

[June, 1894]

AUDITOR'S BULLETIN No. 6.

June, 1894.

**Income Account**

for the

Eleven Years Ended June 30th, 1893,

With Appendices.

**REORGANIZATION COMMITTEE**  
OF THE  
**CONSOLIDATED MORTGAGE BONDS**  
OF THE  
**NORTHERN PACIFIC RAILROAD CO.**

James J. Hill Papers  
Minnesota Historical Society

*INCOME ACCOUNT FOR THE ELEVEN YEARS ENDED JUNE 30th, 1893,*  
*WITH APPENDICES.*

The statement following shows in detail the Income Account of the Northern Pacific Railroad Company and its branches for the eleven years ended June 30, 1893, with the resulting Surplus or Deficit each year. Included in the "Gross Earnings from Traffic," which are first classified, are the earnings from the carriage of construction material and the transportation of passengers for like account, thus:

Gross Earnings from Traffic for eleven years .....	\$188,110,568	63
<i>Less</i>		
Earnings from the carriage of Construction Material .....	\$4,569,146	47
Earnings from the carriage of Passengers incident to construction work.....	168,158	00
		<hr/> 4,737,304 47
Leaving as the amount paid by the public.....	\$183,373,264	16

After 1884 all the materials so carried, and from whence this class of earnings came, were for the construction of Branches.

To determine the true cost of operating, the earnings thus excluded must be considered as a factor, and they are so taken, because it would be impossible, on the other hand, to determine the cost of the transportation of these materials and passengers separately.

In figuring the percentage of operating expenses the Taxes are included as part thereof, and the differences between them and the "Total Earnings from Traffic" are designated as "Net Earnings from Traffic." Then follows the Income from other sources as I find it on the books, part of which, however, was not income in the strict sense of the word, such, for instance, as the following, viz.:

Pullman Company for Repairs of Cars.....	\$46,450	79
Unclaimed wages .....	139,927	98
Dividend Certificates in excess of amount paid Stockholders .....	26,669	48
		<hr/>
Total.....	\$213,048	25

These sums were a credit either to the accounts immediately affected or Profit and Loss, but even if so treated the net results would still be the same.

It will be observed that the average percentage of operating for the whole eleven years is but 59.35 per cent., which is probably too low, and the explanation may be found in the capitalization for that period of what is termed "Construction B" or "Improvements and Betterments," to the amount of \$6,928,022.65, which also appears by years in Appendix "A" under the title "Statistical," and reference to which is hereby made. A portion of this, to the extent of replacement of bridges and other structures and kindred improvements to the property with a much superior and more enduring class of work, should, in my judgment, have been charged to Income, not Capital. Hence in making any estimate of Net Earnings for the future, this question of where to draw the line between Income and Capital charges should be kept steadily



in mind, with the leaning to more liberal charges to Income. Of the \$6,928,022.65 thus capitalized under what is termed "Construction B," the records show that much of it was practically for the improvement or betterment of the plant already in existence, over and above the cost of merely duplicating or replacing it as it originally existed. To illustrate, if wooden bridges were replaced with iron structures, iron bridges with stone structures, iron rails with steel rails of equal weight, or rails of greater weight per yard substituted for those removed, embankments widened, roadbed raised, ballasted or otherwise changed, grades reduced, trestles filled or culverts improved, etc., the *betterments* thus designated were capitalized. This principle, moreover, was laid down by the Directors and governed the officers in charge throughout.

There was also an account termed "Construction A," under the supervision of the Chief Engineer, for new work exclusively, and the reason that all new work was not carried under that caption was because the Operating Department had charge of "Construction B."

By the plan of reorganization dated June 30, 1875, it was determined that the holders of Northern Pacific Preferred Stock "should be entitled to dividends not exceeding eight per cent. per annum, as the net earnings hereinafter defined in each calendar year may suffice to pay, and before any dividends shall be paid on the Common Stock."

And "the words 'Net Earnings,' as used above, shall be construed to mean such surplus earnings of the said railroad as shall remain after paying all expenses of operating the said railroad and carrying on its business, including all taxes and assessments and payments on incumbrances, and including the Interest and Sinking Fund on the First Mortgage Bonds, the expenses of repairing or replacing the said railroad, its appurtenances, equipments or other property so that the same shall be in *high* condition, and of providing such additional equipment as the said Company shall deem necessary for the business of the said railroad."

The question, therefore, arises whether in view of this language the improvements to which I allude could with propriety be capitalized; whether in point of fact they were not a legitimate charge to Income before the Net Earnings as above defined could be ascertained, and the high condition of the property thereby maintained; otherwise, what is the meaning or significance of those terms? If this be the correct interpretation of them then the debits to Income would be increased accordingly to the serious impairment of the Dividend Fund, out of which was declared not only the \$2,844,429.63 on Preferred Stock, payable in \$3,347,000 Consols for the seven years ended June 30, 1889, but also the \$3,317,060 in cash paid out of the profits of the years 1890, 1891 and 1892. These Cash Dividends are already charged in the Income Account (herewith submitted), but the dividend of \$2,844,429.63 in Consols held in trust is not so charged. The results therefore for the eleven years restated with the last mentioned dividend included would be as follows, viz.:

Gross Earnings from Traffic.....	\$188,110,568 63
Operating Expenses (including Taxes).....	111,626,538 68
Net Earnings from Traffic.....	\$76,484,029 95
Add Earnings from other sources.....	9,131,464 98
Total Net Earnings.....	\$85,615,494 93
From which deduct Rentals and other fixed charges as per statement.....	79,019,541 73
Balance applicable to Dividends.....	\$6,595,953 20
Less Cash Dividends for years 1890, 1891 and 1892.....	3,317,060 00
Balance as per Income Account.....	\$3,278,893 20
Now charge Dividend on Preferred Stock, payable in \$3,347,000 Consols.....	2,844,429 63
Remaining Surplus for eleven years.....	\$434,463 57



or, to put the figures in another form with the Dividend periods separated in the order of their declaration, the same result is reached, thus:

Surplus for seven years ended June 30th, 1889.

1883.....	\$1,149,583	12
1884.....	1,055,656	17
1885.....	91,959	86
1886.....	111,199	75
1887.....	65,707	20
1888.....	518,685	40
1889.....	481,477	62
<hr/>		
Total Surplus.....	\$3,474,269	12
Less dividend of.....	2,844,429	63 payable in \$3,347,000 Consols,
<hr/>		
Balance at Credit of Profit and Loss...	\$629,839	49

Now add the Surplus for

1890.....	\$2,059,891	23
1891.....	1,116,160	89
1892.....	834,887	64
<hr/>		
	\$4,640,779	25
Less Cash Dividends.....	3,317,060	00
<hr/>		
Balance.....	\$1,323,719	25
Deficit for 1893.....	889,255	68
<hr/>		
Remaining Surplus for eleven years...	\$434,463	57

The specific details of the class of improvements or betterments to which I have called attention are kept in St. Paul, so that the amount and particulars thereof must be reserved for a future Bulletin. As against my judgment that they should have been charged to Income, I am referred to article fifth of the Consolidated Mortgage, dated December 2, 1889, which sets apart twenty millions of dollars in these Bonds "for enlargement of terminals and stations, additional terminals, rolling stock, betterments and *renewals*, and other expenditures not properly chargeable to Operating Expenses"—these improvements being considered on a parity with those made prior to the creation of that mortgage, and the theory advanced that if it is proper to capitalize them in the latter case it was equally so in the former, whether the funds expended were derived from Income or Capital. This provision would seem to be in conflict with the definition of "Net Earnings," already quoted, which asserts that the maintenance of the property in high condition, whatever that may mean, must be charged to Income and not to Capital.

If we now examine the Freight and Passenger Traffic respectively for eleven years the comparison in that period is very striking, especially in the percentage of reduction in rates, thus:

**Freight Traffic** from 1883 to 1893 (exclusive of earnings on transportation of material for construction).

Road Mileage, 1893.....	4,443 Miles	
“ “ 1883.....	1,502 “	
<hr/>		
<b>Increase</b> .....	2,941 Miles or 195 $\frac{8}{10}$ %	
Gross Earnings, 1893.....	\$16,982,891 57	
“ “ 1883.....	4,013,712 23	
<hr/>		
<b>Increase</b> .....	\$12,969,179 34 or 323%	
Tons carried one mile, 1893.....	1,364,782,652	
“ “ “ 1883.....	243,559,686	
<hr/>		
<b>Increase</b> .....	1,121,222,966 or 460%	
Earnings per ton per mile, 1893 .....	1.23 Cents	
“ “ “ 1883 .....	2.22 “	
<hr/>		
<b>Decrease</b> .....	0.99 Cents or 44 $\frac{6}{10}$ %	

**Passenger Traffic** from 1883 to 1893 (exclusive of that incident to Construction Work).

Road Mileage, 1893.....	4,443 Miles	
“ “ 1883.....	1,502 “	
<hr/>		
<b>Increase</b> .....	2,941 Miles or 195 $\frac{8}{10}$ %	
Gross Earnings, 1893.....	\$5,917,054 22	
“ “ 1883.....	1,972,000 90	
<hr/>		
<b>Increase</b> .....	\$3,945,053 32 or 200%	
Passengers carried one mile, 1893.....	214,455,590	
“ “ “ 1883.....	54,409,782	
<hr/>		
<b>Increase</b> .....	160,045,808 or 294%	
Earnings per Passenger per mile, 1893 ...	2.63 Cents	
“ “ “ “ “ 1883 ...	3.76 “	
<hr/>		
<b>Decrease</b> .....	1.13 Cents or 30%	

Dividing the total ton mileage, 8,311,747,781, for eleven years into the total Freight Earnings, \$123,908,755.41, gives as the average rate per ton per mile 1.49 cents.

For the passenger business the total passenger miles was 1,753,889,194, which, divided into the total passenger earnings of \$50,875,244 59, gives 2.90 cents as the average rate for the eleven years.



## EQUIPMENT.

In order to ascertain whether the equipment had been fully maintained between June 30th, 1883, and June 30th, 1893, I multiplied the increase in the number of locomotives, cars, etc., for this period by a reasonable average price for each class, but the figures would not prove. It was then discovered that the inventory of such equipment for 1883 embodied in the President's report for that year (the Auditor did not take charge of the inventory until the succeeding year) was unreliable, new engines and cars having been counted as on hand, the value of which had not been taken to book. This necessitated a resort to the inventory of June 30th, 1893, and applying the same test to it, it was still further developed that the equipment acquired from the Northern Pacific and Manitoba and Cœur d'Alene Railroads was counted in the Northern Pacific inventory, but that its value (some \$635,000) stood, not in the general equipment of the Northern Pacific proper, but as part of the cost of those roads. With this explanation I estimate that the \$21,713,146.95 for equipment in the balance sheet of June 30th, 1893, including \$411,948.96 for one half interest in the Pullman Car equipment, and excluding \$939,858.42 for discount on Consolidated Mortgage Bonds used in part purchase thereof, is practically substantiated by the List of Equipment on hand at that date taken at a fair valuation. In other words, I discover no evidence in this account of any charges thereto that ought to have been made to Income. The reverse is true of that portion of "Construction B" (Appendix A), on which I have already commented.

CHARGES MADE BY THE RAILROAD COMPANY OPERATING DEPARTMENT  
AGAINST THE LAND DEPARTMENT.

In Appendix B attached to this bulletin will be found the details of the \$1,391,207.16, expenses of the Railroad Operating Department charged against the Land Department for the eleven years ended June 30th, 1893. These expenses for the years 1883 and 1884 are given in gross, because it would involve too much analysis at this time to list them in detail as in the subsequent nine years.

## CHARGES TO TOTAL NET EARNINGS.

By reference to the Income Account it will be found that the charges to the Total Net Earnings are classified in the order of their priority, but several large amounts will now, under the changed condition of the Company's affairs, drop out. Among these may be mentioned the following, viz.:

Losses on Wisconsin Central Line.....	\$1,443,599 73
"    " Chicago & Northern Pacific.....	170,403 27
"    " Seattle, Lake Shore & Eastern.....	586,827 75
Opening Celebration Expenses.....	183,528 86
Dividends on Preferred Stock declared payable in cash.....	3,317,060 00
Loss on Sale of Transfer Steamer.....	23,623 34
Total .....	<u>\$5,725,042 95</u>

It should be distinctly understood in this connection that the Income Account on which I report does not include the operations of the Wisconsin Central Lines, but only the *losses* thereon. Attention is also directed to the charges for interest on Loans Payable, which from the nature of the account are an uncertain and fluctuating figure.

Prior to and including the year 1890 the Land Receipts applicable to the sinking fund of the General First Mortgage were used in reduction of the contribution to such sinking fund, the net amount only appearing as a debit to Income. Subsequent to 1890 the Land Receipts appear in full on the credit side, and the sinking fund contribution in full on the debit side, as reference to the statement itself will show.

It should also be explained that prior to 1890 the "Rentals of Track" were included in "Gross Earnings from Traffic." While all this shifting of accounts from one position or classification to another permeates the statement, yet it is only fair to say that the intent was for greater perspicuity and elucidation, the net results not being affected thereby.

STEPHEN LITTLE.

New York, June, 1894.

James J. Hill Papers  
Minnesota Historical Society



# NORTHERN PACIFIC RAILROAD CO.

## APPENDIX "A."

### INCOME ACCOUNT AND CHARGES THERETO FOR THE ELEVEN

ACCOUNTS.	1883.	1884.	1885.	1886.	1887.
<b>GROSS EARNINGS:</b>					
Freight, Commercial.....	\$4,013,712 23	\$7,116,474 00	\$7,187,808 58	\$8,079,861 46	\$8,441,283 80
"    Construction.....	1,395,368 44	748,893 34	258,457 82	109,753 16	289,263 48
Passenger, Commercial.....	1,972,000 90	4,196,846 31	3,075,882 01	2,897,218 11	3,269,703 47
"    Construction.....	127,744 91	40,413 09	.....	.....	.....
Mail.....	87,281 62	175,593 09	411,149 05	347,957 11	356,346 48
Express.....	229,259 22	257,843 14	246,365 72	241,769 02	300,852 46
Rents and Telegraph.....	30,091 94	67,512 61	54,486 44	53,968 34	131,998 41
<b>Total Gross Earnings from Traffic.....</b>	<b>7,855,459 26</b>	<b>12,603,575 58</b>	<b>11,234,149 62</b>	<b>11,730,527 20</b>	<b>12,789,448 10</b>
<b>OPERATING EXPENSES:</b>					
Expenses.....	4,953,066 82	6,922,525 38	5,953,800 47	5,919,299 87	6,904,616 74
Taxes.....	141,099 12	255,229 36	242,500 49	236,903 87	268,402 95
<b>Total Operating Expenses.....</b>	<b>5,094,165 94</b>	<b>7,177,754 74</b>	<b>6,196,300 96</b>	<b>6,156,263 74</b>	<b>7,173,019 69</b>
Percentage of Operating (including Taxes).....	64.85	56.95	55.16	52.48	56.09
<b>Net Earnings from Traffic.....</b>	<b>2,761,293 32</b>	<b>5,425,823 84</b>	<b>5,037,848 66</b>	<b>5,574,263 46</b>	<b>5,616,428 41</b>
<b>To which add INCOME FROM OTHER SOURCES, thus:</b>					
Interest and Dividends on Investments.....	12,024 00	38,972 67	147,359 18	243,319 13	275,879 40
Rentals received for Use of Tracks and Land.....	.....	.....	3,120 30	3,701 36	45,000 00
Land Receipts applied to Sinking Fund General First Mortgage.....	.....	.....	.....	.....	.....
Interest Account (Net Credit).....	.....	.....	21,310 69	52,578 15	39,418 87
Townsite Property (Net Receipts).....	.....	7,841 12	.....	.....	84,124 39
Sale of Donated Property at Superior.....	.....	.....	.....	.....	.....
Amount Recovered from Pullman Co. for Repairs to Cars year 1889.....	.....	.....	.....	.....	.....
St. Paul & Northern Pacific Railway Co., half balance of Surplus.....	.....	.....	.....	.....	.....
Unclaimed Wages.....	.....	19,601 83	20,843 11	27,253 92	12,755 73
Profit on sale Chicago Northern Pacific Bonds.....	.....	.....	.....	.....	.....
Premium and Interest on Northern Pacific Terminal Bonds sold.....	.....	.....	.....	.....	.....
Branch Line Land Receipts.....	.....	.....	.....	.....	.....
Profits Rocky Fork Coal Trust.....	.....	.....	.....	.....	.....
Canadian Pacific Railroad Co. Traffic Adjustments.....	.....	.....	.....	.....	.....
Dividend Northern Pacific Preferred Stock owned by Company.....	97,224 90	.....	.....	.....	.....
"    Certificates issued in excess of amount paid stockholders.....	26,669 48	.....	.....	.....	.....
James River Valley Railroad Co. Bonds.....	.....	.....	.....	.....	14,584 33
Miscellaneous.....	225 05	15,650 80	1,858 10	12 77	20,291 75
<b>Total Income from other Sources.....</b>	<b>136,143 43</b>	<b>82,066 42</b>	<b>194,491 38</b>	<b>326,925 33</b>	<b>492,054 47</b>
<b>Total Net Earnings.....</b>	<b>2,897,436 75</b>	<b>5,507,890 26</b>	<b>5,232,340 04</b>	<b>5,901,188 79</b>	<b>6,108,482 88</b>
<b>From which deduct—</b>					
Rentals St. Paul & Northern Pacific Railroad and Terminals at } St. Paul, Minneapolis and Portland..... }	242,763 83	412,400 92	608,485 01	686,897 87	759,203 32
Rental of Equipment.....	.....	.....	.....	.....	.....
Guarantee to Branch Roads.....	.....	.....	352,154 16	673,650 02	696,650 00
"    "    Puget Sound & Alaska Steamship Co.....	.....	.....	.....	.....	.....
Loss Yellowstone Park Association.....	.....	.....	.....	.....	.....
"    Operating Wisconsin Central Lines.....	.....	.....	.....	.....	.....
"    "    Chicago & Northern Pacific Railroad.....	.....	.....	.....	.....	.....
"    "    Seattle, L. S. & Eastern Railroad.....	.....	.....	.....	.....	.....
Interest Account (Net Debit).....	.....	318,283 99	.....	.....	.....
"    "    Funded Debt.....	1,349,062 16	3,535,038 28	4,123,948 98	4,339,094 45	4,456,535 66
Sinking Fund Contributions.....	.....	3,930 66	50,375 84	55,633 32	112,698 67
Land Grant Deductions by Government.....	27,121 31	.....	.....	.....	.....
Opening Celebration Expenses.....	.....	179,381 27	4,147 59	.....	.....
Loss account sale Transfer Steamer.....	.....	.....	.....	23,623 34	.....
Excess on Land Receipts over Sinking Fund requirements } applied to succeeding year..... }	.....	.....	.....	.....	.....
Improvements.....	.....	.....	.....	.....	.....
Adjustments of Sundry Accounts.....	128,906 33	3,195 97	1,268 60	11,090 04	17,688 03
<b>Total Fixed Charges.....</b>	<b>1,747,853 63</b>	<b>4,452,234 09</b>	<b>5,140,380 18</b>	<b>5,789,989 04</b>	<b>6,042,775 68</b>
Dividends on Preferred Stock declared payable in cash.....	.....	.....	.....	.....	.....
<b>Total Charges, including Dividends.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
<b>Surplus.....</b>	<b>1,149,583 12</b>	<b>1,055,656 17</b>	<b>91,959 86</b>	<b>111,199 75</b>	<b>65,707 20</b>
<b>Deficit.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>

\* Includes \$210,000 per year for Rental of Trust Equipment in 1892 and 1893. For 1890 and 1891 this Rental was carried under the title, "Rental of Equipment."—See above.



# COMPANY AND BRANCHES.

YEARS ENDED JUNE 30, 1893, WITH APPENDICES.

1888.	1889.	1890.	1891.	1892.	1893.	Total.
\$10,012,703 48 413,541 00 4,577,898 36 ..... 399,151 64 266,909 60 176,123 80	\$12,789,306 93 88,530 91 5,824,163 28 ..... 443,637 77 298,170 18 263,658 88	\$15,045,563 82 554,755 90 6,167,701 60 ..... 451,781 32 330,822 47 59,877 67	\$16,910,160 19 621,062 19 6,680,491 37 ..... 479,574 88 378,200 57 82,054 89	\$17,328,989 35 54,782 20 6,296,284 96 ..... 529,011 00 382,070 79 70,319 19	\$16,982,891 57 34,738 03 5,917,054 22 ..... 538,129 02 366,726 70 80,569 14	\$123,908,755 41 4,569,146 47 50,875,244 59 168,158 00 4,219,612 98 3,298,989 87 1,070,661 31
15,846,327 88	19,707,467 95	22,610,502 78	25,151,544 09	24,661,457 49	23,920,108 68	188,110,568 63
9,025,596 14 241,288 36	11,863,541 47 322,403 04	13,089,136 88 374,609 49	14,940,402 18 460,594 44	14,176,364 63 400,985 09	14,471,771 63 462,340 26	108,220,122 21 3,406,416 47
9,266,884 50 58.48	12,185,944 51 61.83	13,463,746 37 59.55	15,400,996 62 61.23	14,577,349 72 59.11	14,934,111 89 62.43	111,626,538 68 59.35
6,579,443 38	7,521,523 44	9,146,756 41	9,750,547 47	10,084,107 77	8,985,996 79	76,484,029 95
345,655 41 45,000 00 ..... 14,862 51 143,006 60 ..... ..... ..... 3,703 91 ..... ..... ..... ..... ..... 219 22	291,392 93 45,000 00 ..... ..... 252,668 08 ..... ..... 8,218 52 ..... ..... ..... ..... ..... ..... 2,679 50	490,239 50 318,288 39 ..... ..... 510,370 94 ..... ..... 10,888 50 ..... ..... ..... ..... ..... 11,384 91	751,391 20 290,091 86 478,912 84 ..... 1,959 92 ..... 46,450 79 ..... 14,908 21 ..... 72,375 00 11,466 67 ..... ..... ..... 3,732 92	673,049 16 279,083 43 569,729 85 ..... 1,195 36 ..... ..... ..... 11,170 30 72,375 00 11,466 67 32,115 45 ..... ..... ..... ..... 14,019 02	846,133 87 235,958 66 704,251 00 ..... ..... 83,950 00 ..... 146,117 75 10,583 95 ..... ..... 4,529 58 80,329 85 31,874 35 ..... ..... ..... 10,824 04	4,115,416 45 1,265,304 00 1,752,893 69 128,170 22 1,001,166 41 83,950 00 46,450 79 146,117 75 139,927 98 72,375 00 11,466 67 36,645 03 80,329 85 31,874 35 97,224 90 26,669 48 14,584 33 80,898 08
552,447 65	599,959 03	1,341,172 24	1,587,447 74	1,664,204 24	2,154,553 05	9,131,464 98
7,181,891 03	8,121,482 47	10,487,928 65	11,337,995 21	11,748,312 01	11,140,549 84	85,615,494 93
822,619 21 ..... 855,872 50 ..... ..... ..... ..... ..... 4,703,955 46 224,095 14 ..... ..... ..... ..... 6,663 32	1,052,544 35 106,718 26 1,060,738 66 ..... ..... ..... ..... 56,735 10 4,917,832 77 343,309 27 ..... ..... ..... ..... 74,731 00 27,395 44	1,284,057 73 233,975 74 1,333,007 65 ..... 10,000 00 144,630 40 ..... ..... 4,127 83 5,115,751 84 301,918 58 ..... ..... ..... 567 65	1,133,669 48 228,444 77 1,014,698 05 54,928 42 ..... 381,677 89 ..... ..... 105,717 81 6,247,074 28 868,191 66 ..... ..... ..... 153,639 95 33,792 01	1,224,913 56 5,300 00 1,030,917 64 ..... ..... 403,957 04 ..... 329,126 72 36,256 78 6,901,956 07 914,881 67 ..... ..... ..... ..... 66,114 89	1,198,333 03 ..... 1,079,186 15 207,585 26 ..... 513,334 40 170,403 27 257,701 03 499,715 57 7,092,159 72 961,060 00 ..... ..... ..... 50,540 80 Cr. 3,012 50 2,798 79	9,425,888 31 574,438 77 8,096,874 83 262,513 68 10,000 00 1,443,599 73 170,403 27 586,827 75 1,020,837 08 52,782,409 67 3,836,094 81 27,121 31 183,528 86 23,623 34 50,540 80 225,358 45 299,481 07
6,613,205 63	7,640,004 85	8,428,037 42	10,221,834 32	10,913,424 37	12,029,805 52	79,019,541 73
.....	.....	1,112,732 00	1,472,466 00	731,862 00	.....	3,317,060 00
.....	.....	9,540,769 42	11,694,300 32	11,645,286 37	.....	82,336,601 73
518,685 40	481,477 62	947,159 23	.....	103,025 64	.....	3,278,893 20
.....	.....	.....	356,305 11	.....	889,255 68	.....

STEPHEN LITTLE.

New York, June, 1894.



## APPENDIX "A."

## STATISTICAL.

Year ending June 30th.	Freight Movement.			Passenger Movement.	
	Road mileage, including Branch Roads.	Tons one mile.	Earnings per ton per mile.	Number carried one mile.	Earnings per Pass. per mile.
1882-3.....	1,502	243,559,686	2.22	54,409,782	3.76
1883-4.....	2,333	400,129,061	1.96	115,853,300	3.44
1884-5.....	2,496	362,495,307	1.85	84,861,601	3.32
1885-6.....	2,718	471,115,845	1.68	90,571,846	3.02
1886-7.....	2,876	508,484,561	1.66	111,958,786	2.73
1887-8.....	3,219	656,754,407	1.49	159,483,895	2.70
1888-9.....	3,439	861,488,481	1.44	223,832,049	2.50
1889-90.....	3,585	1,028,982,143	1.44	231,382,920	2.55
1890-91.....	4,222	1,192,061,423	1.40	244,321,201	2.63
1891-2.....	4,412	1,221,894,215	1.40	222,758,224	2.70
1892-3.....	4,443	1,364,782,652	1.23	214,455,590	2.63

## APPENDIX "B."

Statement of Charges made by Railroad Operating Department against La  
by Fiscal Years, July 1, 1882, to June 30, 1893, i

Accounts.	1883.	1884.	1885.	1886.	1887.	1888.
Travelling and Passenger Agents' Salaries and Expenses.....	.....	.....	\$20,439 57	\$17,110 96	\$18,555 82	\$19,532 92
Advertising Matter Passenger Department.....	.....	.....	11,402 92	10,550 42	12,126 27	10,360 22
General Agents' Salaries and Expenses.....	.....	.....	8,575 53	7,733 47	7,866 21	7,789 96
Coupon Ticket Commissions.....	.....	.....	2,611 94	2,682 76	3,139 85	3,273 11
A. E. Johnson & Co., Ticket Commissions.....	.....	.....	.....	.....	.....	.....
A. E. Johnson & Co., Salaries and Expenses.....	.....	.....	.....	.....	.....	.....
Counsel and Office Roll, St. Paul.....	.....	.....	.....	.....	.....	.....
Mitchell, Ashton & Chapman, Tacoma.....	.....	.....	4,108 86	8,875 41	7,427 48	9,419 01
Cullen & Sanders, Helena.....	.....	.....	2,617 32	2,554 35	3,124 98	3,463 53
Counsel, Washington, D. C.....	.....	.....	3,948 13	3,750 00	3,750 00	3,770 33
Dolph, Bellinger & Mallory, Portland.....	.....	.....	21,887 08	17,092 47	19,123 43	19,399 94
General Counsel and Assistant, New York.....	.....	.....	3,330 86	1,250 04	1,250 04	1,250 04
General Auditor's and Office Expenses, St. Paul.....	.....	.....	16,671 81	17,100 00	9,301 33	11,020 13
General Auditor's Office, New York.....	.....	.....	4,023 55	3,859 13	3,789 96	3,789 96
Treasurer's Office and Expenses, New York.....	.....	.....	.....	.....	.....	.....
Chairman, Vice-President and Secretary, New York.....	.....	.....	3,907 42	3,605 01	3,556 97	3,724 50
President's Office Roll and Expenses.....	.....	.....	4,493 35	4,973 24	2,291 70	3,249 96
Rent of New York Office.....	.....	.....	15,359 80	12,500 04	15,277 97	14,683 33
Rent St. Paul Office.....	.....	.....	3,890 16	2,575 98	2,574 94	2,575 02
Rent Tacoma Office.....	.....	.....	4,800 00	4,800 00	4,800 00	4,800 00
Janitor, Portland.....	.....	.....	.....	.....	.....	.....
1883.....	.....	.....	40 00	.....	.....	180 00
1884.....	.....	.....	.....	.....	.....	.....
Totals.....	\$194,697 42	\$176,211 58	\$132,108 30	\$121,013 28	\$117,956 95	\$122,281 96



Construction.		Gross Earnings from traffic per mile of Road.	Operating Expenses and Taxes per mile of Road.	Net Earnings from traffic per mile of Road.	Construction "B," or Improvements and Betterments.
Freight.	Passenger.				
One Cent per Ton per mile throughout the entire period.	One Cent per Pass. per mile throughout the entire period.	5,229 99	3,391 58	1,838 41	2,013,966 61
.....	.....	5,402 30	3,076 62	2,325 68	866,058 06
.....	.....	4,500 86	2,482 53	2,018 33	250,223 99
.....	.....	4,315 86	2,264 99	2,050 87	149,584 47
.....	.....	4,446 99	2,494 09	1,952 90	487,798 05
.....	.....	4,922 74	2,878 80	2,043 94	417,099 60
.....	.....	5,730 58	3,543 45	2,187 13	705,713 73
.....	.....	6,306 97	3,755 57	2,551 40	668,444 29
.....	.....	5,957 26	3,647 79	2,309 47	967,819 36
.....	.....	5,589 63	3,304 02	2,285 61	458,581 72
.....	.....	5,383 77	3,361 26	2,022 51	Cr. 57,267 23
					\$6,928,022 65

STEPHEN LITTLE.

NEW YORK, June, 1894.

and Department for Joint Expenses

inclusive.

1889.	1890.	1891.	1892.	1893.	Grand Total.
\$19,427 04	\$18,459 98	\$15,045 57	\$14,149 60	\$13,935 66	\$156,657 12
11,205 99	9,651 40	6,479 90	6,996 50	2,348 37	81,121 99
7,973 69	8,101 14	3,971 51	3,206 33	2,779 73	57,997 57
4,729 00	3,634 63	2,119 50	2,396 51	2,115 21	26,702 51
.....	3,801 93	2,988 87	1,417 96	1,522 02	9,730 78
2,125 00	5,550 00	7,475 00	4,700 00	3,250 00	23,100 00
8,191 55	10,897 85	.....	.....	.....	48,920 16
4,685 35	5,717 48	4,631 29	3,983 02	4,062 23	34,839 55
3,437 50	3,281 75	1,912 71	1,869 76	1,875 00	27,595 18
12,233 32	5,495 31	6,553 52	7,099 96	7,032 96	115,917 99
1,145 80	1,062 45	499 92	499 92	499 94	10,789 01
26,034 47	14,358 73	18,749 20	16,328 63	12,245 02	141,809 32
3,559 55	3,828 47	1,843 88	1,744 15	981 35	27,420 00
.....	.....	.....	186 66	1,199 46	1,386 12
3,815 58	3,765 26	2,164 05	2,368 68	2,264 04	29,171 51
13,365 35	14,622 17	3,192 19	3,265 58	3,325 50	52,779 04
3,725 81	12,154 06	9,999 96	9,999 96	9,999 96	103,700 89
2,574 99	2,574 96	2,574 96	2,754 12	3,649 92	25,745 05
4,800 00	4,266 67	.....	.....	.....	28,266 67
2,327 70	3,300 00	3,300 00	3,300 00	3,300 00	15,527 70
180 00	180 00	180 00	180 00	180 00	1,120 00
.....	.....	.....	.....	.....	\$194,697 42
.....	.....	.....	.....	.....	176,211 58
\$135,537 69	\$134,704 24	\$93,682 03	\$86,447 34	\$76,566 37	\$1,391,207 16

STEPHEN LITTLE.

NEW YORK, June, 1894.