

## The Great Northern Railway System.

The history of these railways begins on March 3, 1857, with an act of Congress that day approved, granting to the then territory of Minnesota, to aid in the construction of a main line of railway, from the eastern boundary of the territory, on the St. Croix river, westward, through St. Paul and St. Anthony (now the eastern part of Minneapolis) to the western boundary of the present state of Minnesota, with a branch from St. Anthony northward to the navigable waters of the Red River of the North at such point as the legislature should determine, six sections or square miles of public lands for each mile of road completed within a time specified in the act. By a subsequent act, approved March 3, 1865, this land grant was enlarged to ten sections per mile of those parts of the lines not then completed.

The grant to Minnesota left it free to earn the lands by itself constructing the railways, or by the employment of a corporation for that purpose. The territory chose the latter method: and by an act of its legislature, approved May 32, 1857, created a corporation named the "Minnesota and Pacific Railroad Company," with power to build, own and operate the lines of railway designated in the act of Congress, and assigned the land grant to such corporation.

In the year 1858, that part of Minnesota Territory lying east of the Red River of the North was admitted into the Union as a state.

Soon after admission, the state, within whose area of more than 80,000 square miles no railways then existed, sought to stimulate railway building through loan of its credit to various railway corporations. The aid was in the form of state bonds, the principal and interest of which were assumed by the aided companies. The Minnesota and Pacific Railroad Company was one of these. It placed under contract the grading of considerable stretches of its authorized lines, and this part of the work was soon substantially done from the levee of the Mississippi river at St. Paul, the head of steamboat navigation on that stream, to the east bank of the same at St. Anthony, a distance of about ten miles. The state aid plan soon collapsed, through inability of the aided corporations to meet the interest on the bonds which they had received; and none of

the aided companies could go on with its undertaking. Railway work within the state stopped before a rail had been laid. In 1860, on ground of these defaults, the state enforced forfeiture of all its grants to the aided companies. Parties concerned in the Minnesota and Pacific lines persisted in the effort to carry forward their project, and in 1861 procured from the state a re-grant of the rights and franchises appertaining to those lines. The conditions of the re-grant could not be met by the grantees, and it therefore lapsed. In 1862, the legislature made a second re-grant, to substantially the same parties, under the corporate name, "Saint Paul and Pacific Railroad Company," upon conditions so modified that compliance became possible. The graded portion of the line, between the St. Paul levee and St. Anthony was finished during the same year. This was the first railway mileage put under operation within the state of Minnesota.

At this period, settlement and cultivation in the state were limited to narrow belts along the navigable streams in the eastern and southern parts. Most of the state's area was uninhabited. The vast regions to the north and west of it were unexplored wastes, unless the chase of wild animals by red and white hunters could be considered exploration. The conditions resulting from the Civil War and from the Sioux Indian outbreak of 1863, so checked growth of population and development that few then imagined the northern or western portions of the Saint Paul and Pacific Railways could be needed, or could be built, in the lifetime of any one then living. Such conditions naturally kept the progress of extension work on these lines down to a snail's pace. For extensions only a few miles in length, money was procurable only with greatest difficulty. In 1865, chiefly with the view of more readily financing those parts of the lines lying within, or nearer to, the settled regions, the Saint Paul and Pacific Company, under legislative authority, divided itself into two sections, by the formation of another corporation, under the name "First Division of the Saint Paul and Pacific Railroad Company," to which was assigned the main line west from St. Paul and the branch line as far north as Watab, on the east bank of the Mississippi river, 72 miles above St. Anthony. With the ending of the Civil War, and the resumption of the westward movement of population in the country at large, the growth of Minnesota began anew, and railroad building within the state was resumed on a larger scale. In this activity the First Division Company participated. By 1871 the main line from St. Paul to Breckenridge, on the Red River, about 917 miles, and the branch line to Sauk Rapids, about 68 miles, had been completed. About this period arrangements for

beginning- construction of the Northern Pacific Railroad, chartered by Congress in 1864, were made. A feature of these was acquisition of all the then existing other railways in Minnesota from St. Paul northward, including the Saint Paul and Pacific and the First Division enterprises. The new proprietors determined to immediately proceed with completion of the branch line. To this end they procured from Congress and the state authority to so change the route of the extension, that, instead of a single line as originally proposed, there should be two, viz., one continuing up the Mississippi valley to a connection with the Northern Pacific Railroad, a distance of about 60 miles above Sauk Rapids, and the other leaving the existing branch line at East St. Cloud, about three miles below Sauk Rapids, and running thence northwesterly to the boundary, a distance of about; 315 miles, as afterward located. The former of these new lines was designated "Brainerd Extension," and the latter "St. Vincent Extension." The changed lines had a like land grant from the United States as the original branch. The construction of the extensions was promptly put under contract, and large quantities of rails and fastenings for track were imported from England. These were of iron, weighing -30 pounds per linear yard, and went from Buffalo to Duluth by lake. Their cost at the latter point was reckoned at about 90 per ton. Construction proceeded with vigor, and, for the methods of those times, with rapidity, .until shortly after the financial collapse in 1873, when inability of the company to further pay estimates to contractors enforced a complete shut-down. At that date there had been completed, of the extension toward Brainerd about four miles, of the other from East St. Cloud to Melrose about ;34 miles, and from near what is now Barnesville north toward what is now Crookston about 90 miles. Various stretches in other places had also in whole or in part been graded.

The properties of the Saint Paul and Pacific Company soon went into receivers' hands. Those of the First Division Company were taken possession of by trustees under one or more of its mortgages. All money for construction, whether of Saint Paul and Pacific or First Division lines, had been raised through loans, mostly on the continent of Europe, represented by bonds and mortgages upon the properties. Of the mortgages there were nine of successive creation, and mostly so arranged that the lien of each over-lapped that of one or more of the others. The holders of no one of the series of bonds could enforce their claims against the properties with practical results. For any successful reorganization of the properties, unification in ownership of the securities was indispensable. The bonds were widely scattered and their

concentration required time, and a command of capital considerable for that period.

The difficulties of the situation were much intensified by visitations, through a number of consecutive seasons, of grasshoppers that devastated the fields of nearly the whole region occupied by these railways. Up to that time the resources and productive power of the country had remained unknown and unappreciated, save by a very few. The receiver of the line running down the Red River valley officially estimated the value of the rich lands there at not exceeding a few cents per acre.

Mr. James J. Hill, then part owner and the manager of a line of steamboats running on the Red River between points in Minnesota and Fort Carry, since Winnipeg, Manitoba, thought more highly of the country, and also of the prospective earning power and eventual value of the bankrupt railways. He had several times traversed the Red River valley as far as Winnipeg. One of these trips had been made on snow shoes, with a dog train, in a temperature 40 degrees below zero. He planned for acquiring enough of the defaulted bonds of the various issues to successfully reorganize the properties. For carrying out the enterprise he joined with George Stephen (now Lord Mount Stephen) and Donald A. Smith (now Lord Strathcona), both then resident at Montreal, Canada, and Norman W. Kittson, then resident at St. Paul. Acquisition by the associates of nearly the total outstanding indebtedness on the roads was completed early in 1879 and was shortly followed by foreclosure of several mortgages, and sale of all the properties. For owning and operating the same the associates, *by* or for whom the properties were bid in, organized themselves into a corporation under the Minnesota laws named "Saint Paul, Minneapolis and Manitoba Railway Company."

During the process of gathering in the bonds the associates, acting chiefly through Mr. Hill, largely directed the management of the roads and provided money for considerable improvements and for important additions to mileage. Among the latter was a line from Breckenridge to Barnesville, 30 miles, connecting the so-called "Main Line" with the stretch of completed road on the St. Vincent Extension; the north end of the St. Vincent Extension to the boundary, 80 miles: a line from Crookston down the Red Lake River to Fisher's Landing, 10¾ miles; a part of the St. Vincent Extension from Melrose to Alexandria, 33 miles. The piece of road between Breckenridge and Barnesville, and that between Crookston and Fisher's Landing, were built some years prior to the finishing of the St. Vincent Extension to the boundary and completed an unbroken rail route from St. Paul to Fisher's Landing. Between

the latter point and Winnipeg, river steamboats moved a considerable freight and passenger traffic until the joining", at the international boundary, of the St. Vincent Extension with a railroad built from Winnipeg south by the Canadian Government to meet it, provided through rail connection between the latter point and the roads of the United States.

In 1877 the state of Minnesota enforced forfeiture of the so-called Brainerd Extension on ground of default by the company in the conditions of the grants under which the company had acted, and re-granted the same to a corporation controlled by the Northern Pacific Railroad Company by which it was soon after completed as a part of the latter Company's system.

At the time of the reorganization of the St. Paul and Pacific lines, the debt thereon aggregated about \$33,000,000. Including the additions to mileage made by Hill and associates, the St. Paul, Minneapolis & Manitoba Railway Company began business on June 1, 1879, owning 560.35 miles of completed road. To represent the properties the capitalization of the new company was fixed at a total of \$31,486,000, of which \$486,000 were two unenclosed mortgages of the St. Paul and Pacific Company, \$8,000,000 first mortgage seven per cent bonds, \$8,000,000 second mortgage six per cent bonds of the new company and \$15,000,000 stock, all of one class.

The official organization comprised George Stephen, President; R. B. Angus, Vice President; James J. Hill, General Manager. In 1879 and 1880, the new company filled the gap in the St. Vincent Extension between Alexandria and Barnesville, thus finally completing that extension; carried the Fisher's Landing spur westward to the Red River at Grand Forks, Dakota; and by purchase acquired a line from Morris to Brown's Valley on the boundary between Minnesota and Dakota. Plans for penetrating Dakota by lines running north and south in the Red River Valley and west from Grand Fork were also formulated and their execution begun during this period. For financing these extensions an additional mortgage was made, limited, with unimportant exceptions, to such lines as the company should own within the then territory of Dakota, comprising the present states, North and South Dakota. The amount was limited to \$8,000,000 at six per cent interest, of which but \$5,676,000 have been issued. The rapid rise of population and development in these regions justified a bolder policy of extension and several new projects were formed, one being the pushing across Dakota of the line running west from Grand Forks. Another was connection of the entire system with the Great Lakes route to the seaboard. For this latter purpose an interest in the stock of the St. Paul and Duluth Railroad, running from St. Paul

to the head of Lake Superior, was acquired by the Manitoba Company, and a railroad from St. Cloud, east to Hinckley on the St. Paul and Duluth, was projected. This road, 66 ½ miles in length, was built under the charter of the Minneapolis and St. Cloud Railroad Company, acquired from its original properties, and was opened for business toward the end of 1882. Large space for terminals at the head of the lake was also acquired. The plans of extension demanded a corresponding widening of the Company's financial basis. May 1, 1883, it made an additional, termed it Consolidated, Mortgage, covering all its present and future railways in Minnesota and Dakota, and securing \$50,000,000 fifty-year bonds; \$19,426,000 for retiring prior issues and the residue for construction.

In 1883 James J. Hill became president and John S. Kennedy, of New York, vice president of the Company. In the same year the Minneapolis Union Railway Company that had been promoted, and the entire stock of which was owned by the Manitoba Company, opened its facilities for business. These included a stone arch bridge across the Mississippi river in Minneapolis, and an ample passenger station on each bank of the river with the necessary tracks for the business of the Manitoba Company and its railway tenants using its main tracks between St. Paul and Minneapolis. Among these tenants were the Northern Pacific Railroad Company, the Chicago, St. Paul, Minneapolis & Omaha Railway- Company, and the Chicago, Burlington & Northern Railway Company.

In 1886 were matured plans that for some time had been under consideration for extending the line then being built across Dakota into Montana, via Great Falls and Helena as far as Butte, a distance of 1,252 miles from St. Paul. This required the building of 843 miles west from Devil's Lake where the end of the completed road rested in 1885.

To facilitate the financing, construction and management of the part of the proposed extension between Great Falls and Butte, 173 miles, the Montana Central Railway Company was organized under the laws of Montana.

To provide money for this work, two new mortgages were made : one by the Manitoba Company of its existing and future lines in the state of Montana securing an issue of fifty-year bonds, limited to \$25,000,000. of which \$7,000,000 were appropriated for that part of the line between the Dakota-Montana boundary and Great Falls: the other by the Montana Central Company of all its present and future lines securing an issue of \$10,000,000 bonds to run for a like period. Work on the extension was pushed with a vigor and

effectiveness rarely, if ever before, equalled in the history of railway construction. The track reached Helena, Montana, in 1887, and Butte by July, 1838. In the latter year a short branch was built from Great Falls to the Sand Coulee coal fields, where the Sand Coulee Coal Company, a proprietary concern of the Manitoba Company, had opened mines of bituminous coal of considerable extent. The product of these mines furnished fuel for use of the railways in Montana and Dakota, and also formed an important source of their traffic earnings from the public. The value and importance to the region lying west, from the Great Lakes of the deep water route to the east furnished by them early became apparent to Mr. Hill's mind ; and in 1887 he arranged on behalf of the Manitoba Company with a shipyard at Cleveland, Ohio, for the building of six steel freight steamers, each to be about 312 feet in length, and to have a carrying capacity of about 6,000 tons of cargo. Up to that time these dimensions were much larger than had been regarded practicable for those waters, and the opinion of lake men was generally unfavorable to the enterprise on that account. To own and navigate the boats when built, a company was formed under the laws of Wisconsin, under the name "Northern Steamship Company," all the stock of which went to the Manitoba Company. The boats went into commission as they came from the builders in the seasons of 1888 and 1889, and proved very helpful to the Manitoba system of railways and to its patrons. They afforded transportation between the head of Lake Superior and the ports of the eastern end of Lake Erie at rates and with a dispatch until then unknown. They freed the Manitoba system from its previous dependence upon competitors for connections with the eastern trunk line railways. However, instead of proving too big, within a few years the boats became too small in comparison with the newly accepted standards of size, which rose to above 6,000 tons carrying capacity; and for that reason, ceasing to retain adaptation for the service for which they were built, they were sold. In 1889 it was determined that the Manitoba Company should have a railway of its own from St. Paul and Minneapolis through to the head of Lake Superior. A then existing line from Elk River, on the St. Paul-St. Cloud line, north to Milaca, on the St. Cloud-Hinckley line, completed the Lake Superior line as far north as Hinckley. At the lake end a corporation under the laws of Wisconsin had been organized with the name. Lake Superior and South Western Railway Company, which had acquired and fitted up extensive rail and water terminals at West Superior and built a railway line running southerly from the latter point to the Wisconsin-Minnesota boundary. To complete and own the line and terminals north of Hinckley, and to

operate the entire line between St. Paul and Minneapolis and the head of the lake, the Eastern Railway Company of Minnesota was organized under authority conferred by clauses of the Minneapolis and St. Cloud Railroad charter. All its stock went to the Manitoba Company. For its purposes, the Eastern Railway Company made a mortgage of its line from Hinckley<sup>7</sup> north, which it designated its First Division, securing an authorized issue of \$5,000,000 twenty-year five per cent bonds.

The Eastern Railway Company consolidated with the Lake Superior and South Western, and filled the gap between Hinckley and the boundary in time to open the road through to West Superior, 68.3 miles from Hinckley, on September 23, 1888. To reach Duluth, use of the Northern Pacific bridge across the St. Louis river was leased, and the stock and bonds of the Duluth Terminal Company, owning tracks leading from the north end of the bridge to the heart of the city with ample terminals and connections with docks and the terminals of other railways, were acquired. While these additions to mileage toward the east and west were in progress, -an extension toward the southwest was planned and executed simultaneously with the others. The Willmar and Sioux Falls Railway Company organized under the laws of Minnesota and South Dakota for the purpose, built, and in 1888 put in operation a line from Willmar on the St. Paul-Breckenridge line to Sioux Falls in South Dakota, 147 miles; afterward extended to Yankton, South Dakota, 52 miles from Sioux Falls. In 1888 local parties at Sioux City, Iowa, began construction of a line from the latter point northward to a connection with the Willmar & Sioux Falls Railway at Garrison. 96.711 miles, completing it in the following year. This latter line has since been acquired by the Willmar & Sioux Falls Company; all the stock in which went to the Manitoba Company. The Willmar & Sioux Falls Company has issued \$3,646,000 fifty-year first mortgage five per cent bonds.

In 1889 the stockholders of the Manitoba Company decided that the system should be extended to the Pacific coast and perfected arrangements to that end. Extensive locating parties were placed in the field and careful and costly examinations of the mountain passes and the intermediate country were set on foot for obtaining a route as short and with as favorable grades as could be found. Seattle was selected for the chief terminus on the Pacific coast, and it was decided that a line skirting the shore from there north to the Frazer river should be built or acquired. With that object the Seattle & Montana Railroad Company was organized under the law of Washington. Soon after organization it acquired the Fairhaven & Southern, the Fairhaven & Northern and

the Westminster & Southern railways, together forming a continuous line from the Skagit river, via Fairhaven and Whatcom (since consolidated under the name Bellingham) to New Westminster, British Columbia. The following year it finished its road from Seattle to a connection with the Fairhaven & Southern, in the Skagit Valley, making a through rail line from Seattle to New Westminster, about 150 miles.

The corporate powers of the Manitoba Company being considered somewhat lacking in the scope desirable for control of a large transportation system, on Feb. 1, 1890, all its railways and appurtenant properties were leased for a period of 999 years, and its stock holdings in subsidiary companies were sold to the Great Northern Railway Company. The latter had been incorporated in 1836 by special act of the Minnesota Legislature under the name of Minneapolis and St. Cloud Railroad Company, which afterward had been changed by statutory authority. The ownership of the Pacific extension remained in the Manitoba Company, subject to the lease to the Great Northern, and it did the location and construction work in its own name. The route finally selected began at Pacific Junction, Montana, on the Montana extension, and terminated at Everett, on the Seattle & Montana Railway, in Washington, a distance of 818.83 miles. Track laying was finished through about New Year, 1893. The permanent crossing of the Cascade Mountains involved the building of a tunnel upwards of 13,000 feet long, which was completed late in 1900. As originally located and constructed, the Pacific Extension crossed the Cabinet range of mountains in western Montana with 1<sup>1</sup> per cent grades in each direction. Recently a new crossing of this range with grades 5/10 of 1 per cent east bound, and 7/10 of 1 per cent west bound, has been built upon and the original one abandoned. To finance the Pacific Extension the Manitoba Company issued its 4 per cent fifty year bonds to the amount of £2,000,000 sterling, and \$19,393,939 United States money, secured by mortgage upon the extension.

The necessity for a more direct line from Northern Minnesota and Dakota to the head of the Great Lakes was early recognized by the management, and the creation of such a route was begun in 1888 by the building of a piece of road from Carmen, Minnesota, eastward to Fosston, 44 miles. In 1897 the Eastern Railway Company acquired the completed road of the Duluth, Superior & Western, running from the head of Lake Superior, in the direction of Fosston, to Deer River, 99.84 miles, and extended the same to Fosston, 99.66 miles farther. These latter operations were financed by the issue of \$5,000,000, 4 per cent fifty-year bonds,

redeemable at the company's pleasure after thirty years, secured by mortgage of the lines acquired and produced. The discovery and development of large iron ore deposits in northeastern Minnesota, greatly increased the rail traffic of that region. To participate therein, the Eastern Railway Company, in 1899, acquired the Duluth & Mississippi River Northern railroad, running from Swan River Junction, on its road, north to Hibbing, on the iron range, 30 miles, with sundry spurs to mines. Large bodies of iron ores adjacent thereto, and on and near the so-called Mesaba iron ore range were also acquired, and are held for the benefit of the stockholders of the Great Northern Railway Company. On the Great Northern, as on most other east and west systems in this country, a considerable preponderance of traffic movement is eastbound, requiring corresponding westward movement of empty cars, making no revenue. This is particularly true of lines running to the Pacific coast, where is produced a large tonnage of forest products that must be marketed in the Mississippi basin or eastward. In part to reduce westbound empty car movement to the coast, and in part to stimulate the Asiatic trade of the country, the Great Northern Company, in 1901, caused to be placed under construction in an American shipyard two steamships for use in the Pacific ocean. To own and operate these a corporation was formed under the laws of Minnesota with the name Great Northern Steamship Company, all of the stock therein going to the Great Northern Railway Company. The ships are now in commission. Each is about 700 feet long and among the largest cargo carriers in the world, besides having considerable accommodations for passengers. Save the Minnesota land grants, the proceeds of which are solely applicable to retirement of the mortgage debt, and a trifling grant of swamp lands in aid of two short roads in Minnesota bought from other companies, the Great Northern system of railways and steamships has been created without public subsidy in any form.

#### MILEAGE AND PHYSICAL CHARACTERISTICS.

The railways comprising the Great Northern system are owned by corporations other than the Great Northern Railway Company. The mileage, June 30, 1905, was as follows: St. Paul, Minneapolis & Manitoba Railway, first main track 3,885.51 miles, additional main track 52.94 miles, side and yard tracks 78.17 miles, total 4,723.36 miles ; Eastern Railway of Minnesota, first main track 495.84 miles, additional main track 50.17 miles, side and yard tracks 199.95 miles, total 754.06 miles: Willmar & Sioux Falls Railway, main track 433.41 miles, side and yard tracks 45.88 miles total 482.29 miles; Montana Central Railway, main track 349.26 miles, side and yard

tracks 55.65 miles, total 304.91 miles; Spokane Falls & Northern Railway, main track 318.28 miles, side and yard tracks 42.20 miles, total 360.48 miles: Seattle & Montana Railway, first main track 213.24 miles, additional main track 1.17 miles, side and yard tracks 3.68 miles, total 278.09 miles: other railways and terminals including (19.64 miles leased from outside companies), first main track 514.44 miles additional main track 2.63 miles, side and yard tracks 77.95 miles. Grand total, first main track. 6,110.42 miles; additional main track. 106.91 miles; side and yard tracks, 1,272.78 miles; all tracks, 7,490.11 miles. Main tracks are laid with steel rails throughout; those in the routes on which traffic is chiefly concentrated being of section from 66 to 85 pounds per linear yard. The transcontinental line from St. Paul to Seattle (1,829 miles) crosses hut two summits with mountain grades, the Rockies, overhead, at an elevation of 5,202.7 feet, and the Cascades, through a tunnel 13,100 feet in length, at an elevation of 3,375 feet. Except at mountain crossings, where stretches of 2 per cent grade are unavoidable, grades in all main lines are low and curvature light. The aggregate bridging required for waterways is relatively small, and designed for the heaviest equipment. June 30, 1905, equipment comprised 707 locomoties, 559 passenger train cars. 32,870 freight and work train cars; all of relatively large capacity. From the reorganization of the St. Paul and Pacific roads in 1870, continuously to the present time, the controlling ideal of the management has been to stimulate increase in volume of traffic by reduction of rates: and to make the latter possible by reduction of operating cost. For the business year ending June 30, 1881 the principal traffic and operating statistics were as follow-s: Miles operated 702, freight train miles 1,092.943, tons revenue freight one mile 93,330.924, average freight train load, revenue freight.85 4-10 tons, average freight earnings per ton per mile 2 88-100 cts., gross earnings from operation. \$3.652,851. net \$1.906,756. The corresponding figures for the year ending June 30, 1905, show how far the above purpose has been realized:-Miles operated (except Spokane Falls & Northern roads) 5,723.32, freight and mixed train miles. 7,980,000. tons revenue freight one mile, 4,170,160,658, average freight train load, revenue freight, 522-576/1000 tons, average freight earnings per ton per mile, 7-92/100 mills, gross earnings from operation. \$43.526,088: net. \$22,084,161.

## FINANCES

The stocks of the companies owning the railways in the Great Northern system (other than the 19-64/100 miles leased from outside companies) are all owned by the Great Northern Company,

except \$359,500 out of a total of \$20,000,000 of the St. Paul, Minneapolis & Manitoba Company.

In 1901 the Great Northern and the Northern Pacific Railway Companies purchased, one-half each, nearly the entire capital stock of the Chicago, Burlington & Quincy Railroad Company, at \$200 per share, payable in their joint 4 per cent gold bonds maturing July 1, 1921, unless redeemed at the option of the makers, on the first day of any January or July after January, 1906, at par, accrued interest, and 5 per cent premium. Payment is secured by pledge of the stock purchased therewith. On June 30, 1905, purchases aggregated 1,076,116 out of a total of 1,108,391 shares of \$100 each, covering 8,358.55 miles of owned and 203.09 miles of leased railway with 523.11 miles additional main track; the owned mileage having a bonded debt in hands of public aggregating \$155,063,000. In the year ending June 30, 1905, Chicago, Burlington & Quincy railways earned from operation, \$65,973,045 gross and \$23,742,712 net. Interest and other preferred charges were \$8,370,137. Other than the joint bonds, Great Northern has no bonded debt. In 1882 the St. Paul, Minneapolis & Manitoba Co. increased its stock issue to \$20,000,000; at which amount it has since remained. In 1890 the authorized stock of the Great Northern Co. was fixed at \$40,000,000, one-half preferred and the remainder common. The \$20,000,000 preferred was all issued in that year. By increases made at various subsequent dates the same now stands at \$150,000,000. Except a small amount reserved for sale to employes, the stock forming the increase was disposed of by offering to existing stockholders rateably at par. No Great Northern common stock has yet been issued. June 30, 1905, on the railways and, properties forming the Great Northern system, there were outstanding, in hands of the public, the following securities: Bonds, \$100,753,939 with annual interest, \$4,806,015; stock of St. Paul, Minneapolis & Manitoba Ry., \$359,500 with guaranteed dividend, \$24,753; stock Great Northern Ry. Co., \$124,365,325; stock and bonds per mile of main track, \$36,316; bonded debt per mile of main track covered thereby, \$20,841. The above did not include £2,000,000 Pacific Extension bonds in Great Northern treasury, nor the Northern Pacific-Great Northern joint bonds. The last increase of Great Northern stock—\$25,000,000—was made since that date. Since the reorganization of 1879 all bond payments have been regularly met and the following dividends per cent on stock been paid: St. Paul, Minneapolis & Manitoba (year ending June 30) 1882, 6½; 1883, 9½, 1884, 8; 1885, 6½; 1886 and each subsequent year, 6, Great Northern (years ending June 30) 1891, 3¼; 1892-1897, 5 each year; 1898, 6; 1899, 6 3-4; 1900, and each subsequent year, 7.

March 1, 1906.