

JAMES HILL
RECOUNTS
THE HISTORY
OF THE
GREAT
NORTHERN
RAILWAY.

location is completed, which we are officially advised should be within a few weeks.

We are officially advised that no plans have yet been decided on for a comprehensive lay-out of the terminal yards at Port Mann, B.C. The Northern Construction Co. is grading and laying out such part of the yard as will be required in the immediate future. Meantime the rest of the lay-out is under consideration.

Recent press reports stated that the C.N.P. Ry. had acquired a railway running between New Westminster and Hazelmore, which would give a through line to New Westminster via Port Mann. We are advised, in this connection, that the company is negotiating with the Great Northern Ry. for acquiring the right of way of the old New Westminster Southern Ry. between Port Mann and Port Kells.

H. K. Wicksteed, Chief Engineer of Surveys for Mackenzie, Mann & Co., arrived in Vancouver, July 30, and spent nearly three weeks inspecting the lines under construction, and in going over plans for the company's extensive development projects in the vicinity.

Press reports state that a contract has been let to Rigby and Marsden, Vancouver, for the building of eight steel bridges on the line east of Yale, B.C.

Vancouver Island.—Tenders are under consideration for building a further section of 40 miles of the line on Vancouver Island. The section extends from mileage 100, west of Cowichan Lake, to the Alberin canal, and is styled Division D. The work includes clearing, grubbing, grading, fencing, and the building of bridges, trestles, culverts and masonry. It is to be completed within a year from the signing of the contract.

The lines of the new system turned over to our possession on June 23, 1879, comprised 567 miles, of which 565 were completed and 192 under construction. From the beginning its business fulfilled the expectations of its founders. The annual report for 1880 showed an increase in earning of 54% and land sales amounting to \$1,200,000. And now began the long task of building up the country. No sooner was a mile of road finished than the need of building other miles became apparent. Before Minnesota had filled up, the tide of immigration was passing even the famous Red River Valley country and flowing into Dakota. By 1880 it had become necessary to add a line down the Dakota side of the Red River, to plan for many extensions and branches, and two local companies, building lines in western Minnesota, were purchased.

Only a detailed history of the railroad could follow step by step the progress of track extension and the financial arrangements by which capital was furnished for these constant and always growing demands from this time on. In a brief review such as this, I can call attention only to what may fairly be called points of historic interest in the growth of what is now the Great Northern System. One of these was the provision of an eastern outlet by way of the Great Lakes. An interest was obtained in the St. Paul & Duluth Rd. in 1881. This, with the building of the link from St. Cloud to Hinckley, gave the necessary access to the Great Lakes, until the organization of the Eastern Minnesota in 1887 as a subsidiary company furnished a permanent outlet and terminals. I was made Vice President of the company Nov. 1, 1881, and on Aug. 21, 1882, succeeded to the Presidency, a position whose duties I was to discharge for a quarter of a century. J. S. Kennedy, who had joined our party after the organization of the company, was elected Vice President. At no time have I accepted any salary for my services as President or Chairman of the Board of Directors, since I have felt that I was sufficiently compensated by the increase in the value of the property in which my interest has always been large.

Business now grew more and more rapidly, the Northern Pacific was about completed and the Canadian Pacific was building toward the Coast. The St. Paul & Pacific Rd. was originally, as its name implied, intended as a transcontinental line. The route to be traversed was rich in fertile soils and abundance of mineral and forest resources. Quite as important, perhaps, was the fact that it admitted of the construction of a line with grades so low and curves so moderate as to make possible cheaper overland carriage than had ever been previously considered. Montana was beginning a large development of her own; while the active growth of the North Pacific Coast, though only in embryo, could be foreseen. In 1887 the lines of the Manitoba were extended to a connection with the Montana Central. This latter company had been incorporated early in Jan., 1886. Realizing the importance of occupying a field in Montana which was essential to the future transcontinental line, valuable in itself and one which others were already preparing to secure, we had, with some friends, organized the company under the laws of Montana. Work was begun at once, the surveys being made in the coldest winter weather. Construction was rushed. The track was completed to Helena in 1887 and to Butte by the middle of 1888. A branch to Sand Coulee opened up the coal mines of that region, furnishing fuel for use on Montana and Dakota divisions of the line, and for the

James J. Hill on the History of the Great Northern Railway.

On retiring recently from the chairmanship of the board, Great Northern Ry., J. J. Hill issued a circular to the shareholders, which contains a lot of interesting matter about northwestern railway development. Following are extracts:

Nearly 40 years ago the thought of a possible railway enterprise in the northwest began to occupy my mind. It was born of experience in northwestern transportation problems that had occupied most of my early business life, of faith in the productive powers and material resources of this part of the country, and of railroad conditions at that time. The feverish activity in securing railway concessions in land and cash that marked the sixth decade of the last century had been followed by collapse. Doomed as these enterprises were to ultimate failure by their lack of commercial foundation and financial soundness, they were suddenly wrecked by the panic of 1873. Aside from the Northern Pacific property, the lines in Minnesota most important and available if converted into real assets for the development of the northwest were the fragments of the old St. Paul & Pacific Co. Following the panic of 1873 these were in the hands of a receiver. The holders of their securities in Holland were more anxious to recover what they could from the wreck than to put more money into its completion and improvements that must be made if the properties were to continue to be operated at all. Their value lay to some extent in what was left of a land grant, which would be valuable as soon as the country should be opened, but chiefly in the possibilities of traffic from the millions of productive acres in the northwest to be opened to settlement by transportation facilities. Yet so great seemed the task and so uncertain the reward, in the general opinion, that any plan of acquiring and reorganizing the property was regarded as visionary in those days by most holders of capital and most men of affairs.

After long and close study of the situation the slender beginning was made on which we risked our all. Failure would be immediate and final disaster. My associates were Geo. Stephen, now Lord Mount Stephen, Donald A. Smith, now Lord Strathcona, and N. W. Kittson. We bought the defaulted bonds of these properties from the Dutch holders. The agreement with the Dutch committee was executed March 12, 1873, and practically all outstanding indebtedness was

nearly \$33,000,000, aside from floating obligations. These had to be purchased at prices above those for which they had previously been offered in the open market. The total capitalization and indebtedness at that time of the companies taken over was approximately \$44,000,000.

The property secured consisted of completed lines from St. Paul via St. Anthony to Melrose, 104 miles, and from Minneapolis to Breckenridge, 207 miles; and of two projected lines, one from Sauk Rapids to Brainerd and one from Melrose to the Red River at St. Vincent on the international boundary line. On these latter some grading had been done and about 75 miles of track had been laid. There were gaps between Melrose and Barnesville, Crookston and St. Vincent, that must be filled quickly. In themselves, had it not been for the promise of the future, these were scattered tracks in a country just being settled, out of which to construct a railway system and on which to base the financing of their purchase and development.

We advanced the money to build the Red River Valley Rd., 14 miles of track from Crookston to Fisher's Landing, on the Red River, making a through route by steamboat from that point to Winnipeg. While negotiations were pending and also after they were concluded, but before possession could be secured through the foreclosure of mortgages, an immense amount of work had to be done. The extension from Melrose to Barnesville must be pushed, and was carried 33 miles, as far as Alexandria; and 90 miles were built in the Red River Valley to reach the Canadian boundary. The former was necessary to save the land grant, whose time limit, already extended, was about to expire. The latter was in addition to connect with a railway projected by the Canadian government from Winnipeg south. As the properties were still in the hands of a receiver, an order had to be obtained from the court for the completion of the work in Minnesota with funds furnished by us. Money had to be raised to build these lines and to furnish equipment necessary for their operation.

In May, 1879, the St. Paul, Minneapolis & Manitoba Ry. Co. was organized to take over all these properties, whose bonds had been largely purchased, whose stocks had been secured and whose assets were to be bought in under foreclosure. It had an authorized capital stock of \$15,000,000, limited by its charter to \$20,000,000, and made two mortgages of

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After long and close study of the situation the slender beginning was made on which we risked our all. Failure would be immediate and final disaster. My associates were Geo. Stephen, now Lord Mount Stephen, Donald A. Smith, now Lord Strathcona, and N. W. Kittson. We bought the defaulted bonds of these properties from the Dutch holders. The agreement with the Dutch committee was executed March 13, 1875, and practically all outstanding indebtedness was subsequently secured. The mortgages were afterwards foreclosed and the property was bought in. For those days it seemed a formidable financial undertaking. The stock of these companies aggregated \$8,500,000, and their bonded indebtedness with past due interest

nearly \$33,000,000, aside from floating obligations. These had to be purchased at prices above those for which they had previously been offered in the open market. The total capitalization and indebtedness at that time of the companies taken over was approximately \$44,000,000.

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tana Central launched this company upon the most active period of construction ever known in this country.

Five hundred continuous miles were graded between April and Sept., 1887, and by Nov. 18, 643 miles of track had been laid, an average rate of construction of 3 3/4 miles for each working day. But this activity on the main line to the west was only one item in the extension programme. Between 1882 and 1888 the stone arch bridge and terminals in Minneapolis were completed; the Dakota line down the Red River was finished to a connection with the Canadian Pacific; the Casselton branch was purchased; a line was built from Willmar to Sioux Falls, and afterward extended to Yankton; some railways in South Dakota were bought; the Montana Central was taken over at cost, and an elevator and large terminals at West Superior were arranged for. In 1889 the line to Duluth and West Superior was completed, giving terminals and dock accommodations which today are not surpassed anywhere in the country. The total mileage operated had now increased to 3,030 miles. The company had also begun to operate its own steamships, through the Northern Steamship Company, on the Great Lakes. These boats, which began to run in 1888 and 1889, not only afforded greater dispatch in the carriage of grain and flour from the head of the lakes to Buffalo and other lake ports, but they made the railway independent of other lake lines. It

ment, and the Northern Securities Company was dissolved.

In 1907 the subsidiary companies controlled by the Great Northern, including fourteen railway companies operated as a part of it, were purchased and incorporated into the Great Northern System, making of these related parts one homogeneous whole. In the same year I resigned the presidency of the system, and became Chairman of the Board of Directors,—the office that I lay down to-day. The work of extension and improvement has gone forward steadily. By the construction of the Spokane, Portland & Seattle line, along the north bank of the Columbia River, the Great Northern and the Northern Pacific obtained jointly entry over their own tracks into Portland. Lines are now being constructed through eastern Oregon that will open up a large and productive country. In 1909 the Burlington obtained control of the Colorado & Southern; so that the Great Northern covers, directly or over the tracks of allied lines, a territory reaching from Chicago, St. Paul, Minneapolis, Duluth and Superior on the east to Puget Sound and Portland on the west, and

from Galveston to Vancouver, British Columbia. The Great Northern System has grown from less than 400 miles of the original purchase to 7,407 miles.

Not lightly may the relation between a man and the work in which he has had a vital part be set aside. My personal interest in the Great Northern remains as keen as ever. The financial interest of myself and family in it is larger now than it ever was at any time in the past, and any change would more probably increase than diminish it. While I shall be no longer the responsible head of the Great Northern, I will contribute henceforth such counsel and advice as may seem best from one no longer holding the throttle valve or controlling the brake.

Most men who have really lived have had, in some shape, their great adventure. This railway is mine. I feel that a labor and a service so called into being, touching at so many points the lives of so many millions, with its ability to serve the country, and its firmly established credit and reputation, will be the best evidence of its permanent value and that it no longer depends upon the life or labor of any single individual.

Railway Track Labor.

By E. J. McVeigh, Storekeeper, Grand Trunk Railway, Ottawa.

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In 1889 the Great Northern Ry. Co. was organized, to bind into a compact whole the various properties that had grown too large for the charter limitations of the old Manitoba. It leased all the property of the latter company, and was prepared to finance the undertakings about to be completed or in contemplation. By 1893 the line was opened through Puget Sound. In the next five or six years many improvements were made by relaying track with heavier rails and by changes in equipment and large additions thereto. Branches and feeders were built to round out the system. In 1897 a more direct line from the head of the lakes to the west was created by purchase and construction that completed a road across northern Minnesota to a connection with the main line. The taking over of the Seattle & Montana which, like the Montana Central, had been built by us to assure adequate terminals on the Pacific Coast and to enable construction to go forward from both ends of the line at once, extended the system from Seattle to Vancouver, British Columbia.

In 1901 the company decided to open negotiations for the joint purchase of the Chicago, Burlington & Quincy System by the Great Northern and the Northern Pacific. These were carried to a successful completion by the issue of joint collateral trust bonds to the amount of \$215,154,000, secured by the stock of the company acquired. Time has confirmed the wisdom of this act, by which thorough traffic arrangements have been simplified, and the public has gained much by the drawing together of markets and the quick and cheap distribution of products between Chicago, St. Louis and the Pacific Coast.

It was planned, through the formation of the Northern Securities Company, to form a holding concern for the control of these three great properties. The purpose was to prevent a dispersion of securities that might follow where large amounts were held by men well advanced in years, and so to secure the properties against speculative raids by interests at best not directly concerned in the progress of the country served by these lines. This was declared illegal, under the Sherman anti-trust law, by a divided court, upon suit by the United States Govern-

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When the man who handled track labor 20 years ago stops to consider, and compare, the conditions then existing with the conditions of today, and hopes for the future, he must feel that his day for doing things has gone by, never to return. Moreover, it is hard to teach old dogs new tricks, and many of the older roadmasters are really more pessimistic than they need be. In this matter we are, as in all other matters, in a state of evolution, and we must conform, or be left on one side, while younger men, men of the hour, carry on the work under the conditions they find, as the older men did in their day and generation. That conditions are different and more difficult is perfectly true, but conditions have changed in all lines of human effort. Life has become more strenuous all along the line, and where brawn fails us, we must use our brain to make life possible.

That we have done this is seen clearly on all sides, and nowhere more than in the construction and maintenance of railway permanent way. Our machinery for loading, unloading and spreading ballast and handling material shows this. In the portion of our country where the fall of snow is heavy we handled it by hand in the past when hands were many and willing; today we have other means to do it better with fewer hands, and it will be so to the end, which is not yet, and in the meantime we must live in the present and prepare for the future.

If we glance back over the railway history of this continent we will learn that when we wanted men for our track work they were recruited largely from the native stock, farmers' sons, the most intelligent and best trained labor the world has ever seen. In the early days of railway laboring, work off the farms was not so plentiful as it became later, so that these young men were more willing to take up track work. And they, with their natural intelligence and ambition, soon became expert in their lives at it, and of it. Many spent this number that our present day roadmasters and supervisors largely came.

But time flies, and as our country advanced and opened up, opportunity for this class of men increased, the railways did not fully realize the position, and did not increase wages fast enough to hold them. Whether they could in any case have held them in such a country as ours is a question, but the fact is they did not, so that today we are confronted with a fact and a condition. It is with the condition created by the fact that we must

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deal, now and in the future. Go ahead we must, but we may, if we will, gather a few lessons from the past that may be of assistance in the future.

The questions have been asked, how do the railways now obtain labor, for, first, section gangs; second, extra gangs. The answer is that they obtain such labor in any way they can, and not fully recognizing the present condition of having to deal with ignorant foreign labor, few arrangements have been made, so far, to make and keep laborers satisfied and hold them. Another reason for this is that such labor is largely wanting, and no arrangements we have made will hold it for long.

It is indeed difficult to get a fair day's work out of our present track men. Even when they are willing to work hard, their ignorance and inability to understand what is said to them makes it next to impossible to get satisfactory results. Our only salvation is that we still have a few of the native stock left to lead and direct. The methods adopted to increase the amount of work accomplished will vary according to the men and conditions. There can be no rule laid down in such a matter, and I have yet to see a failure through treating men considerably. One man may do considerable driving and accomplish much without losing his man or having them go sour on him, while another may do just the reverse. But one thing we can never afford to neglect is the square deal. Man from infancy resents injustice. It may be true that in the older countries men have been forced to accept a greater measure of injustice than do men on this continent, but even then they resented it, though unable to make their resentment felt. In this country, with a choice of where and for whom they shall work, they can, and do, make their resentment effective. So that even if on no higher grounds than that of expediency, let us be fair and do justice only, in our dealings with our laborers. Not only do this personally, but see to it so far as in us lies that others do the same. The fact that many of these men will not make a fair return for fair treatment does not lessen our obligation in the matter. You owe it to yourself if not to your men, but you do owe it to them; and besides it pays, believe me, it pays well. You may not see it at once, not today nor tomorrow but our railways are not here for today nor tomorrow only, and a reputation for fair treatment or dealing is a never failing source of strength to the railway company as well as to the individual. We have all seen

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