture) which from time to time shall be acquired or constructed in whole or in part by the use of any of the Terminal Bonds or the proceeds thereof; together with any and all the rents, issues, profits, tolls and other income thereof.

To have and to hold the said property and premises (herein sometimes referred to as the trust estate), together with all the rights, easements, privileges and appurtenances thereto belonging and appertaining, *unto and to the use of the Trustee and its*

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successors and assigns forever; but in trust, nevertheless, for the equal and proportionate benefit and security of all the holders of the bonds issued hereunder and the coupons thereto belonging without preference or priority of any bond over any other, or the coupons thereto belonging, on account of the time of their issue or otherwise, and for enforcing the payment of the principal and interest of the said bonds according to their tenor, subject to the terms, covenants and conditions hereinafter expressed of and concerning the same, namely:

ARTICLE I.

CONCERNING THE TERMINAL BONDS.

1. The bonds issued under and secured by this indenture shall be issued as coupon or registered bonds substantially in the forms hereinabove set forth and shall be known as First Mortgage "Chicago Terminal Four Per Cent. Thirty Year Sinking Fund Gold Bonds." The coupon bonds shall be dated the first day of November, 1911, and shall be for the principal sum of one thousand dollars ($1,000) each. All bonds shall bear interest at the rate of four (4) per cent. per annum from the time of their issue and shall be payable the first day of November, 1941, at the agency of the Railway Company in the city of New York, in gold coin of the United States of the present standard of weight and fineness, without deduction for any tax or taxes which the Railway Company, the Terminal Company or the Trustee may be required to pay in respect of such principal or interest, or to retain therefrom, by any present or future law or ordinance of the United States of America, or of any other country or nation, or of any state, province, county or municipality therein. The interest upon the coupon bonds shall also, at the option of the holder, be payable in London, England, in sterling, in accordance with the coupons herein recited.

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The said coupon bonds shall be subject to registration as to principal in accordance with the terms thereof hereinbefore set forth. Each bond before issue shall be authenticated by the Trustee to be one of the bonds mentioned herein. Only such bonds as shall be so authenticated by the Trustee shall be entitled to the rights, lien or security hereby afforded, and such authentication upon any bond executed by the Companies shall be conclusive evidence as between the holder thereof and the Companies that such bond has been duly issued hereunder and is entitled to the benefit of the trusts hereby created. Said coupon bonds shall be numbered consecutively from one (1) upwards. All bonds shall be executed on behalf of the Companies by their respective Presidents or Vice-Presidents, and their respective corporate seals shall be thereunto affixed and attested by their respective Secretaries or Assistant Secretaries. The coupons shall be authenticated by the engraved signatures of the respective Treasurers of the Companies; and all such bonds and coupons so executed and authenticated shall be deemed obligatory for all purposes without regard to the fact that the officers executing the said bonds as aforesaid shall have ceased to be such officers at the date of the actual issue and authentication of the said bonds. Before delivering any of the coupon bonds, as hereinafter provided, the Trustee shall cut off and cancel all coupons thereto belonging which may have theretofore matured, and shall upon written request deliver the same to the Railway Company.

2. The aggregate principal sum secured by all the bonds at any time or times, issued under and secured or intended to be secured by this indenture, shall not exceed twenty million dollars ($20,000,000).

(*a*) The said bonds shall be executed by the Companies from time to time as may be required for the purchase and improvement of lands for said terminal, yards and tracks, and for said tracks to connect with the Wisconsin

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Central Railway at or near Altenheim, for building the same, and for future extensions, additions, and permanent betterments and improvements thereof and thereon, and shall be delivered to the Trustee to be authenticated and delivered by it from time to time to the Terminal Company or upon its written order, signed by its President or one of its Vice-Presidents and by its Secretary or one of its Assistant Secretaries, under its corporate seal, but only (except as hereinafter provided) against the delivery to the Trustee of a certified copy of resolutions of the Boards of Directors of the Railway Company and of the Terminal Company calling for the certification and delivery of a specified amount of said bonds and stating the purpose for which the expenditures have been made on account of which such certification and delivery are requested, and of certificates of the President, or a Vice-President, and the Chief Engineer and Counsel of the Terminal Company, as hereinafter specifically provided for, and only in respect of the cost of said lands acquired by the Terminal Company for said terminal, yards and tracks (and connecting tracks), the expense of constructing suitable terminal and yard facilities and tracks, stations, warehouses and buildings, and the cost of future extensions of or additions to such terminal and yard facilities and tracks, and stations, warehouses and buildings, and the expense of future permanent betterments and improvements of the same not properly chargeable to maintenance.

Said certificates, covering the purchase price of lands for said terminal, yards, tracks and terminal facilities and for future extensions thereof and additions thereto, shall be signed and verified by the President or a Vice-President and the Chief Engineer of the Terminal Company and shall state the parcel or parcels of land purchased or acquired by condemnation fully describing the same, with the amount paid for each parcel, that said lands have been conveyed to the Terminal Company by good and sufficient deeds which have been duly recorded, or have been acquired by condemnation proceedings according to law,

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and that said several parcels are fairly worth the amounts paid therefor respectively, and said certificates shall, in each case, be accompanied by certificates of the Counsel to the Terminal Company, that in his opinion the title to said several parcels is good in the Terminal Company free from all incumbrances except the lien of this indenture of mortgage.

Said certificates, covering expenditures for constructing suitable terminal and yard facilities and tracks, stations, warehouses and buildings and future permanent betterments and improvements to said terminal, yards and tracks and stations, warehouses and buildings, and any future extensions thereof, and additions thereto, shall be signed and verified by the President or a Vice-President and the Chief Engineer of the Terminal Company, and shall state in reasonable detail the nature of such construction, improvement, betterment, extension or addition, and the cost thereof; that the expenditure was necessary for such construction, improvement, betterment, extension or addition and fairly worth the expense incurred therefor.

In every instance said certificates shall state that no part of the amount for which the issue of Terminal Bonds is sought has been reimbursed to the Companies or either of them out of Terminal Bonds or out of moneys received by the Trustee under any of the provisions of this indenture.

The amount of said bonds to be so issued for the purchase or acquisition of lands for said terminal, yards and tracks the expense of constructing terminal and yard facilities and tracks, stations, warehouses and buildings thereon, shall not exceed at their par value the actual cost of the lands hereinbefore described, and the construction of said terminal and yard and tracks (excluding said connecting tracks to Altenheim) complete and ready for operation, and shall not exceed the amount of Six Million Dollars ($6,000,000) par value of said bonds. Any certificates furnished to the Trustee in connection with the bonds referred to in this paragraph, in addition to the state-

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ments heretofore required, shall state that the expenditures certified have been made for one or more of the purposes mentioned and not for future extensions and additions, betterments or improvements or for any portion of the said connecting tracks.

The amount of additional bonds to be issued for future permanent betterments and improvements, extensions or additions to said terminal, yards, tracks, facilities, stations, warehouses and buildings and for building the connecting tracks above mentioned, shall not exceed at their par value eighty (80) per cent. of the actual expenditure for such purposes respectively, properly certified as hereinbefore provided.

All of the bonds to be issued hereunder shall be issued, and the proceeds thereof, including the cash deposited as hereinafter provided, paid out, only for one or more of the purposes above mentioned.

(b) The Companies shall have the right from time to time to sell for cash any of the terminal bonds, on such terms and at such prices as may be approved by the Boards of Directors of the Companies. Upon the deposit with the Trustee of an amount in cash to the face amount of bonds at any time called for by resolutions of the Boards of Directors of the Companies, certified copies of which resolutions shall be deposited with the Trustee, the Trustee shall authenticate the bonds so called for and deliver such bonds to the Terminal Company, or upon its written order signed by its President or one of its Vice-Presidents and by its Secretary or one of its Assistant Secretaries, under its corporate seal. The cash so deposited shall be held by the Trustee under and subject to the lien of and as part of the security provided by this indenture until paid out from time to time as hereinafter provided. Said cash shall be held in a separate fund by the Trustee and properly designated so that it can be traced and identified. The aggregate amount of such cash on deposit with the Trustee under this provision shall not at any one time exceed the sum of

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Six Million Dollars ($6,000,000). The said cash so deposited shall be paid out by the Trustee, from time to time, to the Terminal Company or upon its written order, evidenced as aforesaid, against the resolutions of the Directors and certificates of the officers, and only for the purposes and only to the extent specified for the authentication and delivery of bonds under clause *(a)* of this section; and in lieu of each bond to the delivery of which the Terminal Company would at any time be entitled under said clause *(a)*, the Trustee shall so pay out a sum in cash equal to the principal amount of one such bond. The certified copies of resolutions and certificates herein provided for shall be full protection to the Trustee in certifying and delivering any bonds or in the payment of any cash in accordance therewith.

3. Until the permanent terminal bonds to be ultimately issued under and secured by this indenture can be engraved, the Companies may execute, and upon their request the Trustee shall authenticate and deliver in lieu of such permanent bonds and subject to the same provisions, limitations and conditions, temporary negotiable bonds or receipts, with or without coupons, of the denomination of one thousand dollars ($1,000) each, or any multiple thereof, substantially of the tenor of the permanent bonds to be issued hereunder, entitling the holders thereof to said permanent bonds when ready for delivery. Upon surrender of such temporary bonds or receipts for exchange, the Companies shall issue, and upon cancellation of such surrendered bonds or receipts the Trustee shall authenticate and deliver in exchange therefor, and as representing the same debt, permanent engraved coupon or registered bonds substantially in the form hereinbefore set out, for the amount of the temporary bonds or receipts so surrendered, and, until so exchanged, the temporary bonds or receipts shall be entitled to the same security as the permanent bonds to be issued hereunder. Temporary bonds may be ex-

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changed for other temporary bonds of like principal amount but of different denominations.

4. The Railway Company, at its said agency in the City of New York, will keep a register or registers for the registration of the bonds secured hereby, in which it will register, subject to such reasonable regulations as it may prescribe, and subject to the provisions of Section 5 of this Article I, upon presentation therefor for such purpose, any of the bonds secured hereby, and such register or registers at all reasonable times shall be open to the inspection of the Trustee.

Subject to the provisions of Section 5 of this Article I, the holder of any coupon bond secured hereby may have the ownership thereof registered on said books of the Railway Company at its said agency, and such registration noted on the bond. After such registration no transfer shall be valid unless made on said books by the registered holder in person or by his duly authorized attorney, and similarly noted on the bond. Upon presentation to the bond registrar of the Railway Company at said agency of any coupon bond, registered as to principal, accompanied by delivery of a written instrument of transfer in a form approved by the Railway Company, executed by the registered holder, such bond shall be transferred upon such register by the registered holder in person or by attorney duly authorized, and such transfer shall be noted by such bond registrar upon the bond. The registered holder of any such coupon bond registered as to principal also shall have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such bond when due shall be payable to the person presenting the bond; but any such bond registered as payable to bearer may be registered again in the name of the holder, with the same effect as a first registration thereof. Successive registrations and transfers as aforesaid may be made from time to time as desired; and each registration of a bond shall be noted

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by the bond registrar on the bond. Registration of any of the coupon bonds secured hereby, however, shall not affect the transferability of any coupon thereto belonging, by delivery merely, and payment to the bearer of any such coupon shall discharge the Companies in respect of the interest therein mentioned, whether or not the bond shall have been registered.

The holder of any coupon bond or bonds issued hereunder, subject to the provisions of Section 5 of this Article I, may at any time surrender the same with all unmatured coupons thereto appertaining, for cancellation, and receive in exchange therefor a like amount of the principal thereof in registered bonds without coupons, as hereinafter provided; and the registered holder of any registered bond or bonds, at his option, may at any time surrender the same for cancellation and receive in exchange therefor a like amount of the principal thereof in coupon bonds, as hereinafter provided. Every registered bond without coupons shall be transferable by the registered holder thereof in person or by his duly authorized attorney, on the said books of the Railway Company at its said agency, and upon the surrender and cancellation thereof one or more new registered bonds without coupons will be issued to the transferee in exchange therefor as hereinafter provided.

5. The registered bonds secured hereby may be of the denomination of One Thousand Dollars or of such multiples thereof as the Boards of Directors or Executive Committees of the Companies may by resolution from time to time authorize, and shall be payable at the agency of the Railway Company in the City of New York. The registered bonds secured hereby shall respectively be dated the day of issue, if an interest day, or if not an interest day then the last preceding interest day. The registered bonds shall bear interest from the respective dates thereof. Whenever any bond or bonds shall be issued originally as a registered bond or bonds, there shall be reserved by the Railway Company unissued an

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aggregate face amount of coupon bonds of the denomination of One Thousand Dollars each, equal to the aggregate face amount of the registered bond or bonds so issued, and the number or numbers of the coupon bonds so reserved unissued shall by the Railway Company be endorsed on such registered bond or bonds. Whenever any registered bond shall be surrendered for transfer the Companies shall issue, and upon surrender and cancellation of the bond or bonds transferred the Trustee shall certify and deliver, a like principal amount of new registered bonds, which shall have endorsed thereon the same number or numbers of coupon bonds which were endorsed upon the registered bond or bonds so surrendered and canceled. The holder of any registered bond may also exchange such bond, upon surrender and cancellation thereof, for coupon bonds of the denomination of One Thousand Dollars each, of a like principal amount, bearing all unmatured coupons for interest and bearing the number or numbers endorsed upon the registered bonds so surrendered and cancelled. Whenever any coupon bond or bonds of the denomination of One Thousand Dollars, together with all unmatured coupons thereto belonging, shall be surrendered for exchange for registered bonds, the Companies shall issue and the Trustee shall certify and deliver in exchange for such coupon bonds a like principal amount of registered bonds, which shall have endorsed thereon the same number or numbers borne by the coupon bond or bonds so surrendered for exchange. In every case of such exchange the Trustee forthwith shall cancel the surrendered bond or bonds, and coupons, and upon demand shall deliver the same to the Railway Company.

Every registered bond of a denomination greater than One Thousand Dollars shall bear thereon an endorsement in the following form :

> "This bond is issued in lieu of or in exchange for coupon bonds numbered----------, for One Thousand Dollars each, none of which bonds is cor-

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temporaneously outstanding; and coupon bonds bearing the above numbers will be issued in exchange for this bond upon its surrender and cancellation."

Every registered bond of the denomination of One Thousand Dollars shall bear thereon an endorsement in the following form:

"This bond is issued in lieu of or in exchange for a coupon bond numbered ----------, for One Thousand Dollars, which is not contemporaneously outstanding, and a coupon bond bearing the above said number will be issued in exchange for this bond upon its surrender and cancellation."

For any exchange of coupon bonds for registered bonds, or of registered bonds for coupon bonds, and for any transfer of registered bonds without coupons, the Companies, at their option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, or other expense connected therewith, and also of the further sum of One Dollar for each new bond issued upon such transfer or exchange.

6. As to all registered bonds and all coupon bonds registered as to principal, the person in whose name the same shall be registered shall, for all the purposes of this indenture, be deemed and regarded as the owner thereof, and thereafter payment of or on account of the principal of such bond, if it be a registered coupon bond, and of the principal and interest if it be a registered bond without coupons, shall be made only to or upon the order of such registered holder thereof; but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bonds to the extent of the sum or sums so paid. The Railway Company, the Terminal Company and

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the Trustee may deem and treat the bearer of any coupon bond which shall not at the time be registered as to principal, and the bearer of any coupon for interest on such bond whether such bond shall be registered or not, as the absolute owner of such bond or coupons for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Railway Company, the Terminal Company and the Trustee shall not be affected by any notice to the contrary.

7. In case any terminal bond shall become mutilated or be destroyed or lost, the Companies in their discretion may issue, and thereupon the Trustee shall authenticate and deliver a new terminal bond of like denomination, tenor and date (including coupons in case of a coupon bond) and bearing the same number as that of the bond so mutilated or destroyed, in exchange and in substitution for and upon the cancellation of the bond so mutilated, or in lieu of or substitution for the bond so destroyed or lost. The applicant for such substituted bond shall furnish to the Companies and the Trustee satisfactory evidence of the mutilation, destruction or loss of such bond, and shall also furnish indemnity satisfactory to the Companies and to the Trustee in their discretion, and the Companies may charge for the issue of such new bond an amount sufficient to reimburse them for the expense incurred by them in such issue.

8. At any time before any bonds shall have been certified and delivered, the Trustee upon the request of the Companies, evidenced by resolutions of their Boards of Directors or Executive Committees shall execute and deliver to the Companies proper instruments for the satisfaction and discharge of this mortgage, whereupon this indenture shall be and become null and void.

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ARTICLE II.

TRUST ESTATE PRIOR TO DEFAULT.

1. Until default shall be made in the payment of the principal or interest of the terminal bonds or in the performance of any covenant or condition herein expressed to be performed by the Terminal Company or the Railway Company whereby the security hereby created shall become enforceable, the Terminal Company shall have the right to remain in possession and to retain exclusive control of the trust estate, and shall be entitled to manage, use, operate and enjoy the same and to collect, take, and use the earnings, profits, income and revenues thereof, and to apply the same to the current expenses of the Terminal Company and to such other legitimate uses as may not be inconsistent with the provisions of this instrument, and may do all such other things as may be necessary or convenient in the proper conduct of its business.

2. The Terminal Company may from time to time, whenever there is no default in respect of the payment of the principal or interest of the terminal bonds, and while it remains in possession and has control of the trust estate, sell or otherwise dispose of any of the real estate, railways, and other property, either real or personal, comprised in the trust estate that may be no longer of use in the proper conduct of the business of the Terminal Company. And the Trustee shall release the said property so sold or disposed of from the lien of these presents, upon receiving a certified copy of resolutions duly adopted by the Boards of Directors of the Companies requesting such release and also a verified certificate of the President or a Vice-President and the Chief Engineer of the Terminal Company, reciting that the said property is no longer of use in the proper conduct of the business of the Terminal Company, and that the terms upon which the same has been sold or disposed of are fair and represent the true value thereof, and that the said property has

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been replaced with other property of equal value to the Terminal Company which has been purchased since said sale and made subject to the lien of these presents in the same manner as the property sold was so subject, or, if the said property has not been so replaced, that the proceeds of such sale have been deposited with the Trustee. The proceeds of any such sale and all moneys received as compensation for any property comprised in the trust estate taken by the exercise of the power of eminent domain shall be deposited with and held by the Trustee and applied to the purchase of other real property, or for the acquisition or construction of additions, extensions, betterments or improvements to the terminal, yards, tracks, railroads and other property comprised in the trust estate, provided, however, that such purchase, acquisition or construction shall have been made subsequent to such sale. Payments on account of such purchases, additions, extensions, betterments or improvements shall be made by the Trustee from time to time and to the extent set forth in a written order of the President or a Vice-President of the Terminal Company accompanied by a certified copy of a resolution duly adopted by the Boards of Directors of the Companies authorizing the purchase of such property, or the making of such additions, extensions, betterments or improvements, and stating that the same are of benefit to the Terminal Company and that the amount so to be paid out represents the actual cost thereof to it, together with a verified certificate of the President or the Vice-President and the Chief Engineer of the Terminal Company setting forth with reasonable detail the property to be acquired or the additions, extensions, betterments or improvements to be made, and the cost thereof, and that the said expenditures have not been included in any previous application for the issue of bonds or the withdrawal of money. No payments shall be made as aforesaid if the Railway Company or the Terminal Company shall be in default hereunder. All property, additions, extensions, betterments or improvements acquired or made as afore-

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said shall forthwith become subject to the lien hereof, and the Terminal Company shall execute a proper conveyance or deed of assurance, conveying or assuring the same to the Trustee as part of the trust estate hereby created. In case the proceeds of any such sale, or said moneys so received as compensation and deposited with the Trustee shall not be so applied by the Terminal Company within one year from the time of such deposit with the Trustee, such proceeds and such moneys shall be added by the Trustee to the amounts held by it in the sinking fund hereunder and shall be applied by the Trustee to the purchase of the terminal bonds as provided by the terms of the sinking fund. Nothing herein contained shall be construed as in any way impairing the right of the Terminal Company, in case there shall be no default in respect of the payments of the principal or interest of the terminal bonds, to sell or otherwise dispose of or deal with in all respects, as if it were not subject to the lien of these presents, such rolling stock, equipment, supplies, machinery and other like property as the Terminal Company may from time to time have acquired for use in the ordinary conduct of its business, and which may have become unfit for such use, the Company covenanting to replace the same with other rolling stock, equipment, supplies, machinery and other like property, which shall become subject to this indenture; and the Terminal Company may upon written notice to the Trustee and with the approval of the Railway Company make such alterations in any lease, trackage, terminal or other agreement affecting the trust estate, or substitute other agreements therefor, provided that no alteration or substitution shall be made which shall materially impair the security hereby afforded. The Trustee, in approving any alteration or substitution as aforesaid, may rely absolutely on the written opinion of three persons selected by the Companies and believed by the Trustee to be disinterested, and whose services and expenses shall be paid for by the Terminal Company. In making any release or payments, as provided in this

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paragraph, the Trustee may rely absolutely on the truth of any statement of facts in an order or certificate of the President or a Vice-President, or in a resolution of the Board of Directors of the Terminal Company or of the Railway Company, but the Trustee may in its discretion require such other evidence of such facts as to it may seem appropriate, and may appoint some person believed by it to be disinterested, at the expense of the Terminal Company, to verify any facts stated in such order, certificate or resolution. And the Trustee may conclusively assume, for the purpose of making releases and payments under the provisions of this article, that the Railway Company or the Terminal Company is not in default unless and until it shall have been notified in writing to the contrary by someone interested in the trusts hereby created. No purchaser at any such sale shall be under obligation to ascertain the occurrence of the event upon which any such sale is hereby authorized.

ARTICLE III.

REMEDIES OF TRUSTEE AND BONDHOLDERS UPON DEFAULT.

1. If the Companies shall make default in the payment of the interest on any of the terminal bonds and such default shall have continued for six months, then and thereupon the Trustee may in its discretion, and shall, if the holders of a majority in interest of the terminal bonds at the time outstanding shall in writing so request, declare the principal of all the terminal bonds to be immediately due and payable, and thereupon the same shall forthwith be and become due and payable, anything in said bonds or in this indenture to the contrary notwithstanding. But the holders of three-fourths in interest of the said bonds at the time outstanding may at any time withdraw such request or annul any action of the Trustee in this respect. No action taken by the Trustee or by the said holders of

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the bonds in accordance with the foregoing shall in any way affect the powers or rights of the Trustee or of the bondholders in the event of any subsequent default. *Provided, however*, that in the event of the sale of the trust estate under the power or trust for sale hereinafter contained, or pursuant to a decree of court as hereinafter provided, the principal of all the terminal bonds issued hereunder shall become forthwith due and payable, anything to the contrary herein contained notwithstanding.

2. In case (1) default shall be made in the payment of any interest on any of the terminal bonds and such default shall have continued for a period of six months, or (2) default shall be made in the payment of the principal of any terminal bond or default shall be made in the payment of any sinking fund instalment, when the same shall become due and payable, or (3) default shall be made in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Railway Company or the Terminal Company, and such default shall have continued for a period of six months after written notice thereof shall have been given to the Railway Company and the Terminal Company by the Trustee or by the holders of five per cent. in amount of the terminal bonds at the time outstanding, or (4) a receiver shall be appointed for the Railway Company or the Terminal Company, or the Railway Company or the Terminal Company shall go or be put into bankruptcy or shall lose its charter by forfeiture, expiration or otherwise, then and in each and every such case the security hereby created shall become enforceable and the Trustee may proceed forthwith to enforce such security by any or all the methods set forth in clauses (*a*) or (*b*) following:

(*a*) The Trustee may in its discretion, either personally or by its agents or attorneys, enter into or upon and take possession of all or any part of the trust estate and the property comprised herein or intended so to be, and may exclude

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the Companies and their agents and servants wholly therefrom, and may use, manage and enjoy the same, may conduct all business of the Terminal Company, may employ such managers, servants, agents and attorneys as it may deem proper, and may maintain and restore by purchase, construction or otherwise, and may insure and keep insured the trust estate and any and every part thereof and may generally do all things necessary for the proper maintenance and management thereof, may let or demise the trust estate or any part thereof upon such terms and subject to such stipulations as the Trustee shall think fit, and may enter into any other agreements and arrangements respecting the trust estate and the working and maintenance thereof, in all respects as if it were absolutely entitled thereto, without being responsible for loss or damage, and may collect and receive all accounts, tolls, rents, incomes and profits thereof, and shall apply the moneys so received as follows :

First, to the payment of the expenses of the Trustee incurred in managing the trust estate and conducting the said business or otherwise incurred or payable in respect thereof, including just remuneration for its own services and for the services of such managers, servants and attorneys as it may have employed.

Second, in case the principal of the terminal bonds shall not have become due, to the payment of the interest in default in the order of the maturity of the installments, with interest on such overdue installments, which payments shall be made ratably to the persons entitled thereto without discrimination or preference, subject to the provisions of Section 12 of this Article. But in case the principal of the terminal bonds shall have become due by declaration or otherwise, then to the payment of the interest due and unpaid upon the said bonds with interest upon overdue installments of interest and to the payment of the principal thereof ratably and without discrimination between the said bonds or the principal or interest

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thereof. And in case all defaults shall be made good, and no event shall exist upon which the security hereby created shall be enforceable, and provision satisfactory to the Trustee shall have been made for the payment of the semi-annual installment of interest on the terminal bonds then next to accrue, the Trustee shall yield to the Terminal Company the possession of the trust estate entered upon and not then sold, and such property shall thereupon be subject to all the trusts and provisions of these presents in the same manner and to the same extent as if such entry had not been made.

(b) The Trustee may in its discretion, and upon the request of the holders of a majority in interest of the terminal bonds at the time outstanding shall (except as provided in Section 4 of this article), either with or without entry, cause the trust estate to be sold to the highest bidder, at public auction. Such sale shall be held in the city of Chicago, Illinois, and notice shall be given of the time and place of such sale by publication twice a week for six successive weeks in at least two newspapers of general circulation, published in the city of Chicago and in at least two newspapers of general circulation published in the Borough of Manhattan, city of New York, and no other notice of such sale or demand whatsoever to or upon the Terminal Company or the Railway Company shall be necessary. In the event of such sale the trust estate shall be sold as an entirety, but may be sold in parcels if the same shall appear to the Trustee more desirable or more practicable by reason of some statute or other cause, and shall be so sold if the holders of three-fourths in interest of the terminal bonds at the time outstanding shall so request, and in the event of such request, then as specified therein. The Trustee shall have power to adjourn any such sale from time to time in its discretion, with or without notice, and after such adjournment to make such sale without further notice at the time and place to which the same may have been adjourned. In case of sale the Trustee is hereby empowered to make

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and deliver to the purchaser or purchasers of said trust estate good and sufficient deeds of the same, and such sale and conveyance shall be a perpetual bar, both at law and in equity, against the Terminal Company and the Railway Company, their successors and assigns, and all other persons claiming by, through or under either of them from all right, title and claim in and to the trust estate so sold and every part and parcel thereof. And upon any sale purporting to be made in pursuance of the aforesaid power or trust for sale, the purchaser or purchasers, or any subsequent purchaser, shall not be bound to see or inquire whether any such request or notice as aforesaid has been made or given, or whether any default hereunder has been made, or as to the propriety or regularity of such sale, and the receipt of the Trustee for the purchase money shall discharge the purchaser or purchasers therefrom and from all liability to see to the application thereof. And as affecting the title to any property purchased at any such sale, the facts set forth in an affidavit made by an officer, attorney or agent of the Trustee and attached to the deed of conveyance relating to the time and manner of giving any notice hereby required, shall conclusively be deemed true as against all persons.

3. The Trustee shall apply the proceeds of such sale :

First, to the payment of the costs and expenses incurred in respect of such sale and in and about the execution of the trusts hereof, or otherwise in respect of the trust estate, including reasonable remuneration for the services of the Trustee and of such persons as may have been employed by it.

Second, to the payment of the principal of the terminal bonds at the time outstanding and the interest thereon remaining due and unpaid, with interest on overdue installments of interest, without any preference or priority whatsoever either as to principal or interest, subject to the provisions of Section 12 of this Article. The balance of the said proceeds, if any, shall be paid over to the Terminal Company.

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In case the proceeds of such sale, remaining after the payment of the said costs and expenses, shall be insufficient to pay in full the said principal and interest, the same shall be apportioned ratably, and without preference or priority, among all the holders of the terminal bonds and coupons thereto belonging according to the amounts held by them subject to the provisions of said Section 12 of this Article.

4. Nothing hereinbefore contained shall be construed as limiting or taking away any rights of the Trustee or of the holders of the terminal bonds to apply to any court of competent jurisdiction for a judgment or decree of foreclosure and sale, or any other right or remedy which they may have either at law or in equity to enforce the security hereby created ; and after default by the Companies in the payment of the principal or interest of any of the terminal bonds, or upon the happening of any other event herein prescribed whereby the security hereby created shall become enforceable, but without waiting for the expiration of any period of time herein stipulated for the continuation of any such default, the Trustee may, notwithstanding any request to sell hereinbefore mentioned, and upon the request of the holders of a majority in interest of the terminal bonds shall, forthwith institute such proceedings, either at law or in equity, as it may deem proper for the foreclosure of this mortgage, or for the sale of the trust estate, or otherwise for the enforcement of the security hereby created, or for the protection of the rights and interests of the holders of the terminal bonds. And upon instituting such proceedings, or in order to take possession as hereinbefore provided, the Trustee shall be entitled to the appointment of a receiver of the trust estate and to the sale of the trust estate as an entirety. And, in case of such sale in accordance with an order or decree of court, the proceeds thereof shall be applied and distributed as far as possible in the same manner as provided in respect of the proceeds of any sale made under and by virtue of the

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power of sale hereinbefore contained, and all stipulations and provisions herein contained with reference to the sale of the trust estate, if sold under such power of sale, shall be applied as far as may be in case such sale shall be made under an order or decree of court.

5. No action shall be instituted or prosecuted against the Terminal Company or Railway Company, in pursuance of any power or trust contained in this article, to foreclose this mortgage or enforce the security hereby created, except by the Trustee as herein provided, unless the Trustee shall refuse or unreasonably delay, after being requested in writing so to do by the holders of a majority in amount of the terminal bonds, or of any greater or less number, in any event where in this indenture it is provided that action shall be taken on the request of the holders of such greater or less number of bonds, and after being offered reasonable indemnity.

6. Upon any sale of the trust estate, as hereinbefore provided, the holders of the terminal bonds, or any of them, or the Trustee on behalf of all the bondholders, shall have the right to purchase the trust estate or any part thereof upon equal terms with other persons. And any purchaser or purchasers at such sale shall be entitled to be allowed, as paid in or towards satisfaction of the purchase money, such sums as shall be payable to him or them out of the proceeds of such sale in respect of any of the terminal bonds and coupons held by such purchaser or purchasers (subject to the provisions of said Section 12 of this Article), and the sum so allowed on account of each of the said bonds and coupons shall be marked thereon as paid.

7. The Terminal Company or the Railway Company shall not at any time take advantage in any way of any stay or extension law now or hereafter in force, or any law now or hereafter in force providing for the valuation or appraisement of the trust estate or any part thereof prior to any sale or sales thereof, whether made under the powers

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herein contained or pursuant to a decree of court or otherwise, nor after such sale shall the Terminal Company or the Railway Company claim or exercise any right, under any law or statute now or hereafter in force, to redeem the trust estate, or any part thereof, sold as aforesaid; and all said stay or extension laws and laws providing for a valuation or appraisement of the trust estate, or providing for a redemption of the same after sale, and all rights under the said laws, are hereby expressly waived and released by the Terminal Company and the Railway Company.

8. No delay or omission of the Trustee, or of any holder of terminal bonds, to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or a consent thereto; and every power and remedy given by this article to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders respectively as herein provided. Except as in this indenture expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee, or to the holders of the terminal bonds, is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this indenture or now or hereafter existing at law or in equity or by statute.

9. Nothing in this Article, or in any other Article of this indenture, expressed or implied, is intended or shall be construed to give to any person or corporation, other than the parties hereto and the holders of terminal bonds issued under and secured by this indenture, any legal or equitable right, remedy, or claim, under or in respect of this indenture, or under any covenant, condition or provision herein contained; all its covenants, conditions and provisions being intended to be, and being, for the sole and exclusive benefit of the said

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parties, respectively, as the case may be, and of the holders of the terminal bonds hereby secured.

10. In case default shall be made in the payment of any interest on any bond hereby secured, or in case default shall be made in the payment of any sinking fund instalment or in the payment of the principal of any such bond when the same shall become payable, whether at the maturity of said bonds, or by declaration as authorized by this indenture, or by sale of the mortgaged premises as herein provided, then, upon demand of the Trustee, the Companies jointly and severally agree and covenant that they will pay to the Trustee, for the benefit of the holders of the bonds and coupons hereby secured then outstanding, the whole amount which shall then be due and payable on all such bonds and coupons for principal or interest or both, as the case may be, with interest upon the overdue principal and installments of interest ; and, in case the Companies shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as Trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid. The Trustee shall be entitled to recover judgment as aforesaid before or after or during the pendency of any proceeding for the enforcement of the lien of this indenture upon the mortgaged premises, and the right of the Trustee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this indenture, or by the foreclosure of the lien thereof; and in case of a sale of the mortgaged premises and of the application of the proceeds of sale to the payment of the mortgage debt, the Trustee, in its own name and as trustee of an express trust, shall be entitled to receive and to enforce payment of any and all deficiency or amounts then remaining due and unpaid upon any and all of the bonds issued hereunder and then outstanding, for the benefit of the holders thereof, and

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shall be entitled to recover judgment for any portion of the mortgage debt remaining unpaid, with interest. No recovery of any judgment by the Trustee and no levy of any execution under any such judgment upon property subject to the lien of this indenture, or upon any other property, shall in any manner, or to any extent, affect or impair the lien of the Trustee upon the mortgaged property or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the holders of the bonds hereby secured, but such lien, rights, powers and remedies shall continue unaffected and unimpaired as before. Any moneys thus recovered or collected by the Trustee under this Article, less the cost and expense of collection and the reasonable compensation of the Trustee, shall be applied by the Trustee towards payment to the holders of such bonds and coupons of the amounts due and unpaid upon such bonds and coupons respectively, such payment in every instance to be made ratably and without any preference or priority upon presentation of the respective bonds and coupons and endorsement of such payment thereon, if partly paid, or upon cancellation thereof if paid in full, subject to the provisions of Section 12 of this Article.

11. The Terminal Company, at any time before full payment of the bonds secured hereby and whenever it shall deem it expedient for the better protection and security of such bonds, although there be then no default entitling the Trustee to enter into possession, may, with the consent of the Trustee, surrender and deliver to the Trustee full possession of the whole or any part of the property, premises and interests hereby conveyed, or intended so to be, for any period fixed or indefinite. Upon such surrender and delivery to the Trustee, with its consent, the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof, for such period fixed or indefinite, as aforesaid, without prejudice, however, to its

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right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any prescribed period. Upon any such voluntary surrender of said property and premises, or any part thereof, the Trustee, from the time of its entry, shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenues thereof as provided in Section 2 of this Article.

12. No coupon or claim for interest belonging to any of the terminal bonds which, in any way, at or after maturity, shall have been transferred or pledged separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of or from this indenture, except subject to the prior payment in full of the principal of all of the terminal bonds and of all coupons and interest obligations not so transferred or pledged.

ARTICLE IV.

COVENANTS OF THE RAILWAY COMPANY AND TERMINAL COMPANY.

The Railway Company and the Terminal Company jointly and severally covenant with the Trustee for the benefit of the Trustee and of the several holders for the time being of the terminal bonds:

(*a*) That the Railway Company will upon demand pay to the Terminal Company in cash the difference between the net proceeds of all terminal bonds issued in accordance with the provisions of this indenture and the face value of such bonds, all as provided in the contract between the Railway Company and the Terminal Company mentioned in subdivision *(h)* of this Article;

(b) That the Railway Company will pay the principal and interest moneys specified in the terminal bonds and the coupons

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thereto belonging according to the tenor thereof, and will make all Sinking Fund payments as herein provided;

(*c*) That neither the Railway Company nor the Terminal Company will, directly or indirectly, extend or assent to the extension of the time for payment of any coupon or claim for interest of any of the terminal bonds, and that neither of them will, directly or indirectly, be a party to or approve any such arrangement by purchasing or refunding said coupons or claims for interest, or in any other manner. If the time for payment of any such coupons or claims for interest shall be so extended, whether or not by or with the consent of the Terminal Company or the Railway Company, such coupon or claim for interest shall not be entitled, in case of default hereunder, to the benefit of the security of this indenture, except subject to the prior payment in full of the principal of all bonds issued hereunder and then outstanding and all matured coupons and claims for interest on such bonds, the payment of which has not been so extended;

(*d*) That the Terminal Company will not consolidate or merge with any other corporation, or convey the trust estate, unless such corporation or any new corporation formed by such consolidation or merger, or the grantee, whether a corporation or otherwise, shall agree with the Trustee for the time being of this indenture, for the benefit of the said Trustee and of the holders from time to time of the terminal bonds, that it will perform and observe all the covenants and agreements herein contained to be performed or observed by the Terminal Company, and that all property, real and personal, easements, privileges and franchises, then or thereafter acquired by such corporation or grantee for or in connection with the property covered by this mortgage or intended so to be, shall be subjected to the lien of this indenture by the Terminal Company;

(*e*) That the Terminal Company will punctually pay all

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taxes, charges and assessments of every kind and nature and mechanics', laborers' or other liens, now or at any time hereafter levied, laid, assessed, or created upon the Terminal Company, the trust estate or upon any part thereof, or upon the interest of the Trustee in the trust estate, so that the lien of this mortgage and the bonds secured hereby shall at all times during the continuance hereof be maintained unimpaired as a first lien;

(*f*) That the Terminal Company will maintain, preserve and keep all and singular the trust estate, with the fixtures and appurtenances thereto belonging, in thorough working order and repair, and will make all needful and proper renewals, replacements and repairs, so that its traffic and business shall at all times be conducted with safety and expedition, and will at all times maintain, preserve and keep its railways, with the apparatus, fixtures and appurtenances in like repair and working order and supplied with all necessary equipment, and will keep and maintain all equipment and rolling stock, which shall be plainly marked with the name of the Terminal Company; and that the Terminal Company will keep all portions of the trust estate subject to destruction by fire fully insured. Policies for any such insurance shall be made payable to and shall be paid to the Trustee. The proceeds of any such insurance which may be received by the Trustee shall be applied by the Terminal Company to the restoring, repairing or replacing of the property injured or destroyed, or in acquiring other property for the Terminal Company, or for extensions, additions, betterments or improvements, all of which property shall forthwith become subject to the lien of this indenture, or if not so applied shall be held by the Trustee for the security and benefit of the holders of the terminal bonds. Before the payment of any sums for such purposes the Terminal Company shall deliver to the Trustee a certified copy of resolutions and certificates similar to those provided for in Section 2 of Article II hereof and the Trustee

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in making any such payment shall be fully protected in relying upon such certified copy or copies of resolutions and certificates. That the Terminal Company will conduct its business and work its railways in an efficient manner, and will diligently preserve all the rights and privileges to it granted and conferred by the laws of Illinois or of any other State, and will not suffer any of its licenses to use patents or patent rights or apparatus, or any of its rights, franchises or privileges to lapse or be forfeited, so long as the same shall be necessary or convenient in carrying on its business, and will use reasonable efforts to obtain from time to time all necessary renewals and extensions of such rights, franchises and privileges and such further licenses and rights in respect of other patents, instruments, equipments and apparatus as may be necessary in the lawful operation of the business of the Terminal Company;

(*g*) That the Terminal Company will pay to the Trustee all expenses incurred by the Trustee in the execution of the trusts hereof, and all sums of money, if any, that shall have been paid by the Trustee, or by any person interested in the trusts hereof, on account of any such taxes, charges, assessments or liens or insurance moneys, in case of any default in respect thereof on the part of the Terminal Company as aforesaid, with interest at the rate of six per centum per annum from the time or times of such payments respectively;

(*h*) The Railway Company and the Terminal Company having entered into a contract for the use by the Railway Company of said terminal for the transaction of its freight business in the city of Chicago, in consideration of the covenants and obligations assumed by the Railway Company in this indenture, and in further consideration that the Railway Company shall pay to the Terminal Company an amount in cash annually equal to the total taxes and assessments of every nature levied upon the Terminal

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Company or its property, together with all premiums of insurance effected on the trust estate, and all expenses of operation and maintenance of said terminal and terminal facilities, together with all expenses incurred by the Trustee in the execution of the trusts hereof; with the provision that if any other railway company or companies shall be admitted to the use of said terminal all expenses of operation and maintenance shall be prorated among all the users thereof in addition to such just and reasonable rentals as they may be required to pay; the Railway Company agrees to faithfully and punctually perform all obligations assumed by it in said contract and that it will throughout the full term of the bonds hereby secured, and until all such bonds have been fully paid, be responsible for the payment of all the expenses aforesaid, and will keep the trust estate free and clear from any lien, incumbrance or impairment on account thereof;

(i) That the Terminal Company and Railway Company and every person having or claiming any estate, title or interest in or to the trust estate or any part thereof, will at all times do and execute every such deed, act, assurance and thing as the Trustee may reasonably require, or as shall be necessary for further and more perfectly assuring to and to the use of the Trustee and upon the trusts and for the purposes herein expressed, all and every part of the trust estate, and for effectually vesting in the Trustee upon the trusts and for the purposes aforesaid all property, rights and franchises conveyed hereby or intended so to be;

(j) That in the event of any sale of the trust estate, or of any part thereof under any power or trust herein contained, the Terminal Company and Railway Company will, if and when required by the Trustee or the purchaser, execute a formal conveyance or assurance of the trust estate so sold to the Trustee or as the Trustee may direct;

(*k*) That neither the Terminal Company nor the Railway Company will impede or delay, nor attempt to impede or delay,

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the Trustee or any holders of terminal bonds in foreclosing this mortgage or otherwise enforcing their rights;

(l) That the Terminal Company will duly record and file these presents as shall be required by law in order to preserve the lien of the same as a mortgage of all the property and franchises hereby conveyed or intended so to be, and will furnish satisfactory evidence of such recording and filing to the Trustee, and will furnish similar evidence of recording and filing every additional instrument which shall be necessary to preserve the lien of these presents upon all the property and franchises intended to be mortgaged or pledged hereunder until the principal and interest of the bonds hereby secured shall have been duly paid.

(m) If any provisions of this indenture shall be held or deemed, as applied in any particular case, to be inoperative or unenforceable in any jurisdiction or jurisdictions, because conflicting with any provision of any constitution or statute or any rule of public policy or for any other reason, such provision shall not for that reason be held or deemed inoperative or uninforceable in any other case, and if any provision or provisions hereof be in fact inoperative or unenforceable in any given case or cases in any jurisdiction or jurisdictions, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

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ARTICLE V.

SINKING FUND.

The Terminal Bonds shall be payable not later than November 1, 1941, by the operation of a Sinking Fund to be created by the payment by the Railway Company and the Terminal Company to the Trustee at its office in the City of New York in gold coin of the United States of America of or equal to the present standard of weight and fineness of the following sums, which, with accumulations, the Railway Company and the Terminal Company covenant are sufficient to retire the entire issue of the Terminal Bonds not later than November 1, 1941:

(a) On or before the first day of May, 1916, and thereafter in each calendar year, on or before the first day of May in such year in respect of Terminal Bonds at any time prior to the 1st day of January, 1916 authenticated and delivered by the Trustee pursuant to any of the provisions of Article I of this Indenture, the sum of $22.56738 in respect of each $1,000 in principal amount of Terminal Bonds so authenticated and delivered prior to January 1, 1916.

(b) On or before the first day of May, 1917, and thereafter in each calendar year and on or before the first day of May in such year in respect of additional Terminal Bonds authenticated and delivered by the Trustee pursuant to any of the provisions of Article I of this Indenture on or at any time after said January 1, 1916, and prior to the first day of January next preceding the date on which payment of such installment is required to be made, the following sums in respect of each $1,000 in principal amount of Terminal Bonds so authenticated and delivered during any calendar year hereinafter designated :

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1916	$24.01196
1917	25.58683
1918	27.30906
1919	29.19881
1920	31.28011
1921	33.58175
1922	36.13862
1923	38.99333
1924	42.19852
1925	45.82000
1926	49.94110
1927	54.66897
1928	60.14373
1929	66.55217
1930	74.14904
1931	83.29094
1932	94.49299
1933	108.52783
1934	126.60961
1935	150.76190
1936	184.62711
1937	235.49005
1938	320.34854
1939	490.19608
1940	1,000.00000

The Companies may make payment of the whole or any part of the Sinking Fund due in any year by delivering to the Trustee any of the terminal bonds, accompanied by all unmatured coupons appertaining thereto, if any, reckoning each bond at the face value thereof.

All moneys received by the Trustee for account of the Sinking Fund shall be applied by the Trustee, as they are from time to time received, to the purchase of terminal bonds, so far as in the judgment of the Trustee reason-

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ably practicable, at prices not exceeding a premium of two and one-half per cent. (2½%) and accrued interest, and to the extent to which at the time of any drawing by lot for the purposes of the Sinking Fund such purchases shall not have been made by the Trustee, to the purchase at such premium of two and one-half per cent. (2½%) of terminal bonds to be designated for that purpose by the Trustee by lot. Drawings by lot for the purpose of the Sinking Fund shall be made at the office of the Trustee in the City of New York under the supervision of the Trustee, and shall be made in the discretion of the Trustee between the first day of July and the fifteenth day of July in each year, beginning with the year 1916, and shall be made in such manner as the Trustee may in its unrestricted discretion determine, from the numbers of the coupon bonds then outstanding or held reserved against registered bonds.

Notice of any such drawing specifying the distinctive numbers of the terminal bonds so drawn, shall be published by the Trustee on behalf of the Companies at their expense at least once in each week for ten successive weeks in at least one daily newspaper of general circulation published in the Borough of Manhattan in the City of New York and at least one daily newspaper of general circulation published in the City of Chicago, Illinois, the first publication to be made not later than the first day of August next succeeding such drawing.

A similar notice shall be sent by the Companies through the mails, postage prepaid, on or before such first day of August, to each registered holder of bonds so drawn and to each registered holder of coupon bonds so drawn at the address last furnished by him to the Companies.

The terminal bonds so drawn shall be purchased at a premium of two and one-half per cent. (2½%) upon the first day of November next following the day of such drawing, and from and after such first day of November the holder thereof shall cease to be entitled to interest thereon, and the title to all

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interest subsequently maturing shall vest in the Trustee for the benefit of the Sinking Fund.

Bonds drawn for purchase for the Sinking Fund must be presented with all coupons maturing after the day on which they are so to be purchased, and shall be paid for upon presentation thereof on or after such day designated for purchase at the office or agency of the Trustee in the City of New York.

Terminal Bonds to a face amount equal to the amount of payment to the Sinking Fund in any year together with interest received on bonds then held in the Sinking Fund (less the face amount of any Terminal Bonds delivered by the Companies to the Trustee for the Sinking Fund under the provisions hereof) shall in any event be purchased by the Trustee for the Sinking Fund in each year; and if the Trustee shall find it necessary to pay more than the face value and accrued interest of Terminal Bonds so purchased by it, or shall draw bonds for purchase as provided herein, the amount of the premium shall be forthwith on demand paid by the Companies to the Trustee in addition to the payments for the Sinking Fund herein provided for; and if the Trustee shall purchase bonds for the Sinking Fund at prices less than face value and accrued interest, the amount of the difference between the purchase price and face value (or discount) shall be credited to the Companies upon the next succeeding payment on account of the Sinking Fund.

Whenever any coupon bonds, the numbers of which shall be reserved against outstanding registered bonds, shall be drawn for purchase for the Sinking Fund, so much of the principal of such registered bond as is represented by such coupon bond so drawn, shall cease to bear interest except for the purpose of the Sinking Fund after said date for purchase, and such coupon bond so drawn shall be delivered to the Trustee on such date for purchase, and upon surrender of such registered bond at the Transfer Agency of the Railway

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Company in the City of New York on or after such date for purchase, the registered holder shall, in addition to the premium of two and one-half per cent. payable on purchase, be entitled to receive the principal amount of the drawn coupon bond, and for the residue of the principal amount of his registered bond, a new registered bond or registered bonds.

All terminal bonds acquired by means of the Sinking Fund shall be converted by the Trustee into registered bonds in the name of the Trustee and be appropriately stamped by the Trustee as no longer negotiable and as belonging to the Sinking Fund, but such bonds shall not be cancelled and shall continue to bear interest, and the Trustee shall collect the interest thereon, as such interest matures, and the amounts so collected and the interest on any unpresented terminal bonds at any time designated for purchase for the Sinking Fund and accruing after the day on which they are to be so purchased, shall also become a part of the Sinking Fund, as shall the interest, if any be allowed, on moneys in the Sinking Fund while in the hands of the Trustee unapplied. The Companies may at any time make additional payments to the Trustee for the purposes of the Sinking Fund.

All terminal bonds in the Sinking Fund shall be so held for the further security of the outstanding terminal bonds. All moneys held in the Sinking Fund under any of the provisions of this Article shall similarly be held by the Trustee for the further security of the outstanding terminal bonds, until applied to the purchase by the Trustee of terminal bonds for the Sinking Fund, or until the designation by lot of terminal bonds for purchase; but from and after any designation by lot of bonds for purchase, such moneys shall, to the extent required to effect such purchase of the bonds so designated, be held for the payment of the purchase price of the bonds so designated for purchase.

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When the principal and interest of all other terminal bonds shall have been paid in full, or moneys deposited for their redemption, in accordance with Article VI. and all payments to the Trustee or otherwise called for by any of the provisions of this indenture shall have been made by the Companies, the Trustee shall on written demand pay to the Railway Company at the office of the Trustee in the City of New York for the Companies all moneys held in the Sinking Fund, and all the terminal bonds held in the Sinking Fund shall forthwith be cancelled by the Trustee, and, having been so cancelled, shall thereafter be physically destroyed in the presence of a representative of the Trustee and a representative of the Companies, who shall, respectively, execute, in triplicate, a certificate attesting such destruction, and deliver one counterpart to the Railway Company, one counterpart to the Terminal Company, and one counterpart to the Trustee.

No expenses in connection with the administration of the Sinking Fund of any character, shall be charged against moneys in the Sinking Fund, but all such expenses shall be borne by the Companies.

Terminal Bonds held in the Sinking Fund shall not be deemed outstanding (*a*) for the purpose of drawings for purchase under this Article, or (*b*) for the purpose of redemption under Article VI. or (*c*) in determining the amount of bonds prescribed for any action by bondholders under any of the provisions of this indenture.

ARTICLE VI.

REDEMPTION OF BONDS.

1. The entire issue of the terminal bonds (but not part thereof, except through the Sinking Fund) may be paid off and redeemed at the election of the Companies, on November

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1, 1916, or on any interest day thereafter, at their face value and a premium of five per centum and the accrued interest to such redemption date; provided that notice of such election of the Companies shall have been given by the Companies, by publication in at least one daily newspaper of general circulation in the Borough of Manhattan, in the City of New York, New York, and in at least one daily newspaper of general circulation in the City of Chicago, Illinois, once a week for ten successive weeks, the first publication to be made not less than ninety days and not more than one hundred days prior to the interest day designated in such notice as the date on which such payment and redemption is to be made, stating such election on the part of the Companies, and that the interest on the terminal bonds will cease on the said next ensuing interest day, and requiring that the terminal bonds be then presented for payment and redemption. A similar notice shall be sent by the Companies through the mails, postage prepaid, at least ninety days prior to such redemption date, to registered holders of terminal bonds whose addresses shall appear upon the transfer register, to the addresses there given.

Notice having been so given, the terminal bonds shall on November 1, 1916, or on the later interest day designated in such notice, become due and payable at face value, with a premium of five per centum and accrued interest to the date of redemption so designated, and from and after the date of redemption so designated (unless the Companies shall make default in the payment of said bonds) interest on said bonds shall cease, and on presentation of said bonds in accordance with said notice, at the place of payment, with the coupons in case of coupon bonds, maturing on said redemption day and all subsequent coupons, said bonds shall be paid by the Companies at the rate aforesaid, with accrued interest to such interest day. If not so paid on presentation thereof, said bonds shall continue to bear interest at the rate expressed therein until payment.

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2. On deposit with the Trustee of the amount necessary so to redeem all outstanding terminal bonds, together with proof that said notice of redemption has been given by publication and by mail as above provided, and on payment to the Trustee of all costs, charges and expenses in relation thereto, the Trustee shall cancel and satisfy this indenture. The Trustee shall apply the moneys so deposited with it to the payment of the terminal bonds at the rate aforesaid, with accrued interest to the interest day designated for redemption.

3. All terminal bonds redeemed and paid shall be canceled, and no terminal bonds shall be issued in substitution therefor.

ARTICLE VII.

DISCHARGE OF MORTGAGE UPON PAYMENT.

1. Upon payment of the principal moneys secured by the terminal bonds and the interest thereon according to the terms thereof, and of all sums of money payable to the Trustee, according to the provisions hereof, the Trustee shall, at the request and cost of the Terminal Company, or its successors or assigns, release and discharge the trust estate and every part thereof from the lien of these presents, and the Trustee shall execute such release and discharge upon production of all the bonds canceled or of such other evidence of payment as the Trustee shall think sufficient.

2. In case any of the terminal bonds or coupons thereto belonging shall not be presented for payment when the principal moneys secured thereby shall be due and payable, the Companies shall be at liberty, if they see fit at any time thereafter to give to the Trustee, upon trust to apply to the payment of the said bonds and coupons when presented, a sum in cash equal to the principal and interest payable in respect of the bonds remaining outstanding and

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unpaid. And from and after the giving of such cash, the trust estate shall be liberated from the trusts hereof, and a release and discharge of this mortgage shall be executed by the Trustee in the same manner as if the said bonds and coupons not presented had been paid. And the certificate of the Treasurer of the Railway Company, or of such other officer thereof as the Trustee shall think proper, that certain terminal bonds and coupons in such certificate specified have not been presented for payment, shall be sufficient evidence of that fact to authorize the Trustee to act under the power of trust lastly hereinbefore contained. All terminal bonds and coupons thereto belonging, which shall be paid at any time, shall be canceled as received by the Trustee and then delivered to the Companies upon their request in writing.

3. Whenever the Railway Company shall have canceled or procured the cancellation of terminal bonds to an amount which, with those held by the Trustee hereunder, equals at least ninety-eight per cent. (98%) of all the terminal bonds issued hereunder and outstanding, the Trustee shall upon the written request of the Terminal Company and upon the production of the terminal bonds so canceled, or such other evidence of such cancellation as the Trustee shall think sufficient, release and discharge the trust estate and every part thereof from the lien of this mortgage as hereinbefore provided in the case of the payment of the terminal bonds at maturity. *Provided, however*, that no such release or discharge shall be made by the Trustee, unless and until the Companies shall deposit with the Trustee, upon trust to apply to the payment of the remaining terminal bonds outstanding and the interest thereon as it accrues, a sum of money equal to the principal of such remaining terminal bonds and the interest thereon from the time of making such deposit to their maturity, together with all sums of money payable to the Trustee according to the provisions hereof.

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ARTICLE VIII.

CONCERNING THE TRUSTEE.

1. The Trustee may employ such officers, agents, servants, attorneys and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration therefor, and may take legal advice in all matters connected herewith, and shall be entitled to receive reasonable remuneration for all services performed by it in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof, and all such remuneration, disbursements, costs and expenses, and all remuneration and expenses incident to the preparation, execution and recording of this indenture, and the preparation, execution and issue of the terminal bonds, whether done or incurred at the request of the Trustee, or the Railway Company, or the Terminal Company, are hereby constituted a lien upon the trust estate prior to the lien of the said terminal bonds. All representations and recitals herein set forth are made by and on behalf of the Railway Company and the Terminal Company and the Trustee is in no way responsible therefor, nor for any statements therein contained, nor for any action or thing by it done by reason of any representation to it made by the Railway Company or the Terminal Company, or any of their officers, and the Trustee shall be answerable only for its own acts, receipts, neglects and defaults, and not for those of any person employed by it and selected with reasonable care, nor for any thing or matter whatsoever, except its own willful misconduct. The Trustee shall not be bound to act as hereinbefore provided in accordance with any direction or request of the Railway Company or the Terminal Com-

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pany, or of their Boards of Directors, until a duly authenticated copy of the resolution or vote containing such direction or request shall have been delivered to it, and the Trustee shall be fully empowered to act, and shall be fully protected from all liability in acting, upon any instrument or instruments purporting to be proper certificates or copies of resolutions or votes of the respective boards of directors of the Railway Company or of the Terminal Company, and believed by the Trustee to be genuine. And the Trustee shall not be responsible for insuring the trust estate, nor for renewing any policies of insurance, nor for the execution, recording or validity of this indenture, nor for the sufficiency of the security comprised in the same, nor for keeping down taxes, charges, assessments or liens upon the trust estate, nor otherwise as to the maintenance of the security hereby created, nor be bound to ascertain or inquire as to the performance or observance of any of the covenants or agreements to be performed by the Railway Company or the Terminal Company, or as to the payment or discharge of taxes, charges, assessments or liens in respect of the trust estate, or otherwise, but the Trustee may, in its discretion, make or renew any such insurance, or pay and discharge any such taxes, charges, assessments and liens or insurance moneys, in case of any default in respect thereof by the Companies, and the Trustee may require the Companies to keep it fully informed and advised as to the performance of the covenants and agreements aforesaid and as to the condition of the trust estate. The Trustee shall be under no obligation to see to the record, registry, or filing, rerecord, reregistry, or refiling, of this indenture, or to the record, registry, or filing of any supplemental indenture given to it hereunder; nor shall the Trustee be obliged to give notice of the existence of this trust to any person or corporation whomsoever; nor shall the Trustee be in any way responsible for the application of ter-

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minal bonds or money delivered to the Terminal Company pursuant to the terms hereof. The Trustee shall not be required to give any notice nor take any action under the terms of this instrument until requested so to do in writing by some person interested in the trust, and, if in its judgment any such action requested as aforesaid will tend to involve expense or liability to the Trustee, the Trustee need take no action unless one or more of the holders of the terminal bonds shall as often as required by the Trustee furnish it reasonable security and indemnity against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee, and in the absence of any such notice the Trustee may for all purposes of this indenture conclusively assume that neither the Railway Company nor the Terminal Company is in default hereunder. Any such notice or request or any other provision herein contained shall in no way limit any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any default or take action without any request. The Trustee may advise with legal counsel, and any action under this indenture taken or suffered in good faith by the Trustee in accordance with the opinion of counsel shall be conclusive on the Railway Company, the Terminal Company, and on all holders of terminal bonds, and shall be full justification to the Trustee for such action. The Trustee shall not be bound to recognize any person as a holder of terminal bonds entitled to the benefit of the provisions hereof or to take any action at his request, unless such bonds shall have been deposited with the Trustee or submitted to its inspection, and the Trustee shall not be compelled to do any act hereunder unless reasonably indemnified against loss, cost, liability and expense.

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Any notice or consent of the holders of the requisite amount of bonds required under the terms and provision of this mortgage shall be deemed conclusively established if it shall be made to appear, in the manner hereinafter provided, that the persons executing such notice or consent in writing were the holders of such amounts of terminal bonds on the day of the execution of such notice or consent. The holding and date of holding of terminal bonds by any person executing any such notice or consent in writing, and the amount of the bonds held by such person, may be established by a statement in writing executed by the Trustee or any bank or trust company, approved in writing by the Trustee, such statement being sworn to or acknowledged by the Trustee or such bank or trust company, or agent thereof, before an officer authorized to take acknowledgments of deeds to be recorded in the State of New York, to the effect that such person exhibited to the Trustee, or to such bank or trust company, the terminal bonds described in said statement at the date therein mentioned ; and the holding of said bonds as so set forth shall be deemed to continue for the purpose of protecting the Trustee in any action it may take in reliance thereon. The ownership of registered bonds shall be proved by the registers of said bonds kept as hereinbefore provided. The fact and date of the execution by any person of any such notice or consent may be proved by the certificate of any notary public or other officer authorized to take acknowledgment of deeds to be recorded in the state of New York that the person signing such notice or consent acknowledged to him the execution thereof, or by an affidavit of a witness to such execution thereof, or by a certificate of the Trustee, or of any such bank or trust company, to whom such bonds shall have been exhibited as aforesaid. The Trustee assumes no responsibility or liability whatsoever as to the genuineness, regularity, validity or ownership of any bonds

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to be received by it in accordance with the terms of this indenture. The regularity and validity of all acts and requests and directions of the board of directors and officers of the Railway Company or the Terminal Company shall be deemed, for the protection of the Trustee, to be conclusively proven by a certificate signed by any person being, or by the Trustee believed to be, the secretary or an assistant secretary of, or the counsel for, the Railway Company or the Terminal Company. The Trustee shall not incur any liability or responsibility whatever in consequence of permitting or suffering the Terminal Company, its successors, or assigns, to retain or be in possession of any part of the trust estate, and to use and enjoy the same, unless hereinbefore expressly otherwise provided; nor shall the Trustee nor any future Trustee be or become responsible or liable for any destruction, deterioration, loss, injury, or damage, which may be done or occur to the trust estate by the Terminal Company, its agents or servants, or by any other person or corporation, or be in any way responsible for the consequence of any breach on the part of the Railway Company or the Terminal Company of any of the covenants herein contained, or of any acts of the agents or servants of either of said companies; nor shall any Trustee be or become liable or responsible for any cause, matter or thing, except for its own gross negligence or willful and intentional breach of any trust herein expressed and contained. All questions or controversies as to the liability of the Trustee hereunder shall be decided and determined under the laws, and, if litigation thereon be instituted, by the courts, of the State of New York, but the compensation of the Trustee shall not be based upon the compensation of the Trustee of an express trust, and in all cases shall be reasonable and customary.

2. The said Trustee, or its successor in the trusts hereof, may, at any time in its discretion, and shall, at the request in writing of the holders of three-fourths of the terminal

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bonds, resign the trusts hereof by filing its resignation with the president or treasurer of the Terminal Company and the Railway Company, and publishing notice thereof once a week for three successive weeks in one or more newspapers published in the city of Chicago, and in one or more newspapers published in the Borough of Manhattan, city of New York, and such resignation shall take effect upon the appointment of its successor, which shall be a trust company incorporated by or under the laws of New York and located in the city of New York and qualified to act as such trustee under the laws of Illinois. Said successor may be appointed by the holders of a majority of the terminal bonds outstanding, and if such majority shall fail to make such appointment within sixty (60) days, the boards of directors of the Companies may appoint such new trustee. And the trust estate shall vest, always, without further act or deed, in every succeeding trustee, appointed as hereinbefore provided, as fully and effectually as if every such trustee had been a party to these presents. And the clauses herein contained and referring to the Trustee shall extend to and be applicable to the Trustee for the time being under these presents, and every such trustee shall be exempt from giving any bond or surety in respect of the execution of the said trusts or powers or otherwise in respect of the premises.

ARTICLE IX.

WAIVER OF PERSONAL LIABILITIES.

No recourse under or upon any obligation, covenant or agreement of this indenture, or of any terminal bond or any coupon thereto belonging, shall be had against any incorporator, stockholder, officer, or director of the Railway Company or the Terminal Company, or of any successor corporation, either directly or through either of said companies, by the enforcement of any assessment or by any legal or equi-

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table proceeding by virtue of any statute or otherwise, it being expressly agreed and understood that this mortgage and the terminal bonds hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the incorporators, stockholders, officers or directors of the Railway Company or the Terminal Company, or of any successor corporation, or any of them, because of incurring the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this indenture or in any of the terminal bonds or coupons thereto belonging or implied therefrom, and that any and all personal liability of every name and nature, either at common law or in equity, or by statute or otherwise, of every incorporator, stockholder, officer or director is hereby expressly waived as a condition and in consideration of the execution of this indenture, and of the issue of the terminal bonds and the coupons thereto belonging. Neither the Railway Company nor the Terminal Company shall be relieved in any manner from any of the obligations assumed by them respectively in this indenture and in the bonds secured hereby, by reason of any exemption from stockholders' liability contained in this Article IX or in said bonds.

ARTICLE X.

SUNDRY PROVISIONS.

1. All the covenants, stipulations, terms and agreements in this indenture contained, by or in behalf of the Railway Company or the Terminal Company, shall bind its successors or assigns whether so expressed or not.

2. Except when otherwise indicated the term "Trustee," or any other equivalent term as used in this indenture, shall be held and construed to mean the Trustee for the time being, whether original or successor (and the words "Trust

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Company" shall be deemed to mean the trust company which may for the time being be acting as the trustee hereunder). Whenever in this indenture the term "terminal bonds" is used, the same shall be deemed and construed to mean the terminal bonds of the Companies issued under these presents at the time outstanding and unpaid, unless the context requires some other meaning, and in like manner the term "coupons" shall be deemed and construed to mean the coupons belonging to the said bonds, and in like manner the term "bondholders" shall be deemed and construed to mean the holders for the time being of the said bonds, and whenever in this indenture the term "registered bonds" is used it shall be deemed to mean the terminal bonds issued hereunder and registered as hereinbefore provided.

Nothing in this indenture contained shall ever be construed as preventing the Terminal Company from providing facilities for the transaction of passenger business on said terminal or in connection therewith, whenever the Railway Company and Terminal Company shall deem it expedient so to do.

The headings of the articles and table of contents are not a part of these presents and shall not be regarded in determining any question relating to the construction or interpretation of any of the provisions hereof.

In testimony whereof the Central Terminal Railway Company and the Minneapolis, St. Paul and Sault Ste. Marie Railway Company have caused these presents to be executed on their behalf, each by its president or one of its vice-presidents, and its corporate seal to be hereto affixed and attested by its secretary or one of its assistant secretaries, and the Guaranty Trust Company of New York, in token of its acceptance of the trusts hereby created, has caused these presents to be executed on its behalf by its president or one of its vice-presidents, and its corporate seal to be hereto affixed and attested by its secretary or one of its assistant secretaries,

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the day and year first above written. Executed in five (5) counterparts.

CENTRAL TERMINAL RAILWAY COMPANY,

By

(Corp. Seal) JOSEPH W. HINER,

Vice-President.

In presence of:

JONATHAN G. LATIMER,

NELLIE L. RANKIN.

Attest:

F. B. MARTIN,

Assistant Secretary.

MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY,

(Corp. Seal) By W. L. MARTIN,

Vice-President.

In presence of:

ALFRED H. BRIGHT,

A. M. HARLIS.

Attest:

G. W. WEBSTER,

Secretary.

GUARANTY TRUST COMPANY OF NEW YORK,

(Corp. Seal) By A. J. HEMPHILL,

President.

In presence of:

JOHN HENRY HAMMOND,

JAMES D. HURD.

Attest:

E. C. HEBBARD,

Secretary.

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STATE OF ILLINOIS, }
County of Cook, } ss. :

BE IT REMEMBERED, that on this 2nd day of November, A. D. 1911, before me, a Notary Public within and for the county of Cook, in the State of Illinois, personally appeared Joseph W. Hiner, the Vice-President of Central Terminal Railway Company, and F. B. Martin, the Assistant Secretary of said Central Terminal Railway Company, each of whom is to me personally well known, and who are personally well known to me to be the same persons whose names are subscribed to the foregoing instrument, who, being by me severally duly sworn, each of them for himself, did depose and say that the said Joseph W. Hiner resides in the city of Chicago, in the State of Illinois, and is Vice-President of the Central Terminal Railway Company, one of the corporations described in and which executed the foregoing instrument, and that the said F. B. Martin resides in the city of Chicago, in the State of Illinois, and is Assistant Secretary of said corporation; that he knows the corporate seal of said corporation; that the seal affixed to the foregoing instrument as the seal of said corporation is the corporate seal thereof; that it was affixed by authority of the board of directors of said corporation; and that the said Joseph W. Hiner signed his name thereto as Vice-President, and the said F. B. Martin signed his name thereto as Assistant Secretary by like authority; and they severally acknowledged to me that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

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In witness whereof, I have hereunto set my hand and Notarial Seal at my office in the city of Chicago, in the county of Cook and State of Illinois, on the day and year in this certificate first above set forth.

Nellie L. Rankin,

(Notarial Seal) Notary Public within and for the County of Cook, in the State of Illinois.

State of Minnesota, }
County of Hennepin, } ss.:

Be it remembered, that on this First day of November, A. D. 1911, before me, a Notary Public within and for the county of Hennepin, in the State of Minnesota, personally appeared W. L. Martin, the Vice President of Minneapolis, St. Paul and Sault Ste. Marie Railway Company, and G. W. Webster, the Secretary of said Minneapolis, St. Paul and Sault St. Marie Railway Company, each of whom is to me personally well known, and who are personally well known to me to be the same persons whose names are subscribed to the foregoing instrument, who, being by me severally duly sworn, each of them for himself, did depose and say that the said W. L. Martin resides in the city of Minneapolis, in the State of Minnesota, and is Vice-President of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, one of the corporations described in and which executed the foregoing instrument, and that the said G. W. Webster resides in the city of Minneapolis, in the State of Minnesota, and is Secretary of said corporation; that he knows the corporate seal of said corporation; that the seal affixed to the foregoing instrument as the seal of said cor-

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poration is the corporate seal thereof; that it was affixed by authority of the board of directors of said corporation; and that the said W. L. Martin signed his name thereto as Vice-President, and the said G. W. Webster signed his name thereto as Secretary by like authority; and they severally acknowledged to me that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal at my office in the city of Minneapolis, in the county of Hennepin and State of Minnesota, on the day and year in this certificate first above set forth.

A. M. HARLIS,

(Notarial Seal) Notary Public within and for the County of Hennepin, in the State of Minnesota.

My commission expires Oct. 3rd 1918.

STATE OF NEW YORK, }
County of New York, } ss.:

BE IT REMEMBERED, that on this 6th day of Nov., A. D. 1911, before me, a Notary Public within and for the county of New York, in the State of New York, personally appeared A. J. Hemphill, the President of Guaranty Trust Company of New York, and E. C. Hebbard, the Secretary of said Guaranty Trust Company of New York, each of whom is to me personally well known, and who are personally well known to me to be the same persons whose names are subscribed to the foregoing instrument, who, being by me severally duly sworn, each of them for himself, did depose and say that the said A. J. Hemphill resides in Spring Lake, in the

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State of New Jersey, and is President of the Guaranty Trust Company of New York, one of the corporations described in and which executed the foregoing instrument, and that the said E. C. Hebbard resides in the city of New York, in the State of New York, and is Secretary of said corporation ; that he knows the corporate seal of said corporation ; that the seal affixed to the foregoing instrument as the seal of said corporation is the corporate seal thereof ; that it was affixed by authority of the board of directors of said corporation ; and that the said A. J. Hemphill signed his name thereto as President, and the said E. C. Hebbard signed his name thereto as Secretary by like authority ; and they severally acknowledged to me that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

In Witness Whereof, I have hereunto set my hand and Notarial Seal at my office in the city of New York, in the county of New York and State of New York, on the day and year in this certificate first above set forth.

E. K. Satterlee,

(Notarial Seal) Notary Public within and for the County of New York in the State of New York.

Notary Public, No. 15, New York County

Certificate filed in Register's Office, No. 3234,

Commission expires March 30, 1913.

STATE OF NEW YORK, } ss.: No. 33361
County of New York, }

I, William F. Schneider, Clerk of the County of New York, and also Clerk of the Supreme Court for the said County, the same being a Court of Record, Do Hereby Certify, That E. K. Satterlee, whose name is subscribed to the Certificate of the proof or acknowledgment of the annexed instrument, and thereon written, was, at the time of taking such proof or acknowledgment, a Notary Public in and for the County of New York, dwelling in the said County, commissioned and sworn, and duly authorized to take the same. And further that I am well acquainted with the handwriting of such Notary, and verily believe that the signature to the said certificate of proof or acknowledgment is genuine.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the said Court and County, the 6 day of Nov., 1911.

WM. F. SCHNEIDER,

(Seal) Clerk.

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STATE OF ILLINOIS, } ss.: No. 4865904.
Cook County,

Filed for record 1911, Nov. 11, A. M. 11:23, and recorded in book 11383 of records, Page 523.

ABEL DAVIS,
Recorder.

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