

Nº 35 WALL STREET.
NEW YORK.

May 22nd, 1897.

CONFIDENTIAL.

JAMES J. HILL, Esq.,

St. Paul, Minn.

My dear Mr. Hill:-

Herewith I send you a copy of a letter that I have to-day addressed to President Winter asking for some explanations regarding the efficiency of our operating departments which a comparison of their figures with those of your line indicate upon the surface of the statement, either gross neglect or inefficiency on the part of those having charge of the operating departments.

Please treat this communication confidentially.

Sincerely yours,

Edward D. Adams

May 22nd, 1897.

EDWIN W. WINTER, Esq., President,
Northern Pacific Railway Company,
St. Paul, Minn.

Dear Sir:-

The enclosed comparative statement of the operations of the Northern Pacific and Great Northern Companies, showing the classified engine mileage for the fiscal year ending June 30th, 1896 develops some surprising conditions which may indicate a lack of close scrutiny on the part of Northern Pacific officials responsible for the operation of the road.

There are such marked differences that I suspend my judgment until I can receive the benefit of your advices, with such explanations as may be available to account for the differences.

For instance, the Great Northern Company shows an excess of freight receipts of 5.7% or \$866,616 (\$14,916,474 N.P. - \$15,833,090 G.N.), while the Northern Pacific shows an excess of regular freight engine mileage of 24.3% or 1,508,129 miles (6,183,143 G.N. - 7,691,272 N.P. miles). Is this due entirely to difference in grades, to the mileage on branches or in part to each and is it partly due to less efficiency in the management of freight train service?

Switching mileage is also particularly noticeable, there

being an excess in Northern Pacific of 46% or 663,422 miles (1,483,378 G.N. - 2,166,800 N.P. miles). Is this also partly due to our greater number of branches and to less scientific methods of handling the business? It does not seem possible to me that it could be due to insufficient yard room.

Again in the case of pushers and helpers, the Northern Pacific has an excess of 118.2% or 446,514 miles (377,578 G.N. - 824,092 N.P. miles). This may be due to our heavier and more numerous Mountain grades.

Engines running light would also seem to require some explanation, as the Northern Pacific shows an excess of 104.4% or 274,373 miles (262,717 G.N. - 537,090 N.P. miles). About 50,000 miles of this difference may be accounted for by a difference in the basis of compilation which, according to my understanding of the facts, would arise from the practice of the Great Northern in including engines caboose in train mileage, whereas on the Northern Pacific such engines have been counted from January 1, 1896 as running light.

Very truly yours,

Edward D. Adams.

Chairman.

STATEMENT OF CLASSIFIED ENGINE MILEAGE FOR THE YEAR ENDING JUNE 30TH, 1896, COMPARED WITH THE CORRESPONDING MILEAGE OF THE
GREAT NORTHERN RAILWAY FOR THE SAME PERIOD.

	Regular Trains		Pushers & Helpers		Switching		Running Light		T o t a l	
	N.P.RY	G.N.RY	N.P.RY	G.N.RY	N.P.RY	G.N.RY	N.P.RY	G.N.RY	N.P.RY	G.N.RY.
Passenger.....	3,243,965	2,971,338	100,769	78,750	17,175		42,481	39,093	3,404,390	3,089,181
Freight.....	6,348,717	5,680,711	723,325	285,496	124,621		494,609	216,936	7,691,272	6,183,143
Mixed.....	662,151	653,468			30,271				692,422	653,468
Construction....	709,375	384,806		12,919				6,688	709,375	404,413
Other.....	24,178	39,021		413					24,178	39,434
Switching.....					1,994,733	1,483,378			1,994,733	1,483,378
Total.....	10,988,386	9,729,344	824,094	377,578	2,166,800	1,483,378	537,090	262,717	14,516,370	11,853,017

St. Paul, Minn., May 19, 1897.