

Chicago, Milwaukee & St. Paul and the Northern Pacific

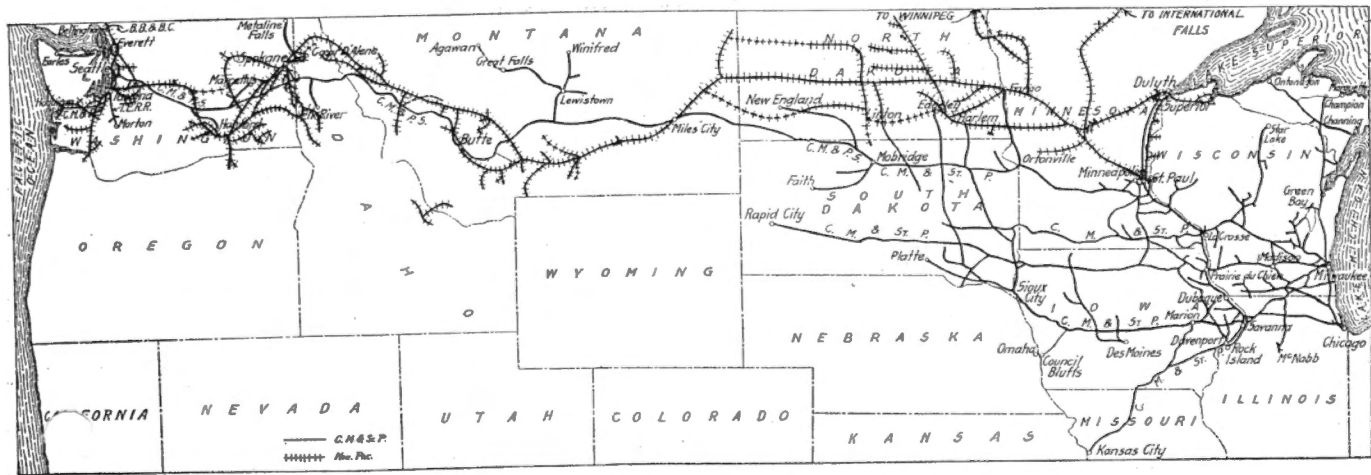
IT IS RATHER SURPRISING that the Chicago, Milwaukee & St. Paul carried less freight in 1917 than in 1916 and had not been for a somewhat longer average haul and an increased rate received per ton per mile, combined with an average passenger journey considerably longer in 1917 than in 1916, the company would have actually had lower operating revenues last year than in the previous year. As it was, total operating revenues amounted to \$113,739,000, an increase over 1916 of only \$3,130,000. This is in contrast with the Northern Pacific operating in the same territory. Total operating revenues of the Northern Pacific amounted to \$88,226,000, an increase of \$7,944,000. This is an increase of 9.9 per cent comparing with an increase of 2.8 per cent for the St. Paul. Freight revenue for the Northern Pacific amounted to \$65,259,000 in 1917, an increase of 9.60 per cent. Passenger revenues amounted to \$15,647,000, an increase of 12.09 per cent. The freight revenue on the St. Paul amounted to \$79,957,000, an increase of 0.38 per cent and the passenger revenue amounted to \$21,330,000, an increase of 7.96 per cent.

The number of tons of freight carried on the Northern Pacific totaled 22,842,000 in 1917, an increase of 4.33 per cent, while on the St. Paul the total number of tons carried was 38,444,000, a decrease of 3.86 per cent. The average

7.09 per cent. On the St. Paul the number of passengers carried was 15,484,000, a decrease of 3 per cent, and the average passenger journey was 63 miles, an increase of 9.87 per cent. The average receipts per passenger per mile for the Northern Pacific was 2.368 cents, an increase of a fraction of one per cent, and for the St. Paul 2.174 cents, an increase of about one and a half per cent.

Both the Northern Pacific and the St. Paul were hard hit in increased costs of operation; in fact, harder hit proportionately than was either the Southern Pacific or the Atchison, Topeka & Santa Fe. Total operating expenses on the Northern Pacific amounted to \$53,298,000, an increase over 1916 of \$10,066,000. Total operating expenses on the St. Paul amounted to \$85,196,000, an increase of \$11,431,000. The Northern Pacific spent more for maintenance in 1917 compared with 1916 than did the St. Paul and was not apparently able to hold transportation expense down as effectively as the St. Paul did. Transportation expenses amounted to \$28,531,000 on the Northern Pacific, an increase of 26.63 per cent, while transportation expenses on the St. Paul amounted to \$48,083,000, an increase of only 16 per cent. It must be remembered that the Northern Pacific's business handled was quite a little larger in 1917 than in 1916 while the St. Paul's business was almost the same.

Maintenance of way and structures on the Northern Pacific cost \$10,782,000, an increase of 15.70 per cent. On the St. Paul, maintenance of way and structures cost \$10,953,000,



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length of haul on the Northern Pacific was 386 miles, or 9.39 per cent longer than in 1916, and on the St. Paul 274 miles, or 2.05 per cent longer than in 1916. The average rate received on the Northern Pacific was 7.41 mills per ton mile, a decrease of 3.89 per cent, while on the St. Paul the average revenue per ton per mile was 7.582 mills, an increase of 2.31 per cent.

The following table shows the tonnage of each of the general classes of commodities carried by the Northern Pacific and the St. Paul in 1917 and 1916:

	1917		1916	
	St. Paul	Northern Pacific	St. Paul	Northern Pacific
Products of agriculture.....	7,009,902	4,128,537	7,996,020	4,070,962
Products of animals.....	2,169,679	533,610	2,236,503	474,491
Products of mines.....	11,715,375	7,606,976	11,406,398	6,782,025
Products of forests.....	6,430,357	6,751,004	6,404,785	6,672,025
Manufactures.....	6,965,658	2,415,451	7,401,425	1,955,509
Miscellaneous.....	4,153,382	1,406,573	4,541,005	1,322,301
Totals.....	38,444,353	22,842,151	39,986,136	21,893,980

The total number of passengers carried by the Northern Pacific was 8,418,000, or 4.32 per cent less than in 1916, and the average passenger journey was 75 miles, an increase of

a decrease of 12.5 per cent. The expenditure per mile on the St. Paul looks rather low. It is quite probable that the management found it exceedingly difficult, if not practically impossible, to get all of the track labor that it needed. There is another thing also to be taken into consideration. The St. Paul operates 440 miles of road which has recently been electrified. In the course of the work of electrification, the roadbed and structures on this 440 miles were put into such shape as to require comparatively little renewal expenditures for a number of years.

Both companies spent considerably more for maintenance of equipment. The Northern Pacific spent \$11,245,000 on this account in 1917, an increase over 1916 of 33.55 per cent. The St. Paul spent \$22,015,000, an increase of \$4,482,000, or 25.6 per cent. At the end of the year 84.35 per cent of the Northern Pacific's locomotives were in good order as compared with 82.67 per cent in good order at the beginning of the year. Of the remainder, 121 locomotives or 8.89 per cent of the total, were in fair order and 92, or 6.76 per cent, were at shops. The St. Paul does not give figures showing the condition of its equipment. It is rather interesting to note, however, that the St. Paul spent \$221,000 for repairs of

electric locomotives. The company had in service in 1917 45 of these locomotives so that the average expenditure per locomotive was about \$5,000.

The Northern Pacific spent \$5,211,000 on additions and betterments, the largest items being for terminal yards, bridges and shops, engine houses and turntables. There was also \$3,399,000 spent for branch lines, grade revision and second main track. This included \$773,000 spent for construction of the Lake Basin branch and \$791,000 for the Flathead Valley branch, both in Montana. The company spent \$4,260,000 for new equipment, charging \$1,986,000 of this amount to reserves and the remainder to capital account. The St. Paul spent \$7,269,000 for additions and betterments which included \$1,573,000 for power stations, transmission system, etc. In addition to the 440 miles previously mentioned as being already operated by electricity, there is 217 miles from Othello, Wash., to Seattle and Tacoma on the western end of the line which is now being equipped for electric operation.

It will be particularly interesting to see what effect the elimination of competition will have on the net earnings of two roads situated like the Chicago, Milwaukee & St. Paul and the Northern Pacific. Competition between these roads and between each of them and other roads in the northwest was keen to an extent that is hard to realize. It entered into the adoption of every policy great or small. It was taken into consideration in all questions of operation as well as in questions relating to rates. The Northern Pacific, being a Hill road, naturally gave a greater relative importance to train loading as compared with securing additional competitive traffic than did the St. Paul. The St. Paul, under the management of A. J. Earling, had certain traditions of service which rank high in the history of American railroading. On the other hand, possibly the newer theories of scientific railroad operation were not as thoroughly understood or at least applied in quite so thorough-going a manner on the St. Paul as on the Hill roads.

Before the government took over the railroads, H. E. Byram had been elected president of the St. Paul, succeeding A. J. Earling, who became chairman of the board of directors. Mr. Byram stayed with the property as federal manager and J. M. Hannaford, who had been president of the Northern Pacific, stayed with that property also as federal manager. In the six months, January to June, 1918, the Northern Pacific earned gross \$42,023,000, comparing with \$42,148,323 gross earned in the first six months of 1917. Operating income amounted to \$6,027,000 or \$8,310,000 less than in the first six months of 1917. The Chicago, Milwaukee & St. Paul earned gross in the first six months of 1918 \$55,072,130, comparing with \$52,282,357 for 1917, and it had an operating deficit of \$1,879,017, comparing with operating income of \$12,713,606 in 1917. The following table shows the principal figures of operation for the two roads in the calendar years 1917 and in 1916:

	1917		1916	
	St. Paul	N. P.	St. Paul	N. P.
Average mileage operated...	10,257	6,522	10,196	6,529
Freight revenue	\$79,957,271	\$65,258,995	\$79,648,513	\$59,543,090
Passenger revenue	21,329,946	15,646,778	19,756,835	13,959,370
Total operating revenues	111,329,202	88,225,726	110,609,689	80,281,343
Maintenance of way and structures	10,953,309	10,782,178	12,516,338	9,319,432
Maintenance of equipment	22,015,201	11,245,120	17,533,448	8,419,939
Traffic expenses	1,803,964	1,233,124	1,961,979	1,219,422
Transportation expenses	48,083,125	28,531,413	40,307,996	22,531,072
General expenses	2,162,192	1,635,779	1,970,637	1,273,389
Total operating expenses	85,195,964	53,297,861	73,765,051	43,232,278
Taxes	6,517,212	6,910,728	5,210,119	5,505,124
Operating income	22,026,026	28,007,999	31,327,241	31,532,181
Gross income	23,845,379	42,790,502*	34,442,982	40,204,288
Net income	4,468,632	29,502,686	16,209,842	26,948,011
Dividends		17,360,000		17,360,000
Surplus		12,142,686		9,588,011

*The Northern Pacific received a 10 per cent extra dividend in 1917 on its \$53,856,350 Chicago, Burlington & Quincy stock which it owns. Nearly all of this stock is deposited under the outstanding Northern Pacific, Great Northern joint bonds.

Note: The gross income and following figures for the St. Paul in 1916 are taken from Interstate Commerce Commission reports.

Letters to the Editor

Women as Railroad Clerks

TO THE EDITOR:

The *Railway Age* of August 16, contains an article titled "Give a Man a Man's Work," which states that great many young men in railroad offices are still engaged in clerical work which, in the opinion of the writer of the article, could be done as well, if not better, by girls. This again brings home forcibly the fact that the railroad clerk is not understood or appreciated in a general way. The impression exists in the minds of too many that a clerk means some one to copy reports, work out details as outlined in forms, adding a column of figures or two, etc. The sooner this impression is changed, the better for all concerned.

It is true that certain positions can be filled by girls. Give our officials credit for being broad enough to see this. In fact, for several years there has been a tendency to fill clerical positions with girls to a great extent and with success. However, I find from my own personal experience that a great many clerical positions can not and should not be filled by girls. These are positions which require from two to three years' education to handle them correctly and efficiently. Grant that girls could be trained to fill them, we would still be confronted with a big problem. Usually about the time they are educated to the useful stage they get temperamental or try matrimony, with the result that more must be trained—the same procedure over again and again.

To educate girls as well as men, along clerical lines is a problem that is costing railroads a lot of money, and should be given some consideration. There are classes of railroad clerks, who are indispensable, and they are not old men either. The sooner we wake up and attach some importance to the railroad clerk the better it will be for the entire railroad organization. I know of several offices which would be seriously crippled if more girls were employed; in fact their lack of proper clerical knowledge would tend to fill up important terminals. I gladly give due credit to the women of our country who are surely doing some wonderful work.

N. H. GREENBERG,

Chief Clerk to Assistant Agent, Chicago and Eastern Illinois.

GOVERNMENT CONTROL IN GREECE.—The Greek Government has decided that under present conditions it is necessary to bring all means of transport strictly under government control as has been done in other countries at war including the United States. As a result of this decision the government has taken over the Piraeus-Pelponnesus Railway.

INCREASED TRAFFIC ON DOMINICAN CENTRAL RAILROAD.—The traffic on the Dominican Central Railroad for the fiscal year ended June 30, 1918, greatly exceeded that of the year previous. During the past year 45,000 tons of freight were carried from Puerto Plata to the interior, and from the interior to Puerto Plata and between intermediate stations against 24,800 tons in 1916-17, a gain of 50.9 per cent. Freight receipts increased 63.8 per cent, and passenger income 43.5 per cent. An arrangement has recently been concluded between the Dominican Central and the Samaná Santiago railroads whereby no charge is made shippers for transferring cargo from one road to another at the Local Terminals.