

NEWS OF THE RAILROADS

Northern Pacific Company's Operations During the Year.

Lines Acquired, Completed, and Building—St. Paul and Duluth—General Business Conditions.

The full pamphlet report of the Northern Pacific Railway Company, which was made public yesterday, the figures of the income account having been given out a few days ago, contains information of the company's operations during the year ending June 30, 1900, the fourth year since the reorganization of the company.

No charges were made during the past year to the capital account other than those for additional equipment, the construction of branch lines, and purchases of real estate, all expenditures for improvements having been made out of the year's income. For equipment—mainly locomotives and freight cars—purchased or built at the company's shops and charged to operating expenses \$318,379 was expended, in addition to the sum of \$795,000 spent for equipment out of the capital account.

The report states that, in view of the exceptionally favorable conditions of the year just closed, the precedent of the previous year has been followed in making liberal appropriation out of the income to develop the existing lines upon modern standards of safety and efficiency, and for this purpose \$3,000,000 was accordingly appropriated, of which all but \$672,304 was expended. For real estate and right of way \$724,146 was expended out of the betterment and enlargement funds, (constituting additions to the capital account.) Out of the same funds \$1,584,901 was spent for new branches and extensions, while for new equipment, mainly coal and ballast cars, \$795,000 was charged to the same account. The balance of this fund, after deduction of all these expenditures, is \$8,932,676.

In order to develop valuable territory, tributary to the system, the construction of 47.69 miles of new branches was completed while 159.24 miles, the construction of which has been authorized, are still unfinished, but will be completed during the present year. Control of the Portage and Northwestern Railway Company in Manitoba was acquired by the purchase of its capital stock. The Clearwater Short Line was completed for a distance of 62 miles. According to the report, the business secured by this new construction has been satisfactory.

The proprietary companies show satisfactory results, the Seattle and International's net earnings amounting to \$183,495, while the Washington and Columbia River shows a surplus of \$12,918. All the indebtedness of the Brainerd and Northern Minnesota and 70 per cent. of its stock have been purchased, and it is expected that the road will contribute valuable traffic which might otherwise have been diverted. This road shows net earnings of \$88,296.

Of the recent purchase of the St. Paul and Duluth, the report says in part:

The cost of this purchase has been defrayed from the proceeds of a purchase-money mortgage placed upon the newly acquired property, bearing interest at 4 per cent. per annum, payable semi-annually, and maturing Dec. 1, 1996, for \$20,000,000. Out of which there has been issued in payment for St. Paul and Duluth Railroad property, rights, and franchises, including the liquidation of all unfunded obligations, &c., \$9,215,000, leaving a balance of \$10,785,000, which has been reserved for retirement at maturity of the outstanding obligations of the St. Paul and Duluth Railroad and its proprietary lines, for improvements to existing property, and for extensions and additional branches, terminal properties, and to double-track existing lines.

A contract has been agreed upon with the Chicago, Milwaukee and St. Paul Railway Company for the use of the line between St. Paul and the head of Lake Superior, acquired from the St. Paul and Duluth Railroad Company, for ninety-nine years from Oct. 1, 1900, which gives the business of that company to said line exclusively upon terms believed to be mutually advantageous, and overtures have been received from other companies looking to a similar use of the line.

Of general business conditions the report says:

The business of the past year has been exceptionally good, and the operating results have shown satisfactory improvement over those of the preceding year. Passenger tariffs have been reduced, and, before the close of the present fiscal year, there will be no rate of fare in excess of 3 cents per mile upon any portion of the system. The prospects for business for the coming year are not so bright, owing to serious crop failures in Manitoba, North Dakota, and Minnesota, which may reduce the gross revenue of the company for the fiscal year; but the business conditions upon the Western portion of the system are so good we trust this loss may be offset to a considerable extent.

From the report of Second Vice President Kendrick it appears that the operated system was 4,783 miles in extent, and, including St. Paul and Duluth, 5,005 miles. Numerous reductions in grades were made, 364 miles of main track have been relaid with seventy-two-pound rails, 262 bridges have been replaced, eighteen steel bridges have been completed, and fifteen steel bridges are under construction. In speaking of new buildings erected the report states that the great increase in foreign commerce incident to the new relations of this country with the Orient has made it necessary to provide additional facilities for handling cargoes at Tacoma, and a new ocean warehouse, 120 by 600, supported by concrete foundations, has been constructed.

Below is a comparative statement of gross earnings, operating expenses, and taxes for the years ending June 30, 1899, and June 30, 1900, respectively:

Earnings—	1899.	1900.	Increase.	P. C.
Freight	\$19,485,960	\$22,140,179	\$2,654,219	13.6
Passenger ...	5,050,355	6,219,996	1,169,640	23.2
Mail, express, and mis....	1,512,358	1,661,141	148,783	9.8
Total.....	\$26,048,673	\$30,021,317	\$3,972,643	15.3
Mile, (average)	5,688	6,368	679	11.9
Op. exp.—				
Way & struct.	\$3,548,793	\$4,874,086	\$1,325,293	37.3
Equipment ...	1,914,597	2,232,399	317,802	16.6
Transportation	6,060,034	6,514,490	454,456	7.5
General exp..	826,027	773,651	*52,375	*6.3
Total.....	\$12,349,452	\$14,394,628	\$2,045,176	16.6
Mile, (average)	2,696	3,053	356	13.2
Net earnings..	13,690,221	15,626,689	1,927,467	14.1
Mile, (average)	2,991	3,314	323	10.8
Taxes	750,133	850,590	100,456	13.4
Mile, (average)	163	180	16	10.1

DENVER AND SOUTHWESTERN.

Report of Operations for the Eight Months Ending July 31.

At the annual meeting of the Denver and Southwestern Railway Company, which was held yesterday, a statement of operations for the eight months ending July 31 last was submitted. This report shows:

Gross earnings	\$1,657,056
Operating expenses, including taxes and rentals	1,005,334
Net earnings	\$651,722
Interest on funded debt.....	\$185,190
Applied to sinking fund.....	88,313
	273,503
Balance applicable to dividends.....	\$378,219
Dividend No. 1.....	70,000
Surplus	\$308,219

The income account includes surplus, after payment of Dividend No. 1, declared May 1, but before payment of Dividend No. 2, declared Aug. 1.

Out of the proceeds of the sinking fund there have been purchased since the formation of the company \$64,000 Denver and Southwestern general mortgage bonds and \$34,000 Midland Terminal Railway first mortgage bonds. There are held as assets in the treasury \$100,000 of the company's general mortgage bonds, which were purchased out of surplus earnings.

SOUTHERN AND TRUNK LINES.

Rate and Traffic Matters Considered at a Conference.

Conferences were held yesterday at the rooms of the Trunk Line Association between members of the Trunk Line Passenger and Freight Committees and certain of the Southern lines, notably the Chesapeake and Ohio, the Norfolk and Western, the Seaboard Air Line, and the Old Dominion Steamship Company. The Freight Committee conference, according to Commissioner Goddard of the Trunk Line Association, was an informal one, and the only subject discussed was that of rate divisions. The general rate situation was talked over with the result that it was declared to be in excellent shape.

At the conference of the Passenger Committee the interchange of business between Southern and Trunk Line roads, especially the issuing of tickets in Trunk Line territory to Southern points, was considered. No definite conclusion was reached, and the questions will be embodied in a circular letter to the various interested lines for final disposition.

Brief Railroad Items.

General Freight Agent Brooks of the Great Western will address the convention of Western traveling freight agents at Milwaukee Sept. 28.

Union Pacific officials say that there is a shortage of cars in the extreme Northwest,

and that orders have been given to load all cars to their full capacity.

The Chicago Northwestern will rename many of the stations along its line, in order to have these names conform with those of the corresponding Post Offices.

The Rock Island is said to be considering an extension of its line which now ends at Liberal, Kan., in order to get a direct and short connection with lines running into California and Mexico.

Vice President Warren of the Jersey Central declares that the cut in steel rails to \$26 per ton is not sufficient, and that a reduction of one or two dollars more must be made before this road will buy.

The Indiana, Illinois and Iowa will have its extension to Clinton, Iowa, completed early in October. Connection will be made with the St. Paul, the Burlington, and the Northwestern systems at that point.

The Wisconsin Central contemplates the establishment of new terminals at Minneapolis. One million dollars is to be spent for this purpose. Between St. Paul and Minneapolis the tracks of the Great Northern are to be used.

The Canadian Pacific some time ago constructed a houseboat for use on Kootenay Lake; it is to be rented to outing and hunting parties for any length of time, and will be towed to any parts of the lake desired by the occupants.