

# GREAT NORTHERN RAILWAY LINE.

GREAT NORTHERN RAILWAY CO.  
MONTANA CENTRAL RAILWAY CO.  
EASTERN RAILWAY CO. OF MINNESOTA  
WILLMAR & SIOUX FALLS RAILWAY CO.  
DULUTH, WATERTOWN & PACIFIC RAILWAY CO.  
SEATTLE & MONTANA RAILWAY CO.  
FAIRHAVEN & SOUTHERN RAILROAD CO.  
NEW WESTMINSTER SOUTHERN RY. CO.

ACCOUNTING DEPARTMENT.

ST. PAUL, MINN.

May 22, 1897

Mr. Hill, -

The showing on the attached sheet is not quite fair to the Great Northern road.

The excess of freight receipts is correct.

The actual excess in passenger receipts of the Northern Pacific is but \$1,041,408.00 To get the figures shown upon the enclosed statement Mr. Adams has included under the head of "Passenger", passenger, mail, express, sleeping car and excess baggage. The last two are included by us in "Miscellaneous Earnings" and mail and express are shown as separate items in our report.

Neither is the train mileage used fair. The freight train mileage used by us includes the total mileage of freight and mixed trains. How the Northern Pacific's freight train mileage is arrived at, I do not know, but on our basis there should be 7,025,615, an excess of 691,436, to say nothing about the fact that we included trains consisting of engine and caboose, while the Northern Pacific did not do so for the last six months of the fiscal year.

The rates are not the same on both roads. The earnings of the Northern Pacific are 1.59 mills per ton per mile more than the Great Northern. Had the Great Northern received this additional rate its freight revenue would have been greater by \$2,580,375.10 The difference between the tonnage and the revenue is therefore accounted for by the fact that the Great Northern has a larger quantity of cheap freight business than the Northern Pacific.

[See Edward Adams to Hill, May 15, 1897]



The cause "b" assigned is therefore not correct.

In Tons Hauled there is a duplication. That is, the number of tons hauled as shown on page 20 of our report for 1896 is the sum of the tons hauled by the Eastern Ry., the Montana Central Ry., and the Greart Northern Ry., Included in the Great Northern is the Great Northern proper, the Willmar & Sioux Falls and the Duluth, Watertown & Pacific Ry., but the statistics are worked as of one line and the tonnage is not duplicated. Some tons may be included three times in our figures but not more. This, however has absolutely no effect upon the density of traffic, but the *same is* figured on the basis of tons one mile, which are absolutely correct. The only effect that this addition of tons hauled has is to reduce the average distance each ton is hauled.

Attention is called to the fact that the density is 24% greater on the Great Northern than on the Northern Pacific, while the earnings per mile of road are but 6% greater. Had the rates been equal and had the Great Northern earned its \$2580,000.00 above referred to, the excess earnings would have been \$812.00 per mile or 24%, the same as the excess tonnage.

The number of tons hauled per train per mile are unfair, on account of the use of erroneous train mileage. Upon the use of a correct train mileage it would show that the N.P.'s haul was 187.45 tons.

The difference between the revenue per freight train mile for the two companies when the N.P.'s is reduced to a proper basis will be found entirely in the difference in the "average revenue per ton per mile."

