

trolled by the Northwest Company, the latter furnishing the financial aid for such construction. With a view to reducing the number of corporations owned and operated by the Northwest, eighteen distinct organizations were consolidated in 1881 into four separate companies, the names of these latter being the Elgin and State Line Railroad, the Chicago, Milwaukee and Northwestern, the Menominee River, and the Winona and St. Peter Railroads. A final consolidation of all the controlled companies into the Northwest was made in 1882 and 1883. In the former year the Menominee River and Escanaba and Lake Superior were consolidated with the Northwest, the latter issuing 11,880 and 4,320 shares of common stock for the shares of these respective companies. In June of the latter year the Elgin and State Line and the Chicago, Milwaukee and Northwestern were also merged into the Northwest.

NORTHWESTERN.

Financial Record of the Greatest of All the Grangers.

Supplementing the exhibits of the development and the security market history of the Chicago, Burlington and Quincy, the Chicago, Rock Island and Pacific, and the Chicago, Milwaukee and St. Paul—conspicuous in the Granger group—which have already appeared in THE NEW YORK TIMES'S Financial Supplements, herewith is the record of the Chicago and Northwestern, foremost of all the Western railroad properties.

The Chicago and Northwestern Railway was formed on June 6, 1859, by the purchasers at foreclosure sale June 2 of the Chicago, St. Paul and Fond du Lac Railroad. The latter company, which became financially embarrassed in the depression of 1857, had been in existence since 1851, charters being granted in that year to the Illinois and Wisconsin and the Rock River Valley Railroads. These two companies were consolidated in March, 1855, under the corporate title of the Chicago, St. Paul and Fond du Lac Railroad. In 1857 the Wisconsin and Superior and Marquette and State Line were also consolidated with the company and many valuable land grants obtained.

At the time of the formation of the new Chicago and Northwestern Railway the share capital was about \$2,650,000, the funded debt \$7,300,000, and the floating debt \$330,000, making in all \$10,280,000. The work of completing and extending the various lines was taken hold of vigorously by the new company, and on Oct. 6, 1859, the first train was run over the completed line from Chicago to Oshkosh. The road was further extended in 1862 to Fort Howard, 242 miles from Chicago. In 1863 the Dixon, Rockford and Kenosha was consolidated with the Chicago and Northwestern, the latter purchasing the securities of the road by an issue of \$1,400,000 common stock, and on June 2, 1864, the Galena and Chicago Union Railroad was also merged with the company. The stockholders of the Galena received a dividend of 3 per cent. and one share each of Northwest common and preferred stock in exchange for their share holdings.

Many Consolidations.

By this last consolidation the company became lessee in perpetuity of a number of roads previously controlled by the Galena and Chicago Union, either by lease or practical ownership through aid given in construction. In October, 1864, the Peninsular Company of Michigan was consolidated with the Northwest on a basis of one-half a share each of common and preferred stock of the latter for each share of the Peninsular stock. Valuable land grants received from the State of Wisconsin conditional upon the completion of certain extensions were acquired with this property. Notable additions to the system were made in the latter part of 1864, when a controlling interest in the Chicago and Milwaukee Railroad was obtained through the purchase of a majority of the stock by an issue of \$1,372,000 preferred shares of the Northwest, and in October, 1867, by the acquisition of the Winona and St. Peter Railroad, then only partly completed. The latter was finished in 1870 and connected with the Northwest by the construction of the Madison extension.

The Proprietary System.

It was this last purchase which led to what is termed the proprietary system of railroads of the Chicago and Northwestern, and it was under this system that the greater part of the additions and extensions of later years have been made, being built by roads wholly con-

Control of Omaha Purchased.

A majority of the stock of the Chicago, St. Paul, Minneapolis and Omaha was purchased in November, 1882, the price paid being \$10,503,960, part of which was provided for by an issue of \$10,000,000 5 per cent. fifty-year debenture bonds and the balance derived from a sale of common stock. In 1884-5 the Iowa Midland, the Stanwood and Tipton, the Des Moines and Indianapolis, the Ottumwa, Cedar Falls and St. Paul, and the Iowa and Southwestern were brought into the company and a number of leased lines in Iowa purchased. These were the Chicago, Iowa and Nebraska, Cedar Rapids and Missouri River, and Maple River Railroads, the Northwest increasing its capital stock for this purpose \$14,757,500. The entire capital stock of the Fremont, Elkhorn and Missouri Valley Railroad was bought and a controlling interest obtained in the Sioux City and Pacific Railroad.

In December, 1891, control of the Milwaukee, Lake Shore and Western was secured through an exchange of ten shares of Northwest common for nine shares of Milwaukee, Lake Shore and Western preferred and 3/4 per cent. in cash, and also four shares of Northwest common for five shares of Milwaukee, Lake Shore and Western. At this time the latter company was operated separately, but in September, 1893, it was merged into the Northwest and is now operated as the Ashland Division. In 1896 the Wisconsin Northern Company was organized in the interest of the Northwest to build 115 miles of road from Big Suanico, Wis., to the State line of Michigan, opening up the land-grant timber lands of the company in Wisconsin.

Recent Refunding Operations.

In July, 1897, the Directors authorized a mortgage for \$165,000,000, bonds to be dated Nov. 1, 1897, and run ninety years. The bonds are to refund outstanding issues either at or before maturity and may be issued from time to time, bearing such rate of interest as shall be deemed advisable. The stockholders confirmed the authorization last September, and the first issue of \$20,000,000 was sold. Among the bonds retired have been Maple River first 7 per cent. and Sioux City and Pacific first sixes. By this refunding operation a heavy saving in interest charges will be made as the old issues fall due.

The Northwest has a contract with the Burlington for the joint use of the bridge over the Mississippi River at Clinton, Ia., at an annual rental of \$20,000, and also one with this company and the Rock Island, giving the Northwest the use of certain sidings in Council Bluffs, Ia. The company has joint running arrangements with the Omaha between Chicago and St. Paul, with a division of earnings upon a pro rata per mile. It has an agreement with the Union Pacific for the establishment of a joint through line over the lines of both parties and with the Duluth, Red Wing and Southern for the use of certain tracks and buildings.

Growth Shown by Mileages.

The mileage of all the lines operated in 1874 was 1,928; in 1875, 1,990; in 1876 and 1877, 1,992; in 1878, 2,036; in 1879, 2,129, and in 1880, 2,215. In the following years through the various consolidations previously referred to there were heavy increases in the mileage, that in 1881 being 429, bringing the total up to 2,644. In 1882 it became 3,032; in 1883, 3,464; in 1884, 3,719; in 1885, 3,819; in 1886, 3,891; in 1887, 4,101; in 1888, 4,210;

in 1889 and 1890, 4,250; in 1891, 1892, and 1893, 4,423; in 1894, 1895, and 1896, 5,030; 1897 and 1898, 5,031.

The present mileage is divided as follows: Wisconsin Division, 556 miles; Galena Division, 405.76 miles; Iowa Division, 618.43 miles; Northern Iowa Division, 545.91 miles; Madison Division, 509.27 miles; Peninsula Division, 464.44 miles; Winona and St. Peter Railroad Division, 448.48 miles; Dakota Division, 723.93 miles; Ashland Division, 757.71 miles. In addition to these the controlled roads, which are operated separately, figure as follows: Fremont, Elkhorn and Missouri Valley, 1,301 miles; Sioux City and Pacific, 107 miles; Wisconsin Northern, 47 miles. Total of all, 6,486 miles.

Capital Stock in Various Years.

The capital stock in the various years from 1861 was as follows: 1861, \$2,893,757 common; 1862, \$2,953,236 common; 1863, \$3,731,216 common; 1864, \$11,990,500 common, \$8,430,500 preferred, total, \$20,421,000; 1865, \$13,160,921 common, \$12,994,720 preferred, total, \$26,155,641; 1866, \$13,174,901 common, \$13,019,056 preferred, total, \$26,193,957; 1867, \$13,234,496 common, \$14,789,125 preferred, total, \$28,023,621; 1868, \$14,555,676 common, \$16,356,287 preferred, total, \$30,911,963; 1869, \$14,590,162 common, \$16,659,097 preferred, total, \$31,249,259; 1870, \$14,676,629 common, \$20,370,293 preferred, total, \$35,046,922; 1871, \$14,774,005 common, \$21,030,313 preferred, total, \$35,804,318; 1872, \$14,810,980 common, \$21,067,663 preferred, total, \$35,878,643; 1873, \$14,993,020 common, \$21,484,063 preferred, total, \$36,477,083; 1874, \$14,993,060 common, \$21,484,113 preferred, total, \$36,477,173; 1875, \$14,994,600 common, \$21,485,653 preferred, total, \$36,480,253; 1876, \$15,011,180 common, \$21,502,253 preferred, total, \$36,513,433; 1877, \$15,103,146 common, \$21,696,385 preferred, total, \$36,799,531; 1878, \$15,109,656 common, \$21,702,845 preferred, total, \$36,812,501; 1879 and 1880, \$15,109,656 common, \$21,702,845 preferred, total, \$36,812,501; 1881, \$15,115,156 common, \$22,208,345 preferred, total, \$37,323,501; 1882, \$15,117,656 common, \$22,210,815 preferred, total, \$37,328,501; 1883, \$16,851,266 common, \$22,325,455 preferred, total, \$39,176,721; 1884, \$36,382,466 common, \$22,325,455 preferred, total, \$58,707,921; 1885 to 1889, \$41,374,866 common, \$22,325,455 preferred, total, \$63,700,321; 1890 and 1891, \$41,384,866 common, \$22,335,454 preferred, total, \$63,720,320; 1892, \$41,384,866 common, \$22,336,954 preferred, total, \$63,721,820; 1893, \$41,386,366 common, \$22,337,454 preferred, total, \$63,723,820; 1894 and 1895, \$41,387,866 common, \$22,338,455 preferred, total, \$63,726,321; 1896, \$41,402,866 common, \$22,353,455 preferred, total, \$63,756,321; 1897 and 1898, \$41,420,991 common, \$22,371,395 preferred, total, \$63,792,386. Of this total there was in June, 1897, in the company's treasury \$2,333,608 common and \$3,795 preferred stock.

Splendid Dividend Record.

There were no dividends paid on the stock until 1865, when 3/2 per cent. was paid on the preferred and a like amount in 1866. In 1867 and 1868 there were dividends paid in stock, that in the first named year being 7 per cent. on the preferred and in the latter year 10 per cent. on the common and a like amount on the preferred. Cash dividends in 1869 were 5 per cent. on both the common and preferred; in 1870 10 per cent was paid on the common and 12 on the preferred. In 1871 both stocks received 10 per cent., but in 1872 dividends were suspended on the common and but 7 paid on the preferred. The common received 3 1/2 per cent. in 1873 and the preferred 7 1/2. No dividends were paid on either in 1874, 1875, and 1876, but in 1877, 2 1/2 per cent. was paid on the preferred.

In 1878 3 per cent. was paid on the common and 7 per cent. on the preferred; in 1879, 4 per cent. on the common and 7 per cent. on the preferred; in 1880 and 1881, 6 per cent. on the common and 7 per cent. on the preferred; in 1882, 6 per cent. on the common and 7 1/4 per cent. on preferred; in 1883, 1884, and 1885, 7 per cent. on the common and 8 per cent. on the preferred. From 1886 to 1894, inclusive, 6 per cent. was paid on the common and 7 per cent. on the preferred. This latter rate has been paid on the preferred up to the present time, but in 1895 the common received only 4 per cent. Dividends on the common were in-

creased to 5 per cent. in 1896 and the same amount was paid in 1897 and has been continued at that rate in the present year.

Increases in Funded Debt.

The funded debt in 1878 was \$32,793,000; in 1879, \$33,193,000; in 1880, \$36,251,000; in 1881, \$36,906,000; in 1882, \$64,248,000; in 1883, \$69,821,000; in 1884, \$80,891,000; in 1885, \$91,460,500; in 1886, \$99,511,500; in 1887, \$97,384,500; in 1888, \$103,433,500; in 1889, \$105,121,500; 1890, \$104,985,500; in 1891, \$112,570,500; in 1892, \$114,235,500; in 1893, \$117,100,500; in 1894, \$130,113,500; in 1895, \$131,664,500; in 1896, \$131,528,500. The funded debt as listed on the Stock Exchange follows:

Chicago & Northwest, con. 7s. 1915	12,771,000
Gold 7s. 1902	10,792,000
Gold 7s. registered 1870-1929	
Sinking fund 6s. 1870-1929	
Sinking fund 6s. registered 1870-1929	7,237,000
Sinking fund 6s. 1870-1929	5,591,000
Sinking fund deb. 7s. 1933	9,800,000
Sinking fund deb. 6s. registered 1909	6,000,000
Debenture 6s. registered 1921	
Debenture 5s. registered 1886-1929	10,000,000
Extension 4s. registered 1887	18,632,000
Gen. 5 3/4s. registered 1887	4,960,000
Gen. 5 3/4s. registered 1907	
Escanaba & Lake Super. 1st 6s. 1901	455,000
Des Moines & Minneapolis 1st 7s. 1897	600,000
Iowa Midland 1st 6s. 1900	1,128,000
Chicago & Milwaukee 1st 7s. 1898	1,641,000
Winona & St. Peter 2d 7s. 1907	1,592,000
Milwaukee & Madison 1st 6s. 1905	1,600,000
Ottumwa C. P. & St. P. 1st 6s. 1909	1,600,000
Northern Illinois 1st 6s. 1910	1,500,000
Mil. Lake Shore & W. 1st 6s. 1921	5,000,000
Convertible debent. 6s. 1907	430,000
Ext. & Imp. sink. fund g. s. 1929	4,148,000
Michigan Div. 1st g. 6s. 1924	1,281,000
Ashland Div. 1st g. 6s. 1925	1,000,000
Incomes 1911	500,000
Total	\$108,264,000

Excellent Traffic Returns.

Gross earnings in 1875 were \$13,786,303, net, \$5,005,036, surplus, \$504,500; 1876, gross, \$14,013,732, net, \$5,739,442, surplus, \$1,026,115; 1877, gross, \$13,033,102, net, \$5,507,001, surplus, \$391,532; 1878, gross, \$14,751,062, net, \$7,180,117, surplus, \$508,453; 1879, gross, \$14,580,921, net, \$6,873,272, surplus, \$181,760; 1880, gross, \$17,349,349, net, \$8,917,749, surplus, \$1,674,647; 1881, gross, \$19,334,072, net, \$8,908,251, surplus, \$1,357,229; 1882, gross, \$23,684,656, net, \$11,045,022, surplus, \$2,791,437; 1883, gross, \$24,081,834, net, \$10,009,318, surplus, \$1,161,280; 1884, gross, \$25,020,624, net, \$9,879,607, surplus, \$761,258; 1885, gross, \$23,502,056, net, \$9,708,140, surplus, \$575,699.

In 1886 gross earnings were \$24,279,600, net, \$10,420,374, surplus, \$1,881,507; 1887, gross, \$26,321,315, net, \$11,250,973, surplus, \$2,612,271; 1888, gross, \$26,697,558, net, \$10,026,759, surplus, \$1,309,099; 1889, gross, \$25,692,259, net, \$9,664,972, surplus, \$622,012; 1890, gross, \$27,164,837, net, \$9,759,732, surplus, \$625,936; 1891, gross, \$27,793,675, net, \$9,502,669, surplus, \$234,759; 1892, gross, \$31,422,272, net, \$11,085,834, surplus, \$1,244,450; 1893, gross, \$32,709,747, net, \$10,416,594, surplus, \$873,149; 1894, gross, \$31,986,182, net, \$11,078,253, surplus, \$400,949.

The detailed statements for the years 1895, 1896, and 1897 follow:

Year ending	1897.	1896.	1895.
Average May 31, miles operated	5,031	5,931	5,031
Passenger earnings	\$6,963,578	\$7,408,827	\$7,044,691
Freight	22,236,612	24,364,622	19,484,415
Mail, express, &c	1,777,063	1,725,312	1,570,268
Total earnings	\$30,977,243	\$33,498,761	\$28,109,374
Op. expenses	\$19,877,089	\$20,873,402	\$17,503,917
Taxes	1,061,732	1,075,589	1,007,811
Total exp.	\$19,938,821	\$21,948,971	\$18,511,728
Net earnings	\$11,038,422	\$12,029,790	\$9,596,646
Percentage of exp. to earnings	(64.37)	(65.79)	(65.89)
Investments, &c.	964,310	671,638	652,274
Total rec'pts.	\$12,002,732	\$12,711,428	\$10,248,920
Interest on debt	\$7,115,701	\$7,122,356	\$7,071,133
Dividends	3,518,650	3,517,067	3,125,546
Sinking fund	196,413	220,990	325,830
Total disbursements	\$10,830,764	\$10,860,403	\$10,522,511
Surplus	\$1,171,968	\$1,861,025	\$273,591
*Deficit			
FREMONT, ELKHORN & MO. VALLEY.			
Year ending	1897.	1896.	1895.
May 31.			
Gross earnings	\$3,051,982	\$2,350,439	\$3,460,642
Net earnings	805,870	805,470	692,834
Total charges	1,620,941	1,022,469	1,025,029
Deficit	\$227,102	\$128,799	\$332,195

In the present fiscal year to April 30 the gross earnings have been \$32,963,751, against \$28,430,803 for the like period in 1897 and \$30,816,701 in 1896. The percentage of expenses to earnings in 1875 was 63.70; in 1876, 59.04; in 1877, 57.75; in 1878, 51.66; in 1879, 52.86; in 1880, 46.80; in 1881, 53.92; in 1882, 53.37; in 1883, 58.44; in 1884, 60.51; in 1885, 58.69; in 1886, 57.80; in 1887, 57.26; in 1888, 62.44; in 1889, 62.33; in 1890, 64.07; in 1891, 63.81; in 1892, 64.72; in 1893,

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68.15; in 1894, 65.37; in 1895, 65.86; in 1896, 64.50; in 1897, 64.37.

Fluctuations in Stock Prices.

Chicago and Northwestern was first dealt in on the Stock Exchange in 1863 and in that year sold at 6 in April and advanced to 49 in December. Following are the highest and lowest prices at which the stock has sold since that time: 1864, 88, March, 34, October; 1865, 39 $\frac{3}{4}$, November, 20, March; 1866, 62 $\frac{1}{2}$, November, 24, April; 1867, 65 $\frac{1}{4}$, December, 20, April; 1868, 97 $\frac{3}{4}$, October, 58 $\frac{1}{4}$, January; 1869, 94, May, 63, September; 1870, 85 $\frac{3}{4}$, June, 67, January; 1871, 92 $\frac{1}{8}$, April, 51 $\frac{1}{2}$, October; 1872, 230, November, (stock cornered,) 66 $\frac{3}{8}$, January; 1873, 85, February, 31 $\frac{1}{2}$, October; 1874, 62 $\frac{1}{4}$, January, 34 $\frac{3}{4}$, July; 1875, 48 $\frac{3}{8}$, January, 33 $\frac{3}{8}$, October; 1876, 45 $\frac{1}{4}$, February, 31 $\frac{7}{8}$, September; 1877, 43 $\frac{7}{8}$, October, 15, October; 1878, 55 $\frac{1}{4}$, April, 32 $\frac{1}{2}$, August, 1879, 94 $\frac{1}{2}$, November, 49 $\frac{5}{8}$, January; 1880, 130, November, 87 $\frac{1}{8}$, July; 1881, 136, January, 117, February; 1882, 150 $\frac{3}{4}$, September, 124, January; 1883, 140 $\frac{1}{8}$, April, 115 $\frac{1}{4}$, December; 1884, 124, February, 81 $\frac{1}{2}$, June; 1885, 115 $\frac{3}{4}$, November, 84 $\frac{3}{8}$, January; 1886, 120 $\frac{5}{8}$, November, 104 $\frac{1}{4}$, May; 1887, 127 $\frac{5}{8}$, June, 104 $\frac{1}{4}$, October; 1888, 116, September, 102 $\frac{5}{8}$, April.

In 1889 the highest price was 114 $\frac{7}{8}$, in September, and the lowest 102 $\frac{1}{2}$, in March; 1890, 117, May, 98, December; 1891, 118 $\frac{3}{4}$, December, 102 $\frac{3}{4}$, July; 1892, 121 $\frac{7}{8}$, March, 110 $\frac{1}{8}$, December; 1893, 116 $\frac{3}{8}$, February, 84 $\frac{7}{8}$, July; 1894, 110 $\frac{3}{8}$, June, 96 $\frac{1}{2}$, December; 1895, 107 $\frac{1}{2}$, October, 87 $\frac{3}{8}$, March; 1896, 106 $\frac{3}{4}$, April, 85 $\frac{1}{8}$, August; 1897, 132 $\frac{1}{2}$, September, 101 $\frac{1}{4}$, April; 1898, 130 $\frac{1}{2}$, February, 113 $\frac{1}{4}$, March. The highest price at which the preferred stock has ever sold for a full hundred shares was 175, in March last, the same price having previously been made in August, 1882. There was also a sale in March of a small lot at 176. The lowest price made for the preferred was in April, 1877, when it sold at 37 $\frac{3}{4}$.

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