

M & St L Purchase

On November 1, 1960, the North Western purchased the 1,500-mile Minneapolis & St. Louis Railway for \$3,488,320. In addition, the purchaser agreed to assume the Minneapolis & St. Louis's liabilities, including \$17,441,600 First Mortgage 6% bonds issued in connection with the transaction. Heretofore the Minneapolis & St. Louis had had no bonded indebtedness.

It is interesting to reflect that the only other comparable size merger of two major Iowa railroads occurred in 1903. That year the 1,300-mile Burlington, Cedar Rapids & Northern Railway was deeded to the Rock Island, which had previously controlled it. The former road had its headquarters in Cedar Rapids.

That part of the Minneapolis & St. Louis (known as the Iowa Central), was based in Marshalltown. Even today the Minneapolis & St. Louis Division of the North Western still has its car shops and locomotive repair facilities in Marshalltown.

The most notable Iowan associated with the old Iowa Central was Josiah B. Grinnell, who once served as its receiver. Indeed, one of the choice bits of Hawkeye folklore concerns Grinnell when

he headed the Grinnell & Montezuma Railway, operated by the Iowa Central. In those primitive days of railroading passes were informal and often written in longhand by the president. It so happened that an employee of the little line was discharged in writing by J. B. Grinnell himself. For many years, it is said, the dismissed employee rode happily over the Grinnell & Montezuma using his letter of dismissal as a pass. Nobody could read anything but the signature!

The Iowa Central came under control of the Minneapolis & St. Louis in 1900, and it was later purchased. The combined roads established a well-publicized freight route from the Twin Cities via Marshalltown and Oskaloosa to Peoria, Illinois. Known as the Peoria Gateway, the routing avoided congested Chicago terminals in expediting shipments between East and West. In addition, the Minneapolis & St. Louis had a line westward from Minneapolis to Watertown and Leola, South Dakota. It had two routes to Des Moines: one from Albert Lea, Minnesota, via Fort Dodge; another from Oskaloosa south to Albia, thence by trackage rights over the Burlington-Wabash route to the Iowa capital. There was also an additional line to Fort Dodge coming down from Winthrop, Minnesota, along with several minor branches.

The Minneapolis & St. Louis's greatest value to the North Western is financial. It has been a prof-

itable railroad ever since emerging from receivership in 1942. In the preceding five years before its acquisition "The Peoria Gateway" line had an average yearly income before taxes of \$2,754,000. Geographically the Minneapolis & St. Louis's role is less important, for its lines are largely paralleled or bisected by the North Western. This would suggest some sharp cutting to eliminate duplicate mileage in the near future.

Integrating the two railroads has already resulted in many changes. The current Minneapolis & St. Louis Division of the North Western includes all of the former railroad, with the exception of the "Western Division," from Hopkins, Minnesota, to Leola, South Dakota, 329 miles; the 88-mile Fort Dodge-Des Moines branch; and the M&StL-operated Minneapolis Industrial Railway, running from Minneapolis to Wesota, 115 miles.

The "Western Division" of the Minneapolis & St. Louis was transferred to the North Western's Dakota Division; the Fort Dodge-Des Moines branch to the Iowa Division; and the Minneapolis Industrial Railway to the Twin Cities Division. To compensate for its greatly reduced mileage, the North Western's 240-mile Belle Plaine to Sanborn Jct., Minnesota, branch was allocated to the Minneapolis & St. Louis Division.

To have more centralized headquarters, the Minneapolis & St. Louis Division offices were moved from Minneapolis to the North Western's

old passenger station in Mason City. The depot has been completely modernized for its current functions. With the removal of personnel from the comparatively new million-dollar Minneapolis & St. Louis Building in Minneapolis, the last traces of the "Peoria Gateway" line as a separate entity have disappeared.

Traffic-wise, too, there has been revamping. Twin Cities-Des Moines freight now goes on a more direct and logical route. Formerly it went south to Albia, thence in a northwesterly direction to Des Moines. Present operation is on what was the Minneapolis & St. Louis's main line to Marshalltown, thence over the double-track North Western to Ames, and south on the latter's branch to Des Moines. The new line is 79 miles shorter than the Minneapolis & St. Louis's circuitous routing. It also eliminates 68 miles of trackage rights, at an appreciable saving.

The current trend is to route more freight between the Twin Cities and the East via Marshalltown and the North Western's main line to Chicago. This means less emphasis on the Peoria Gateway, which had been the hallmark of the Minneapolis & St. Louis and its principal reason for existence. Be this as it may, consolidations are inevitable and are the pattern of railroad development in Iowa as they are elsewhere in the nation.