### SIOUX CITY AND PACIFIC RAILROAD.

## LETTER

FROM

# THE SECRETARY OF THE TREASURY,

TRANSMITTING

Annual report of the president of Sioux City and Pacific Railroad Company for the year 1867, in compliance with a resolution of the House of February 4, 1868.

MARCH 5, 1868 .- Referred to the Committee on the Pacific Railroad and ordered to be printed.

TREASURY DEPARTMENT, March 4, 1868.

Sir: I have the honor to enclose herewith a copy of the annual report of the president of the Sioux City and Pacific Railroad Company for the year 1867, received by the department on the 29th ultimo, and transmitted in conformity with House resolution of February 4, 1868.

I have the honor to be, very respectfully, your obedient servant, H. McCULLOCH,

Secretary of the Treasury.

Hon. Schuyler Colfax, Speaker House of Representatives.

> SIOUX CITY AND PACIFIC RAILROAD CO., OFFICE OF THE PRESIDENT, Blairstown, N. J., February 25, 1868.

Sin: Your letter of the 11th instant is duly received, with the accompanying resolutions of Congress relating to returns of Union Pacific railroad, and other railroad companies named in act approved July 1, 1862.

In reply, I would respectfully state that the returns called for were made to the Secretary of the Interior instead of the Secretary of the Treasury, under a misapprehension, and were filed in that department.

I now have the honor to transmit herewith the returns for the last year applicable to this company's affairs up to the time therein named:

A.—Chief engineer's report on cost of the road, &c.

B.—Chief engineer's report of the commencing of the work in July last; grading, sixty-two miles; track laid, thirty-six miles; line of road; progress of the road; rolling stock on hand and contracted for.

C .- President's report, verified under oath.

D.—Acknowledgment of the Secretary of the Interior of the filing of the documents in his department.

E.—Directors and officers of the company, with their residences. F.—The appointment of William W. Walker secretary, in place of James M. McKinlay, resigned.

G.—Supplementary report, with affidavit of the president.

All which is respectfully submitted:

J. I. BLAIR, President.

Hon. HUGH McCulloch.

Secretary of the Treasury, Washington, D. C.

### OFFICE OF CHIEF ENGINEER AND GENERAL AGENT. Cedar Rapids, Iowa, June 20, 1867.

Herewith I have the honor to submit an estimate of the cost of constructing the Sioux City branch of the Union Pacific railroad, as now building by the Sioux City and Pacific Railroad Company.

The length of the line, from Sioux City to an intersection with the Union

Pacific, near Frémont, in Nebraska, is one hundred miles.

The cost will be about as follows:	
2,320,000 cubic yards earth-work, at 35 cents	\$812,000
Little Liviux Soldier, and Elk Horn rivers	147, 000
sidings, at \$1	285, 120
10,800 tons rails, including freight on same	1, 296, 000
60 steel frogs and switch rigging	9,000
Track laying, surfacing, and ballasting, 108 miles	216; 000
10 depots and 4 turn-tables	44,000
5 water-stations and wood-sheds	18,000
3 engine-houses	45,000
Right of way, and station grounds	100,000
Fencing, and trackmen's houses	150, 000
Telegraph line Office and miscellaneous expenses, engineers' salaries, and inci-	22, 500
dentals	142,000
Missouri river bridge	1, 130, 000
Ti	1, 100, 000
12 locomotives	200,000
200 box cars	200,000
10 passenger cars	60,000
6 baggage, mail, and express cars	15,000
35 flat and coal cars	35,000
15 hand cars	3, 500
Machine shops, tools, &c.	38, 000
Total	4, 968, 120

The above amount would fully complete and equip the road, in all respects, sufficient for the present business. The item of \$1,130,000 for a bridge over the Missouri river can be avoided, temporarily, by substituting, for the first three or four years, large steam ferry-boats, arranged for transporting cars.

The necessary boats, dockage, and approaches, would require an expenditure of \$100,000.

The foregoing estimate is based on the improved line,\* a map of which I for-

ward you herewith.

No material change has been made in the location, yet considerable saving has been made in the gradients. The completion of the map, and estimates of the earth-work, has been seriously delayed, in consequence of a fire, which destroyed the company's office, last spring, and all the maps, profiles, and notes of the line which were in the office were burned, and additional field-work has been required to supply the losses.

Very respectfully,

W. W. WALKER, Chief Engineer.

J. I. BLAIR, President.

B.

SIOUX CITY AND PACIFIC RAILROAD CO., CHIEF ENGINEER'S OFFICE, Cedar Rapids, Iowa, November 28, 1867.

Herewith I have the honor to submit the following report of the progress made

in the construction of the Sioux City and Pacific railroad:

After the contract for the grading was let, last November, I deemed it best to postpone work on the main line, and begin the grading on the branch of the Cedar Rapids and Missouri River railroad, which connects that line with this, in a distance of six and a half miles, near the Missouri river crossing. The early freezing of the ground, last fall, and the unusually wet spring and floods in the Missouri valley this season, so much delayed the completion of the grading that the branch was not finished and ready for use until August last. In July the work of grading the first sixty-eight miles, from Sioux City, was vigorously commenced, and I am pleased to state that sixty-two miles of the grading is now completed, and that the remaining six miles will be finished about the fifth of next month, except one cut two miles south of Sioux City, which will be about the first of January next.

Track-laying was commenced in September at the junction with the Cedar Rapids and Missouri River Railroad branch, and at this date thirty-six miles of the track has been finished and brought into use; and it is intended to have at least fifty miles completed during December, and the remainder of the line to Sioux City in January. The track-laying and building has been much delayed by the inability of the Chicago and Northwestern Railway Company to deliver the materials promptly, owing to the great press of business on that line, and their very limited supply of platform cars for carrying iron and timber. The track party have had repeatedly to stop laying track, and wait for iron or bridge

timber.

The station-house at River Sioux is now so far completed as to be occupied,

and at Onawa and Sioux City the station-houses are now building.

A temporary engine-house, and blacksmith-shop, and storehouse, have been built, and permanent water-tank at Missouri Valley junction; and also water-tank at River Sioux and Onawa. Houses for section men have also been built at convenient distances along the line.

The rolling-stock of the company consists of two first-class locomotives, forty box and platform cars, four large boarding cars, one office car, and seven hand-

<sup>\*</sup>The map here referred to, of definite location, was accepted and placed on file in the office of the Secretary of the Interior.

cars. The following additional rolling stock is under contract, to be delivered during December, viz: one first-class locomotive, two passenger cars, two baggage and express cars, and five box cars.

In laying the track, 2,640 ties per mile have been used, and the best quality of American iron, weighing fifty-six pounds per yard, with improved fish-bar

splices.

After reaching a point about three miles from Sioux City, we have sixty-five continuous miles without a cut, and an average descent of only about eighteen inches per mile, and but four curves; one of the tangents is twenty-seven miles in

length.

A first-class telegraph line is also constructing by this company from Missouri Valley junction, where it will connect with the Western Union Telegraph line, and is now completed about thirty-eight miles from that point, and will be finished to Sioux City as soon as the railroad, or before.

Respectfully submitted:

W. W. WALKER, Chief Engineer.

JOHN I. BLAIR, Esq., President.

C.

OFFICE SIOUX CITY AND PACIFIC RAILROAD COMPANY, Cedar Rapids, Iowa, November 29, 1867.

Sin: My last annual report stating the condition, progress and intentions of this company was dated November 16, 1866, and it is now on file in your

department.

With that report I submitted copies of instructions to J. E. Ainsworth, the chief engineer, of date of April 21, 1866, and also his report dated November 1, 1866. I now submit a report of the operations of the company during the past year, and also the present condition of its affairs.

The accompanying report of William W. Walker, the present chief engineer of the company, shows somewhat in detail the progress that has been made in grading, bridging, track-laying, erecting buildings and telegraph line, and also the

amount of rolling stock now on hand and contracted for.

From this report it will appear that although work was not commenced until July last, thirty-six miles of the road are now completed and in operation, and sixty-two miles graded. Thirty-eight miles of telegraph have been built, and the completion of the first sixty-eight miles from Sioux city is almost a certainty during the next two months. The company will thus be able to deliver freight and government supplies destined for the upper Missouri valley at Sioux city by rail, before the opening of navigation in spring.

The equipments of the company, which at present consist of two locomotives and forty-five cars, will be increased in December by another locomotive, and two passenger and two baggage and express cars, and five freight cars, and such further additions will be made from time to time as may be necessary for the prompt

transaction of the business which may offer.

The company has purchased over six thousand tons of the best American iron, weighing fifty-six pounds per yard, of the pattern and laid with the splice bar joints recommended by government officials. The company has collected over one million two hundred thousand dollars on the subscriptions to its capital stock, which sum has already been mostly paid out in the purchase of materials and on construction. I also enclose herewith, for filing in your department, as

required by law, a report of William W. Walker, chief engineer, dated June 20, 1867, showing the estimated cost of the road when completed.

All of which is respectfully submitted:

JOHN I. BLAIR,

President Sioux City and Pacific Railroad Company.

Hon. HUGH McCulloch, Secretary of the Treasury.

STATE OF NEW JERSEY, County of Warrren:

Sworn and subscribed before me this 25th February, 1868.

MARSHAL HUNT, A Master in Chancery of New Jersey.

D.

DEPARTMENT OF THE INTERIOR, Washington, D. C., December 6, 1867.

SIR: I have received your letter of the 29th ultimo, with the accompanying reports from the chief engineer of your company in regard to the progress and condition of the road, and the estimated cost of the same when equipped for business.

Your letter and enclosures have been placed on file.

Very respectfully, your obedient servant,

O. H. BROWNING,

Secretary of the Interior.

E.

OFFICE OF THE SIOUX CITY AND PACIFIC RAILROAD COMPANY, Cedar Rapids, Iowa, December 15, 1867.

SIR: I have the honor herewith to hand you a list of the directors of this company, elected August 7, 1867, for the ensuing year, together with the officers

of the company:

Directors .- John I. Blair, Blairstown, New Jersey; Wm. B. Allison, Dubuque, Iowa; Perry H. Smith, Chicago, Illinois; DeWitt C. Blair, Belvidere, New Jersey; A. W. Johnson, Belfast, Maine; Oakes Ames, North Easton, Massachusetts; Platt Smith, Dubuque, Iowa; Joseph H. Scranton, Scranton,

Pennsylvania; Charles A. Lambard, Boston, Massachusetts.

Officers .- John I. Blair, Blairstown, New Jersey, president; W. B. Allison, Dubuque, Iowa, vice-president; Jno. M. S. Williams, Boston, Massachusetts, treasurer; Platt Smith, Dubuque, Iowa, assistant treasurer; Jas. M. McKimlay, Dubuque, Iowa, secretary; Chas. E. Vail, Blairstown, New Jersey, assistant secretary; W. W. Walker, Cedar Rapids, Iowa, chief engineer; J. E. Ainsworth, Dubuque, Iowa, consulting engineer.

Executive committee.—John I. Blair, Oakes Ames, Charles A. Lambard, D.

C. Blair, W. B. Allison.

I certify that the above are the names and residences of the directors and officers of the Sioux City and Pacific Railroad Company. JOHN J. BLAIR, President.

Attest:

C. E. VAIL, Assistant Secretary.

Hon. HUGH McCulloch,

Secretary of the Treasury, Washington, D. C.

F.

At a meeting of the board of directors, February 7, 1868, the resignation of James M. McKinlay, as secretary, was read and accepted; and, thereupon, William W. Walker, esq., of Cedar Rapids, Iowa, was appointed secretary.

### G .- Supplementary report.

Since the date of the foregoing report, marked C, I have to report the engine, cars, and rolling stock mentioned in the engineer's report, have all been received and placed upon the company's road; that the track is laid to and within the corporate limits of Sioux City. The chief engineer also reports that fifty miles of the railroad was completed during December last, and ready for business.

STATE OF NEW JERSEY, Warren County, ss:

John I. Blair, of full age, being duly sworn, on his oath, saith that he is president of the Sioux City and Pacific Railroad Company, and that the foregoing supplementary report is true to the best of his knowledge and belief.

JOHN I. BLAIR.

Sworn and subscribed before me the 25th day of February, 1868.

MARSHAL HUNT,

A Master in Chancery, of New Jersey.

SIOUX CITY AND PACIFIC RAILROAD COMPANY.

The office of the company is at Cedar Rapids, Iowa; the office of the president is at Blairstown, New Jersey.

Please acknowledge the receipt of those documents, and direct to J. J. Blair, president Sioux City and Pacific Railroad Company, Blairstown, New Jersey.

For your convenient reference, I submit the following printed copies, pp. 5 to 10, inclusive, of the reports and documents on file in your office, and in the Department of the Interior.

JOHN I. BLAIR, President Sioux City and Pacific Railroad.

#### THE PRESIDENT OF THE UNITED STATES.

Whereas "the Sioux City and Pacific Railroad Company," a company organized under the laws of Iowa, has requested the President of the United States to designate said company "for the purpose of constructing and operating a line of railroad and telegraph from Sioux City to such point on, and so as to connect with, the Iowa branch of the Union Pacific railroad from Omaha, on the Union Pacific railroad, as such company may select:"

Therefore be it known, that by the authority conferred upon the President of the United States by the seventeenth section of the act of Congress approved July 2, 1864, entitled "An act to amend an act to aid in the construction of a railroad and telegraph line from the Missouri river to the Pacific ocean," &c., I, Abraham Lincoln, President of the United States, do hereby designate the said Sioux City and Pacific Railroad Company for the purpose above mentioned.

ABRAHAM LINCOLN.

DECEMBER 24, 1864.

DEPARTMENT OF THE INTERIOR, Washington, D. C., December 24, 1864.

SIR: In compliance with your request, I herewith transmit to you a certified copy of the President's order of this date, designating the Sioux City and Pacific Railroad Company "for the purpose of constructing and operating a line of railroad and telegraph from Sioux City to such point on, and so as to connect with, the Iowa branch of the Union Pacific railroad from Omaha, or the Union Pacific railroad, as such company may select."

I am, sir, very respectfully, your obedient servant,

J. P. USHER, Secretary.

N. W. Hubbard, Esq., St. Nicholas Hotel, New York.

Office Sioux City and Pacific Railroad, Dubuque, Iowa, June 15, 1865.

DEAR SIR: Herewith I transmit by Hon. W. W. Hamilton, secretary of this company, a map, designating the general route of this company's road, which we desire to file in your office, as provided for in the acts of Congress relating thereto, approved July 1, 1862, and July 2, 1864. Please acknowledge, through Mr. Hamilton, the receipt of the same, that it may be placed on record in this office. Very truly, yours,

JOHN I. BLAIR, President.

Hon. JAMES HARLAN, Secretary of the Interior.

> DEPARTMENT OF THE INTERIOR, Washington, D. C., June 27, 1865.

Sir: I have to acknowledge, at the hands of W. W. Hamilton, esq., secretary of the company, a map designating the general route of its railroad, known as the "Sioux City and Pacific railroad," as provided for in the acts of Congress relating thereto. Approved July 1, 1862, and July 2, 1864.

Very respectfully, your obedient servant,

JAMES HARLAN, Secretary.

JOHN I. BLAIR, President, &c., Dubuque, Iowa.

PRESIDENT'S OFFICE, SIOUX CITY AND PACIFIC RAILROAD Co., Blairstown, New Jersey, April 21, 1866.

DEAR SIR: You are requested to organize, at the earliest practicable period, say by the tenth of May next, a corps of engineers, with such assistants, teams, tents, and outfit, as you may deem necessary, and proceed to Sioux City, in the State of Iowa, and examine all the practicable routes that you can find for a railroad connecting that city with the Union Pacific railroad in Nebraska. If you fail to find any line which is more desirable than that obtained by the surveys made in 1864 and 1865, and which was adopted by this company, you will then examine particularly and resurvey that line, and make all the improvements in it that may be possible.

I would call your special attention to the country in Nebraska opposite Sioux City and bordering along the Missouri river, and request a careful examination of all streams or inlets passing through the bluffs, so that you may determine definitely whether a practicable route can be obtained to get from the Missouri

valley through the bluffs and out on to the high lands beyond.

You will observe that a little below Sioux City, on the west side of the river, the Omaha Indian reservation commences and extends thence some twenty miles down the river, and from thirty to forty miles westward. This reservation includes the so-called "Black-bird hills," where the country is very high and broken. Information obtained from reliable sources goes to show that it is impossible to get a practicable railroad route across any part of the reservation in a westerly or southwesterly direction. If, however, one can be found you can, perhaps, conciliate the Indians, and through the government agent obtain permission to make surveys through their lands

You will bear in mind that it is to the interest of this company to find a line through Nebraska Territory, crossing as near Sioux City as possible, as the company is entitled to land along its line, and vacant lands are abundant in the Territory, while along your former line, east of the Missouri river, scarcely any

are to be found.

You will also remember that the act of Congress directs the company to adopt "the most direct practicable route," and this must be done strictly and honestly.

The intention of this branch of the Union Pacific road is to give the roads leading across Iowa and Minnesota a connection with the main line in the Platte These roads when constructed will all be feeders to the great main line in which the government and the people both have so great an interest.

You will be diligent in making your surveys and examinations, as the company intends putting the road under contract the present season. It is confidently believed that the Cedar Rapids and Missouri River railroad will be completed across the State of Iowa to a point opposite Omaha by April of next year, which will give this company greatly increased facilities for the construction of its road.

I would suggest that you communicate with W. W. Walker, chief engineer of the Cedar Rapids and Missouri River railroad, who will doubtless be able to give you much valuable information, as in the year 1863 he not only made several surveys and explorations for a railroad route through all the valleys running into the Missouri from the west between the Indian reservation and Omaha, but also, as I understood from him, he either surveyed or explored the country from the Missouri river near Decatur, to Columbus and the mouth of the Loup Fork, in the Platte valley.

In the summer of 1863 I examined, with a party of engineers, a proposed route from Decatur across the territory of the Platte river at the mouth of Loup The country we found high, rolling, and broken in every direction. Leaving the Missouri we followed up the valley of Elm creek a short distance, and thence our course lay nearly at right angles over a continuous succession of high ridges and deep valleys. Among the streams that we crossed I recollect the names of Bell creek, Logan, Cuming, Elk Horn; several branches of Pebble creek, several of Maple creek, and also of Shell creek. Owing to the number of the valleys and summits to be crossed, the line was deemed impracticable for a railroad. However, your surveys and examinations in that part of the Territory will depend upon your finding a practicable route through some opening in the bluffs by which to get out from the Missouri valley, since, if that cannot be done, any time spent west of that would be wasted.

I will doubtless see you during the summer in the Territory before you complete the surveys. Please keep me fully advised of your progress, communicating with me either at the office of the Cedar Rapids and Missouri River Rail-

oad Company, at Cedar Rapids, Iowa, or at Blairstown, New Jersey. J. I. BLAIR,

President Sioux City and Pacific Railroad Company.

J. E. AINSWORTH, Esq., Chief Engineer Sioux City and Pacific Railroad Company. ENGINEER'S OFFICE, SIOUX CITY AND PACIFIC RAILROAD Co., Dubuque, Iowa, November 1, 1866.

Sir: In conformity with your letter of instructions to me, under date of twenty-first April, 1866, I at once organized a corps of engineers, with the necessary outfit, and proceeded to Sioux City, where I crossed the Missouri river into Nebraska, and commenced my work. I deemed it best to commence at this point for the reason that bluffs bordering the Missouri rise in many places from one hundred and fifty to three hundred feet; and in some places on the Nebraska side they are perpendicular, and washed at the base by the Missouri river.

The only route for a railroad from Sioux City southwesterly is to be found by following up some of the valleys or ravines cutting through these bluffs and leading to the high lands beyond; therefore, it was necessary to determine the point of leaving Missouri valley the first thing, as it would be useless to begin a survey at the Platte river, or at any point of connection with the Union Pacific railroad, until the descent into the Missouri valley was fixed upon.

From opposite Sioux City I proceeded down the river, making examinations of all the streams and ravines leading back into the bluffs as far down as the Omaha Indian reservation, but found none that were practicable for a railroad

line.

At several points along the Indian reservation the Missouri river washes against perpendicular bluffs, making it impracticable for a road to pass down the river on that side. Below the reservation, and near Decatur, I examined the valley of Elm creek with care, but found the stream too short to enable us to reach the high prairie without very heavy work—numerous short curves and very high grades. I also examined the country west with a view to extending this line if found practicable, but the character and number of the valleys and divides convinced me that it was useless to spend more time in that direction.

Continuing the examinations down the river, I found, near De Soto, the valley of Fish creek, and further down that of Mill creek, through the former of which the line of 1865 was run. I spent considerable time on a line up Mill creek, and also in resurveying the line of 1865 up Fish creek, and in surveying new lines over the various summits between the head of Fish creek and the Platte valley. By some slight changes in the survey of 1865, I succeeded in making very material savings of both labor and grades.

As the result of these surveys, I am fully confirmed in the opinion that the route from Sioux City down the east side of the Missouri to a crossing near De Soto, thence via Fish creek to the Platte valley, and a connection with the Union Pacific railroad at Frémont, is the shortest, most direct, and practicable,

and in all respects the most desirable route for your company's road.

The distance from the crossing of the Missouri river to a point on the Union Pacific railroad, forty-six and a half miles west of Omaha, near Frémont, is twenty-nine miles. From Sioux City to the crossing of the Missouri is seventy-one miles, making the whole distance one hundred miles.

For about sixty miles on the east side of the river the level bottom lands are from eight to twenty-one miles wide, and next to the river they are well timbered;

altogether they are among the finest farming lands in the west.

The line is entirely above high water, has but three or four curves in a distance of sixty-three miles, with grades most of the way, varying from two to eight feet per mile.

The point of crossing the Missouri river is a good one (for that river) for a

ferry or a bridge.

The Cedar Rapids and Missouri river railroad, at a point nearly east of the crossing of the Missouri, comes within about six miles of this line, and it is already nearly completed to that point.

By constructing that six miles your road would secure a direct connection

with Chicago, as well as with the Union Pacific railroad at Omaha.

The construction of your line will give a western outlet via the Union Pacific railroad for the contemplated line from St. Paul to Sioux City, and thereby to all the projected lines running west from the Mississippi, crossing the said St. Paul and Sioux City road; also the McGregor Western, and Dubuque and Sioux City, and the Cedar Rapids and Missouri River railroads, in Iowa.

Thus all central and northern Iowa, as well as Minnesota and Wisconsin, will be furnished with a most direct and feasible connection with the Union Pacific railroad from the south and southeast; the Council Bluffs and St. Joseph, the Burlington and Missouri River, and the Chicago, Rock Island and Pacific railroads will also be supplied with a valuable connection with Sioux City and upper Missouri valley.

Your road would thus become, considering its length, one of the most important in the country, both to the various projected railroads of Iowa and Minnesota,

and to the government and the people.

I have not yet had time since returning from the survey to work up the fieldnotes and make a full estimate of the cost of construction. I hand you herewith a map, showing the slight changes which I would suggest in the line as proposed and adopted in 1865.

Respectfully submitted:

J. E. AINSWORTH, Chief Engineer.

JOHN I. BLAIR, Esq., President Sioux City and Pacific Railroad Company.

After a full examination of the country, I entirely concur in the conclusions of the foregoing report.

W. W. WALKER.

Consulting Engineer.

### OFFICE SIOUX CITY AND PACIFIC RAILROAD COMPANY, Dubuque, Iowa, November 16, 1866.

DEAR SIR: At the time of making my annual report to your department relative to the affairs of the Sioux City and Pacific Railroad Company, on the 26th June last, I was unable to give you the results of surveys and examinations then in progress, but promised, so soon as the same were completed, to forward an additional report. I have the honor to submit herewith a copy of my instructions to the chief engineer of the company, and his report of the results of this season's operations in the field; and I also submit the following statements relative to the present condition of the enterprise.

The company deemed it unadvisable to enter upon the work of construction until these surveys and examinations were so fully completed that there could be no possible doubt but that the most direct and practicable route from Sioux City to a connection with the Union Pacific railroad has been discovered.

By some slight changes, the line filed in your department has been materially improved, and the company has now become fully satisfied that that line, substantially running from Sioux City down the valley of the Missouri, crossing that river in the western part of Harrison county, Iowa, and thence to a connection with the Union Pacific railroad near Frémont, in Nebraska, forty-six and a half miles west of Omaha, is the true one to build the road upon, for the reasons that it is the shortest and most practicable, can be built with lower grades, and for the least expense; can be operated and maintained with the most economy; runs through a country comparatively well supplied with timber for the construction of the road, and a country susceptible of the highest state of cultivation, and already somewhat settled; and, furthermore, when constructed, it will give the most direct and feasible connection for the various roads projected

through northern Iowa and southern Minnesota to reach the Union Pacific railroad. This line is one hundred miles in length, and that portion east of the Missouri river is remarkable for its low grades and long tangents, there being but three or four slight curves in a distance of sixty-three miles, and the most desirable and natural channel for the commerce of those sections of country seeking an outlet towards the Pacific.

Having thus become fully satisfied as to the route, the company at once proceeded to perfect the location, obtain the right of way and put the grading under

contract.

The right of way from Sioux City to the crossing of the Missouri river has been fully secured, the most of it having been guaranteed by responsible citizens living along the line, without cost to the company. Fortunately for the rapid prosecution of the work on this line, a very large force of contractors, men, and teams have recently finished, or are now finishing, the construction of the Cedar Rapids and Missouri River railroad to Omaha.

This large force, organized at great expense by that company, having been largely gathered in Illinois, Wisconsin, Michigan, and Canada, being now in the immediate vicinity of this company's work, created a most favorable opportunity

for putting the grading under contract.

The grading of the northern sixty-eight miles has accordingly been contracted for with responsible parties at favorable and satisfactory figures, and a considerable force is already on the work, and this force will be increased as rapidly as the work above alluded to shall be completed and the weather will permit, and sufficiently to insure the completion of the grading on the sixty-eight miles by middle or last of next summer.

Had the company failed to avail itself promptly of these circumstances, and this large number of men had scattered and returned to their former homes, it would have been almost impossible, except at enormous expense, to collect a force and place it on the work early enough next spring to complete any considerable portion of the road next summer.

Arrangements have already been made for over one hundred thousand ties for the road, and a considerable number have been delivered, and a large force of

men and mills is now employed on this part of the work.

The company has also arranged to construct about six miles of road, which will connect its line very advantageously with the Cedar Rapids and Missouri River railroad at the point where the latter reaches the Missouri valley from the east, to which point that road will be completed in a few days.

This connection will be very valuable to this company as well as to the government and to the people along the line, and will secure a short and direct route to Chicago, whereby to transport the iron and other materials for the construc-

tion of the road.

It will also give this company a short and immediate connection with the

Union Pacific railroad via Council Bluffs and Omaha.

Good and reliable subscriptions to the capital stock of the company have recently been obtained to the amount of \$2,000,000, and it is the plan and purpose of the company to prosecute the entire work with vigor and success.

All of which is respectfully submitted:

JOHN I. BLAIR,

President Sioux City and Pacific Railroad Company.