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1900

THIRTY-SIXTH ANNUAL REPORT

OF THE

**CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY**

FOR THE

FISCAL YEAR ENDING JUNE 30TH, 1900.





1900

Thirty-sixth Annual Report

OF THE

Chicago, Milwaukee & St. Paul
Railway Company

FOR THE

Fiscal Year ending June 30th, 1900.

CHICAGO
CORBITT RAILWAY PRINTING CO.
1900.

DIRECTORS AND OFFICERS
OF THE
CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
A. J. EARLING,	CHICAGO.
PETER GEDDES,	NEW YORK.
CHARLES W. HARKNESS,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	NEW YORK.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	Chairman of the Board,	NEW YORK.
A. J. EARLING,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
A. C. BIRD,	Third Vice-President,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
E. W. ADAMS,	Assistant Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN McNAB,	Assistant Treasurer,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.
H. R. WILLIAMS,	General Manager,	CHICAGO.
W. J. UNDERWOOD,	General Superintendent,	CHICAGO.
GEORGE R. PECK,	General Counsel,	CHICAGO.
BURTON HANSON,	General Solicitor,	CHICAGO.
H. H. FIELD,	Assistant General Solicitor,	CHICAGO.
C. B. KEELER,	Assistant General Solicitor,	CHICAGO.

REPORT
OF THE
BOARD OF DIRECTORS.

THE
 THIRTY-SIXTH ANNUAL REPORT
 OF THE DIRECTORS OF THE
 CHICAGO, MILWAUKEE & ST. PAUL
 RAILWAY COMPANY
 TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1900.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1900, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Gross Earnings	\$41,884,692 00
Operating Expenses, including taxes	28,420,837 01
Net Earnings	<u>13,463,854 99</u>
Income from other sources	144,755 67
Total	<u>13,608,610 66</u>
Fixed Charges—Interest on Bonds.....	6,633,170 41
Balance above all charges.....	<u><u>\$6,975,440 25</u></u>

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating five per cent were paid on the common stock—of which the dividends paid October 21st, 1899—three and one-half per cent on preferred and two and one-half per cent on common stock—were from net earnings of the previous fiscal year, ending June 30th, 1899.

MILES OF TRACK.

Owned solely by this Company:		
Main track.....	6,397.07	
Second main track	259.69	
Third main track	5.02	
Fourth main track.....	1.72	
Connection tracks	32.15	
Yard tracks, sidings and spur tracks.....	1,525.97	8,221.62
Owned jointly with other Companies:		
Main track.....	25.60	
Second main track.....	1.83	
Connection tracks	2.20	
Yard tracks, sidings and spur tracks.....	52.94	82.57
Used by this Company under contracts:		
Main track.....	38.89	
Second main track	23.81	
Third main track.....	1.14	63.84
Total miles of track.....		<u>8,368.03</u>

The lines of road are located as follows:

In Illinois	334.52 miles
“ Wisconsin	1,649.88 “
“ Iowa	1,782.48 “
“ Minnesota.....	1,120.09 “
“ North Dakota.....	118.21 “
“ South Dakota.....	1,122.27 “
“ Missouri.....	140.27 “
“ Michigan.....	154.95 “
Total length of main track	<u>6,422.67</u> miles

The lines of the Des Moines, Northern & Western Railroad Company—146.95 miles in length—acquired by this Company in January, 1899, became a part of this system July 1st, 1899, and the accounts are merged from that date.

The extensions of the lines acquired from the Des Moines, Northern & Western Railroad Co. from Fonda to Spencer, a distance of 43.48 miles, and from Rockwell City to Storm Lake, a distance of 38.58 miles, which were under construction at the close of the fiscal year ending June 30th, 1899, were completed during this year. The cost of these extensions to June 30th, 1900, is \$975,301.69.

Of the extension of the Libertyville line to Fox Lake—19.70 miles in length—16.58 miles have been completed. The cost of the extension to June 30th, 1900, is \$494,008.56. This Fox Lake line is now being extended to Janesville, Wisconsin, for the purpose of providing a direct connection to Chicago for the business tributary to the Prairie du Chien and Mineral Point Divisions.

Extensions of the Company's lines from Napa, six miles north of Yankton, to Platte, a distance of 82.2 miles, through the Sioux Reservation, in Charles Mix County, South Dakota; from Bowdle to the Missouri River, 40.52 miles; and from Ponca to Crystal Falls, Michigan, 6.93 miles; and 4.33 miles of spur tracks to iron mines in that locality, are under construction—all of which will be completed during the current year.

The elevation of the track in the City of Chicago, from Central Park Boulevard to Mayfair, and from Hawthorne Avenue to Wood Street has been completed. The total cost of this work to June 30th, 1900, is \$707,023.09, which has been charged to Renewal and Improvement Fund.

The reduction of grades on the La Crosse Division, and Chicago & Council Bluffs Division, in Iowa, has been continued, and the expenditures therefor to June 30th, 1900, are \$703,134.05 for the La Crosse Division, and \$338,231.32 for the Chicago & Council Bluffs Division, in Iowa. This expense has been charged to Renewal and Improvement Fund.

A second main track has been completed from Savanna to Sabula Junction, with the exception of the line over the bridge, at a cost of \$53,172.98.

Second main track from Marion to Martelle in Iowa, a distance of 12.59 miles, is under construction—of which 2.71 miles were completed at the close of the year.

This Company has made a contract with the Escanaba & Lake Superior Railway Company, by which it obtains the right, for twenty years, to the use of its track from Channing to Escanaba, Michigan; and is now engaged in the construction of ore-docks at Escanaba, for receiving and forwarding iron-ore from its lines.

During the year 58.95 miles of side and spur tracks have been constructed, the cost of which has been charged to Operating Expenses.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1899, the Rolling Stock Replacement Fund amounted to \$298,520.

During the year just closed there has been added to the fund by charging to Operating Expenses the sum of \$167,583.17 for the cost of the replacement of 20 locomotives, and the sum of \$360,026.31 for the cost of the replacement of 680 cars destroyed or taken down during the year.

There was expended of this fund, for the replacement of 33 locomotives, \$305,323.17, and for the replacement of 804 cars, \$410,303.81—a total of \$715,626.98 as follows :

For 33 Locomotives	\$305,323 17
“ 373 Box Cars	166,681 47
“ 250 Stock Cars	151,875 11
“ 170 Flat Cars	84,910 16
“ 2 Ore Cars	1,473 28
“ 9 Caboose Cars	5,363 79

The unexpended balance of the Replacement Fund for Locomotives June 30th, 1900, amounted to \$89,960.00, and the unexpended balance of the Replacement Fund for Cars amounted to \$20,542.50—which is sufficient to replace the shortage of 10 locomotives and 31 cars as shown by statement on page 37.

There are now thirty-nine locomotives that have been dropped from the Equipment list and replaced with new and heavier locomotives, and the cost charged to Operating Expenses, which are still in use on lines of light traffic and will be scrapped when they require heavy repairs.

There has been expended during the year and charged to Operating Expenses, for new cars purchased and built, the sum of \$1,475,304.94, as follows:

For 21 Passenger Coaches.....	\$154,191 66
“ 2 Parlor Cars.....	31,209 49
“ 13 Baggage Cars.....	34,302 55
“ 3 Mail and Express Cars.....	8,415 99
“ 2 Postal Cars	8,308 88
“ 1,137 Box Cars.....	584,116 11
“ 500 Furniture Cars.....	329,256 19
“ 80 Flat Cars.....	39,957 72
“ 250 Coal Cars.....	137,903 86
“ 198 Ore Cars.....	145,854 56
“ 3 Caboose Cars.....	1,787 93

The total expenditure for Rolling Stock during the year—including that for replacement and that for additional equipment—3,013 Cars and 33 Locomotives—was \$2,190,931.92.

The total freight car equipment has been equipped with automatic couplers, and 74.22 per cent was equipped with air brakes, at the close of the year.

The average number of freight cars in service June 30th, 1900, per mile of road was 5.6.

There were in freight service June 30th, 1891, 24,814 cars with a carrying capacity of 466,671 tons, while on June 30th, 1900, there were 36,046 cars with a carrying capacity of 863,336 tons.

CAPITAL EXPENDITURES

FOR THE YEAR ENDING JUNE 30TH, 1900.

For New Lines—

Fonda to Spencer, Iowa	\$395,125 54	
Rockwell City to Storm Lake, Iowa	459,154 77	
Fox Lake Extension, Illinois	494,008 56	
Janesville Extension, Wisconsin.....	251,060 61	
Napa to Platte, South Dakota	385,437 04	
Bowdle to Missouri River, South Dakota	84,367 36	
Crystal Falls Extension, Michigan.....	44,488 05	\$2,113,641 93
For Second Main Track, Marion to Martelle, Iowa		46,859 82
“ Real Estate		134,753 16
Total		<u>\$2,295,254 91</u>

These additions to property have been paid for out of the Earnings of the Company, for which the Treasury will be reimbursed.

COST OF ROAD AND EQUIPMENT.

Cost of Road and Equipment June 30th, 1899...	\$218,506,634 82	
Paid in settlement of claim against the Central Railroad of Minnesota.....		3,000 00
		<u>\$218,509,634 82</u>
Credit—		
Cost of completion of second main track charged to Cost of Road and Equipment prior to June 30th, 1899, transferred to Renewal and Improvement Account, October, 1899..	\$137,103 44	
Cost of tracks taken up, buildings taken down or destroyed, etc.....	69,850 88	206,954 32
Cost of Road and Equipment June 30th, 1900	<u>\$218,302,680 50</u>	

RENEWAL AND IMPROVEMENT FUND.

Amount credited to Renewal and Improvement Fund, and deposited to credit of Company in New York, to June 30th, 1900.....	\$5,150,000 00
Interest.....	131,273 40
	<u>\$5,281,273 40</u>
Expenditures :	
For Elevation of Tracks in Chicago:	
Chicago & Milwaukee Division.....	\$528,658 87
Chicago & Council Bluffs Division.....	178,364 23
For Third and Fourth Main Tracks:	
Chicago & Milwaukee Division.....	145,224 45
For Reducing Grade and Perfecting Line:	
La Crosse Division.....	703,134 05
Chicago & Council Bluffs Division in Iowa.....	338,231 32
For Escanaba Docks and Track Connections....	180,618 25
For Completion of Second Main Tracks.....	<u>146,178 93</u>
Total Expenditure.....	<u>2,220,410 09</u>
Unexpended Balance, June 30th, 1900.....	<u>\$3,060,863 31</u>

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to \$82,519,000; and consisted of \$35,595,400 of preferred stock, and \$46,923,600 of common stock.

It has been increased during this fiscal year by \$4,859,500 of preferred stock, and \$223,000 of common stock, issued in exchange for the same amount of convertible bonds canceled, and amounts at the close of the year to \$87,601,500.

The amount of capital stock per mile of road is \$13,639.42.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was \$136,226,500.

It has been increased during this fiscal year by the issue of \$295,000 of General Mortgage Bonds and it has been decreased \$5,374,500 by underlying bonds retired and canceled, as shown on page 25 of this report.

The funded debt at the close of the fiscal year ending June 30th, 1900, was \$131,147,000—a decrease of \$5,079,500 since last report.

The amount of funded debt per mile of road is \$20,419.39 on which the interest charge per mile of road is \$1,063.22.

The total capitalization of the Company per mile of road is \$34,058.81.

TREASURY BONDS.

At the close of the last fiscal year, the amount of the Company's bonds in its treasury and due from Trustees was \$8,596,000.

This has been increased during this fiscal year \$295,000, as follows: \$194,000 General Mortgage Bonds received for underlying bonds canceled by sinking funds; \$98,000 for underlying bonds maturing July 1st, 1897, February 1st, 1898, and July 1st, 1899, paid and canceled; and \$3,000 for balance of cost of real estate and other additions and improvements to the property, to June 30th, 1899.

Bonds in the treasury or due from Trustees, June 30th, 1900, amount to \$8,891,000, as shown on page 24 of this report.

Of this amount \$324,000 are General Mortgage 4% Bonds; \$7,478,000 are General Mortgage 3½% Bonds, and \$1,089,000 are Milwaukee & Northern R. R. Co. Consolidated Mortgage 6% Bonds.

These treasury bonds represent actual expenditures for extensions, improvements, additional property and underlying bonds paid and canceled, out of the cash receipts of the Company from the operations of its lines.

BONDS IN INVESTMENT ACCOUNT.

At the close of the last fiscal year, the amount of bonds purchased by the Company and held in Investment Account for Sinking Fund purposes was..... \$161,000 00

There have been canceled during the year:

21 First Mortgage Bonds, Wisconsin Valley Division	\$21,000 00	
84 First Mortgage Bonds, Dubuque Division	84,000 00	105,000 00
Par Value of Bonds in Investment Account, June 30th, 1900, as shown on page 24 of this report.....		<u>\$56,000 00</u>

INSURANCE DEPARTMENT.

Cash balance at date of last report		76,942	37
Premiums received during the year.....		103,945	95
Income from investment of Guaranty Fund.....		29,770	00
Interest on money loaned.....		1,079	76
Amount collected for fire losses under reinsurance policy.....		13,648	53
		<u>\$225,386</u>	<u>61</u>
Paid losses during the year	\$38,261	37	
Paid expenses during the year.....	3,894	91	42,156 28
			<u>\$183,230 33</u>
Paid for bonds purchased :			
\$50,000 Baltimore & Ohio R. R.			
Co. 3½% bonds.....	\$46,812	50	
\$50,000 Northern Pacific R'y Co.			
4% bonds	51,211	25	
\$1,000 Chicago, Milwaukee & St.			
Paul R'y Co., Chicago & Pacific			
Western Division 5% bond	1,100	00	99,123 75
Cash Balance, June 30th, 1900.....			<u>\$84,106 58</u>

The Guaranty Fund is now \$709,788.75—represented by \$728,000 par value of bonds. The Guaranty Fund June 30th, 1899, was \$610,665—represented by \$627,000 par value of bonds.

The Guaranty Fund is invested as follows :

Chicago, Milwaukee & St. Paul R'y Co. bonds.			
General Mortgage 4%.....	\$435,000	00	
Consolidated Mortgage 7%.....	10,000	00	
Southern Minnesota Division 6%	7,000	00	
La Crosse & Davenport Div. 5%--	4,000	00	
Chicago & Pac. Western Div. 5%	6,000	00	462,000 00
Kansas City Belt R'y Co. 6% bonds	110,000	00	
Dakota & Great Southern R'y Co. 5% bonds.....	6,000	00	
Chicago, Burlington & Quincy R. R. Co., Nebraska			
Extension 4% bonds	50,000	00	
Baltimore & Ohio R. R. Co. 3½% bonds.....	50,000	00	
Northern Pacific R'y Co. 4% bonds.....	50,000	00	
Par value of bonds.....	<u>\$728,000</u>	<u>00</u>	
Amount of annual interest			<u>\$31,670 00</u>

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1900, compared with the previous year, show an increase of \$3,574,059.51 in gross earnings; an increase of \$4,458,000.19 in operating expenses, and a decrease of \$883,940.68 in net earnings.

The earnings from freight traffic were \$31,220,217.27—74.54% of total earnings—an increase of \$2,446,994.84, or 8.50%.

The number of tons of freight carried was 17,757,419—an increase of 1,927,263 tons, or 12.17%.

The increase in number of tons of freight carried was in the following commodities: flour and mill feed, 109,228 tons; barley, 184,349 tons; corn, 39,504 tons; hay, 32,951 tons; dairy and other agricultural products, 35,581 tons; provisions, 24,464 tons; salt, 5,042 tons; lime, cement and plaster, 42,780 tons; brick and stone, 128,811 tons; iron and steel, 144,485 tons; iron and other ores, 198,829 tons; manufactures, 159,890 tons; coal, 81,377 tons; coke, 19,228 tons; live stock, 30,308 tons; lumber, 119,440 tons; other forest products, 292,108 tons; wines, liquors and beers, 44,084 tons, and merchandise, 454,809 tons.

The following commodities show a decrease from the previous year: wheat, 127,387 tons; rye, 27,169 tons; oats, 36,164 tons; flax seed, 7,861 tons, and ice, 21,424 tons.

The number of tons of all agricultural products carried during the year was 5,187,126 tons—an increase compared with the previous year of 203,032 tons or 4.07%. Agricultural products comprised 29.21% of the total tonnage carried as compared with 31.48% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 12,570,293 tons—an increase compared with the previous year of 1,724,231 tons or 15.90%—the per cent of the total being 70.79% against 68.52% last year.

The number of tons of freight carried one mile was 3,357,456,584—an increase of 286,876,874, or 9.34%. The revenue per ton per mile was .930 cents—a decrease of .007 cents or .75%. The average miles each ton of freight was carried, was 189.07 miles—a decrease of 4.90 miles or 2.53%.

The number of tons of freight carried per loaded car was 12.20, against 11.84 last year—an increase of 3.04%. The number of tons of freight per freight train mile was 205.13, against 186.58 last year—an increase of 9.94%. The revenue from freight per freight train mile was \$1.9074, as against \$1.7484 last year—an increase of 9.09%.

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1871.....2.54 cts.	1881.....1.70 cts.	1891.....1.003 cts.
1872.....2.43 “	1882.....1.48 “	1892.....1.026 “
1873.....2.50 “	1883.....1.39 “	1893.....1.026 “
1874.....2.38 “	1884.....1.29 “	1894.....1.037 “
1875.....2.10 “	1885.....1.28 “	1895.....1.075 “
1876.....2.04 “	1886.....1.17 “	1896.....1.003 “
1877.....2.08 “	1887.....1.09 “	1897.....1.008 “
1878.....1.80 “	1888.....1.006 “	1898.....0.972 “
1879.....1.72 “	1889.....1.059 “	1899.....0.937 “
1880.....1.76 “	1890.....0.995 “	1900.....0.930 “

The earnings from passenger traffic during the year were \$7,698,513.51—18.38% of total earnings—an increase of \$919,592.31 over the previous year, or 13.57%. The number of passengers carried was 8,677,822—an increase of 1,000,053, or 13.03%. The number of passengers carried one mile was 328,178,516—an increase of 38,161,344, or 13.16%; the revenue per passenger per mile was 2.346 cts.—an increase of .009 cts. or .39%; the average miles each passenger was carried was 37.82 miles—an increase of .05 miles, or .13%.

EXPENDITURES.

The cost of operation has been considerably increased during the year by the increased cost of material, fuel and supplies of all kinds, and also the increased cost of labor in Maintenance of Way.

There was an increase in the average cost of the principal articles of material consumed during the year, as follows: rails, \$7.82 per ton; ties, 8 cents per tie; coal, 11 cents per ton; lumber and timber, \$1.50 per thousand feet.

The expenses of Maintenance of Way and Structures were \$7,554,787.81; Maintenance of Equipment, \$3,360,469.00; Conducting Transportation, \$10,888,728.06; Renewal and Improvement Account, \$1,550,000.00; Additional Equipment, \$1,475,304.94; and General Expenses, including Taxes, \$3,591,547.20.

The increase in expenditures for Maintenance of Way and Structures was \$2,454,619.01; for Conducting Transportation, \$798,459.85; for Additional Equipment \$1,475,304.94; and for General Expenses, including Taxes, \$179,298.38. There was a decrease in Maintenance of Equipment of \$74,681.99; and in Renewal and Improvement Account of \$375,000.00.

In the expenditures pertaining to Maintenance of Way and Structures, there was an increase from the previous year as follows: Repairs of Track, \$536,755.30; Renewal of Rails, \$907,147.48; Renewal of Ties, \$405,148.25; Repairs of Bridges, \$449,496.08; Repairs of Fences, \$2,324.17, and for Repairs of Buildings, \$153,747.73.

The expenditures for Repairs of Track during the year, include the amount of \$325,612.40 for 58.95 miles of side and spur tracks; \$175,506.29 for ballasting on lines not previously ballasted; and \$17,542.36 for reducing grades—except on the La Crosse and Council Bluffs Divisions, the cost of which was charged to Renewal and Improvement Fund.

Renewal of Rails includes 62,624 tons of new steel rails, costing \$1,587,667.18. During the previous year 25,494 tons of new steel rails were laid, costing \$446,995.65. The weight of steel rails used in renewals is 75 pounds and 85 pounds per yard.

Renewal of Ties includes 1,827,838 new ties—costing \$775,581.02. During the previous year 1,340,924 new ties, costing \$460,972.07, were placed in track.

The expenditures for Repairs of Bridges include the total cost of 88 steel bridges, aggregating 8,081 feet in length—replacing an equal number of wooden bridges; the filling of about 3.56 miles of pile bridges with earth—293 bridges having been completely filled and 103 reduced in length by filling; and the replacing of 236 wooden culverts with iron. The cost of these above the cost of renewal in the original form was \$427,293.67.

The expenditures for Repairs of Buildings include the sum of \$148,202.56 for the completion of new structures which were

under construction at the close of the previous fiscal year; and \$113,490.36 for Passenger Stations at Sioux City, Libertyville, Elk Point, Albert Lea, Rockwell City and other points; Freight Warehouses and other structures at Minneapolis, Sioux City and various stations—some of which were not completed at the close of the year.

The expenditures for Maintenance of Equipment during the year were \$3,360,469.00—a decrease of \$74,681.99 from the previous year; and include the amount of \$527,609.48 charged to Operating Expenses to replace the loss of equipment during the year, as against \$601,897.86 charged during the previous year.

In the expenditures pertaining to Conducting Transportation there was an increase of expenses of \$798,459.85, as follows: Station Service, \$226,376.61; Conductors, Baggage-men and Brakemen, \$47,266.73; Engineers, Firemen and Wipers, \$116,381.27; Train and Station Supplies, \$57,356.02; Fuel Consumed, \$269,277.81; Oil and Waste, \$9,295.13; Rental of Tracks and Terminals, \$92,358.80; and in Switching Charges a decrease of \$19,852.52.

The amount paid the United States Government for Internal Revenue Tax during the year was \$64,038.73.

The payments of the Company for labor directly employed in its service during the year were \$15,502,731.20, as compared with \$13,739,112.92 last year; and for Material and Supplies, \$11,647,630.05, as compared with \$7,704,004.27 last year.

The Board has continued the policy which has prevailed for several years past, of making improvements of the property and including them in Operating Expenses, when the earnings justify.

The principal items of improvements charged as Operating Expenses are new passing, side and spur tracks; ballasting lines not heretofore ballasted; strengthening bridges and replacement of wood with steel; filling openings; new fences; new freight and passenger stations; improvement of grades and alignment; elevation of tracks at Chicago. It has seemed prudent also to charge Operating Expenses with the cost of building cars during the year past against the time when there will be a large number of small cars to be retired from service.

During the past year the Company has sustained the loss by death of its Director, Mr. C. H. Coster, whose services were unusually valuable, and whose relations to the Board were of the most pleasant character.

To the officers and employes of the Company much credit is due for the faithful and efficient manner in which they have performed the duties assigned them.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors.

A. J. EARLING,
President.

ROSWELL MILLER,
Chairman of the Board.

AUGUST, 1900.

To the Board of Directors :

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1900, and the Statements of Operation for the same period.

W. N. D. WINNE,
General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1900.

Credit Balance, June 30th, 1899			\$12,770,871 41
Dividend payable October 21st, 1899, from net earnings of fiscal year ending June 30th, 1899, viz.:			
3¼% on \$35,595,400—Preferred Stock	\$1,245,839 00		
2¼% on \$48,923,600—Common Stock	1,173,090 00		2,418,929 00
Balance July 1st, 1899			\$10,360,942 41
Gross Earnings for the year ending June 30th, 1900	\$41,884,692 00		
Less Operating Expenses, including taxes	28,420,837 01		
Net Earnings.....	\$13,463,854 99		
Income from other sources.....	144,755 87		
Net revenue for the year ending June 30th, 1900	\$13,608,610 86		
Interest accrued during the year on Funded Debt.....		\$6,633,170 41	
Dividend payable April 20th, 1900, from net earnings of fiscal year ending June 30th, 1900, viz.:			
3¼% on \$36,305,400—Preferred Stock	1,270,689 00		
2¼% on \$47,137,600—Common Stock	1,178,440 00		
Balance for the year ending June 30th, 1900	9,082,299 41		4,526,311 25
Credit Balance, June 30th, 1900.....			\$14,887,253 66

GENERAL ACCOUNT, JUNE 30TH, 1900.

Dr.

Cr.

Cost of Road and Equipment..... Bonds, Stock, etc., of other Companies..... New England Trust Co.—Bonds and Cash, held in Trust, for Dubuque Division and Wisconsin Valley Division Sinking Funds Cash held in Special Trust for Dubuque Division and Wisconsin Valley Division Sinking Funds..... Farmers Loan & Trust Co., Trustee..... United States Trust Co., Trustee..... Depositories of Renewal Fund— United States Trust Co., New York..... Union Trust Co., New York..... Insurance Department..... Investment Account—Cost of Bonds pur- chased for Sinking Fund purposes..... Mortgage Bonds of the Company, unsold, held in its Treasury, and due from Trustees..... Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company..... Stock of the Company held in its Treasury Stock of Material and Fuel..... Due from Agents and Conductors..... Due from Sundry Companies— Traffic Balances..... Operating Balances..... Miscellaneous Balances..... Due from United States Government..... Cash Expended from Earnings for Con- struction of new lines, for real estate, etc., for which the Treasury has not yet been reimbursed..... Cash on hand.....	\$218,302,680 50 557,690 75 555,288 89 17,895 02 1,484,118 09 1,667,747 92 7,802,000 00 1,089,000 00 546,315 38 60,750 00 225,163 60 762,318 92 351,250 70 2,205,254 91 5,088,400 85	Preferred Stock..... Common Stock..... Funded Debt..... Wisconsin Valley Division Sinking Fund Dubuque Division Sinking Fund..... Sinking Fund, Income-Convertible Bonds Renewal and Improvement Fund..... Replacement Fund—Locomotives..... Replacement Fund—Cars..... Pay Rolls and Vouchers..... Due Sundry Companies— Traffic Balances..... Operating Balances..... Miscellaneous Balances..... Dividends Unclaimed..... Interest Coupons not presented..... Interest Accrued, not yet payable, in- cluding interest due July 1st..... Income Account.....	\$40,454,900 00 47,146,000 00 1,027 75 572,156 16 89,960 00 20,542 50 2,575,016 30 239,846 84 302 08 1,059,300 21 52,556 58 49,337 50 3,028,800 42	87,601,500 00 131,147,000 00 573,183 91 22,640 00 3,060,863 31 110,502 50 7,005,210 53 14,887,253 66
	9,329,454 36 \$244,408,153 91		\$244,408,153 91	

FUNDED DEBT, JUNE 30TH, 1900.

Total Funded Debt, June 30th, 1899, including all liens on purchased roads.....		\$136,226,500 00
General Mortgage Bonds issued during the year:		
For underlying bonds paid and canceled as fol- lows:		
Iowa & Minnesota Division	33,000 00	
Prairie du Chien Division, Second Mortgage	3,000 00	
Iowa & Dakota Division	62,000 00	
Income Sinking Fund Convertible.....	89,000 00	
Dubuque Division.....	84,000 00	
Wisconsin Valley Division	21,000 00	292,000 00
“ Expenditures for Additional Equipment, Real Estate and Improvements, to June 30th, 1899		3,000 00
		<u>\$136,521,500 00</u>
Deduct:		
Bonds, paid and canceled:		
Iowa & Minnesota Division	33,000 00	
Prairie du Chien Division, Second Mortgage	3,000 00	
Iowa & Dakota Division.....	62,000 00	
Income Sinking Fund Convertible.....	89,000 00	
Dubuque Division	84,000 00	
Wisconsin Valley Division.....	21,000 00	
Bonds received in exchange for preferred stock and canceled:		
St. Paul (or River) Division.....	283,000 00	
St. Paul (or River) Division—Sterling.....	69,500 00	
Hastings & Dakota Division	2,000 00	
Chicago & Milwaukee Division	424,000 00	
Consolidated Mortgage of 1874	14,000 00	
Consolidated Mortgage of 1875	3,384,000 00	
Iowa & Dakota Division Extension.....	683,000 00	
Bonds received in exchange for common stock and canceled:		
Income Sinking Fund Convertible	223,000 00	5,374,500 00
Total Funded Debt, June 30th, 1900		<u>\$131,147,000 00</u>
Decrease.....		<u>\$5,079,500 00</u>
Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold, and due from Trustees		<u>\$8,891,000 00</u>

FUNDED DEBT, JUNE 30TH, 1900.

DESCRIPTION OF BONDS.	DATE OF ISSE.	WHEN DUE.	RATE OF INTEREST.	INTEREST PAYABLE.	AMOUNT OF BONDS OUTSTANDING.	INTEREST.		
						ACCURUED DURING THE YEAR.	PAID DURING THE YEAR.	
St. Paul (or River) Division	1872	1902	7 per cent.	Jan. and July.	1,323,000 00	92,610 00	90,895 00	
St. Paul (or River) Division, Sterling	1872	1902	7 " "	" " "	255,500 00	17,885 00	19,040 00	
Hastings & Dakota Division	1872	1903	7 " "	" " "	78,000 00	5,460 00	5,460 00	
Chicago & Milwaukee Division	1873	1903	7 " "	" " "	1,290,000 00	90,300 00	90,720 00	
Consolidated Mortgage	1874	1904	7 " "	" " "	146,000 00	10,220 00	10,150 00	
Consolidated Mortgage	1875	1905	7 " "	" " "	5,318,000 00	372,260 00	372,085 00	
Iowa & Dakota Division Extension	1878	1908	7 " "	" " "	2,287,000 00	160,020 00	160,020 00	
Southwestern Division	1879	1909	6 " "	" " "	4,000,000 00	240,000 00	238,980 00	
Hastings & Dakota Division Extension	1880	1910	7 " "	" " "	5,680,000 00	397,000 00	397,145 00	
Hastings & Dakota Division Extension	1880	1910	5 " "	" " "	990,000 00	49,500 00	49,500 00	
Chicago & Pacific Division	1880	1910	6 " "	" " "	3,000,000 00	180,000 00	179,670 00	
Southern Minnesota Division	1880	1910	6 " "	" " "	7,432,000 00	445,920 00	443,550 00	
Mineral Point Division	1880	1910	5 " "	" " "	2,840,000 00	142,000 00	141,250 00	
Terminal Mortgage	1884	1914	5 " "	" " "	4,748,000 00	237,400 00	237,075 00	
Income Sinking Fund Convertible	1886	1916	5 " "	" " "	19,000 00	950 00	950 00	
La Crosse & Davenport Division	1879	1919	5 " "	" " "	2,500,000 00	125,000 00	124,875 00	
Dubuque Division	1880	1920	6 " "	" " "	6,058,000 00	363,480 00	362,970 00	
Wisconsin Valley Division	1880	1920	6 " "	" " "	2,184,000 00	131,040 00	129,000 00	
Chicago & Pacific Western Division	1881	1921	5 " "	" " "	25,340,000 00	1,297,000 00	1,266,975 00	
Wisconsin & Minnesota Division	1881	1921	5 " "	" " "	4,755,000 00	237,750 00	236,175 00	
Chicago & Lake Superior Division	1881	1921	5 " "	" " "	1,360,000 00	68,000 00	68,075 00	
Chicago & Missouri River Division	1886	1926	5 " "	" " "	3,083,000 00	154,150 00	153,775 00	
General Mortgage	1889	1989	4 " "	" " "	24,000,000 00	960,000 00	990,940 00	
General Mortgage	1889	1989	3 1/2 " "	" " "	9,978,000 00	349,230 00	89,337 50	
Wisconsin Valley R. R. Co.	1879	1909	7 " "	" " "	1,106,500 00	77,455 00	77,332 50	
Mil. & Northern R.R. Co. 1st Mortgage	1880	1910	6 " "	June and Dec.	2,155,000 00	129,300 00	130,410 00	
Mil. & Northern R.R. Co., Consolidated	1884	1913	6 " "	" " "	3,092,000 00	305,520 00	240,510 00	
Dakota & Great Southern R'y Co.	1886	1915	5 " "	" " "	2,856,000 00	142,800 00	142,675 00	
Fargo & Southern R'y Co.	1883	1924	6 " "	Jan. and July.	1,260,000 00	75,000 00	75,000 00	
Income Sinking Fund Convertible				" " "	21,000 00	615 42	1,025 00	
Iowa & Dakota Division				" " "	2,000 00			
Interest on bonds retired						147,004 99	330,554 59	
Interest on bonds in the Treasury of the Company and in hands of Trustees.						86,975,640 41		
Total						342,370 00		
Total						\$181,147,000 00	86,653,170 41	\$6,856,119 59

a selected by lot for payment—Interest ceased February 29, 1900. b Bonds matured and interest ceased July 1st, 1900.

CAPITAL STOCK, JUNE 30TH, 1900.

PREFERRED STOCK.

Amount of Preferred Stock, June 30th, 1899...		\$35,595,400 00
Issued during the year in exchange for bonds convertible into preferred stock by terms of mortgage, viz.:		
For St. Paul (or River) Division Bonds.....	283,000 00	
For St. Paul (or River) Division Bonds—Sterling	69,500 00	
For Hastings & Dakota Division Bonds.....	2,000 00	
For Chicago & Milwaukee Division Bonds.....	424,000 00	
For Consolidated Mortgage Bonds of 1874.....	14,000 00	
For Consolidated Mortgage Bonds of 1875.....	3,384,000 00	
For Iowa & Dakota Division Extension Bonds.	683,000 00	4,859,500 00
Total Preferred Stock, June 30th, 1900..		<u>\$40,454,900 00</u>

COMMON STOCK.

Amount of Common Stock, June 30th, 1899...		\$46,923,600 00
Issued during the year in exchange for Income Sinking Fund Convertible Bonds.....		<u>223,000 00</u>
Total Common Stock, June 30th, 1900...		<u>\$47,146,600 00</u>
Total Capital Stock, June 30th, 1900		<u>\$87,601,500 00</u>

DETAILED STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1899 AND 1900.

EARNINGS.

	1899	1900	INCREASE.	DECREASE.
From Freight	\$28,773,222 43	\$31,220,217 27	\$2,446,994 84	
From Passengers.....	6,778,921 20	7,698,513 51	919,592 31	
From Mail, Express, etc.....	2,758,488 86	2,965,961 22	207,472 36	
Gross Earnings.....	\$38,310,632 49	\$41,884,692 00	\$3,574,059 51	

EXPENSES.

Repairs of Track.....	\$2,382,247 94	\$2,919,003 24	\$536,755 30	
Renewal of Rails.....	519,007 29	1,426,154 77	907,147 48	
Renewal of Ties.....	684,419 96	1,089,568 21	405,148 25	
Repairs of Bridges.....	933,800 67	1,383,296 75	449,496 08	
Repairs of Fences.....	118,621 84	120,946 01	2,324 17	
Repairs of Buildings.....	462,071 10	615,818 83	153,747 73	
Repairs of Locomotives	1,379,514 63	1,315,087 98		\$64,426 65
Repairs of Cars.....	1,965,190 76	1,926,983 54		38,207 22
Repairs of Tools and Machinery.....	90,445 60	118,397 48	27,951 88	
Management and General Offices	737,500 21	783,597 55	46,197 34	
Foreign Agency and Advertising.....	243,416 17	310,054 71	66,638 54	
Station Service.....	2,772,863 46	2,999,240 07	226,376 61	
Conductors, Baggage and Brakemen	1,781,335 05	1,828,601 78	47,266 73	
Engineers, Firemen and Wipers.....	2,118,632 69	2,235,013 96	116,381 27	
Carried forward.....	\$16,189,067 37	\$19,071,864 88	\$2,985,431 38	\$102,633 87

	1899	1900	INCREASE.	DECREASE.
Brought forward.....	\$16,189,067 37	\$19,071,864 88	\$2,985,431 38	\$102,633 87
Train and Station Supplies.....	494,375 38	551,731 40	57,356 02	-----
Fuel Consumed.....	2,326,973 99	2,596,251 80	269,277 81	-----
Oil and Waste.....	116,317 83	125,612 96	9,295 13	-----
Personal Injuries.....	134,157 91	162,158 07	28,000 16	-----
Damage to Property.....	31,842 81	35,741 63	3,898 82	-----
Loss and Damage, Freight and Baggage	79,853 67	79,870 02	16 35	-----
Legal Expenses.....	129,667 41	112,121 45	-----	17,545 96
New York Office Expenses.....	26,084 20	26,292 59	208 39	-----
Taxes.....	1,186,166 40	1,258,007 84	71,841 44	-----
Insurance.....	96,306 57	104,024 16	7,717 59	-----
Miscellaneous Expenses.....	352,193 47	322,217 33	-----	29,976 14
Stock Yard Expenses.....	11,391 02	11,006 48	-----	384 54
Expenses of Elevators.....	30,724 35	30,734 07	9 72	-----
Mileage of Cars.....	209,665 30	196,299 65	-----	13,365 65
Rental of Tracks and Terminals.....	208,635 50	300,994 30	92,358 80	-----
Switching Charges—Balance.....	271,134 31	251,281 79	-----	19,852 52
Sleeping and Parlor Car Expenses.....	81,096 75	95,282 92	14,186 17	-----
Additional Equipment.....	-----	1,475,304 94	1,475,304 94	-----
Renewal and Improvement Account.....	1,925,000 00	1,550,000 00	-----	375,000 00
U. S. Government Internal Revenue Tax	62,182 58	64,038 73	1,856 15	-----
Total Expenses.....	\$23,962,836 82	\$28,420,837 01	\$4,458,000 19	-----
Net Earnings.....	\$14,347,795 67	\$13,463,854 99	-----	\$883,940 68

CONDENSED STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1897, 1898, 1899 AND 1900.

EARNINGS.

	1897	1898	1899	1900
From Freight.....	\$22,104,802 66	\$25,468,851 73	\$26,778,222 43	\$31,220,217 27
From Passengers.....	5,717,485 98	5,986,940 18	6,778,921 20	7,698,513 51
From Mails, Express, etc.....	2,684,469 35	2,733,971 78	2,758,488 86	2,965,961 22
Gross Earnings.....	\$30,486,767 99	\$34,189,663 68	\$36,310,632 49	\$41,884,692 00

EXPENSES.

Maintenance of Way and Structures.....	\$4,334,954 78	\$4,642,275 15	\$5,100,168 80	\$7,554,787 81
Maintenance of Equipment.....	2,464,838 52	2,918,523 70	3,435,150 99	3,360,469 00
Conducting Transportation.....	8,475,313 40	9,890,370 07	10,090,268 21	10,888,728 06
Loss and Damage to Persons and Property.....	229,176 77	221,513 32	243,854 59	277,769 72
General Offices, Agencies and Advertising.....	984,205 40	1,078,815 94	1,136,967 99	1,232,166 30
Mileage of Cars.....	310,257 18	217,469 95	209,665 30	196,299 65
Taxes.....	1,184,230 86	1,134,130 68	1,186,166 40	1,238,007 84
Renewal and Improvement Account.....	200,000 00	1,125,000 00	1,925,000 00	1,550,000 00
Additional Equipment.....	1,475,804 94
Miscellaneous.....	494,562 17	473,467 80	638,894 74	627,808 69
Total Expenses.....	\$18,577,539 08	\$21,201,566 61	\$23,962,896 83	\$28,420,887 01

RECAPITULATION.

Gross Earnings.....	\$30,486,767 99	\$34,189,663 68	\$36,310,632 49	\$41,884,692 00
Total Expenses.....	18,577,539 08	21,201,566 61	23,962,896 82	28,420,887 01
Net Earnings.....	\$11,909,228 91	\$12,988,097 07	\$14,347,735 67	\$13,463,804 99
Average Miles in Operation.....	6,152.55	6,153.83	6,153.72	6,347.38

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT	PASSENGER	MAILS, EXPRESS, ETC.	GROSS EARNINGS	OPERATING EXPENSES	NET EARNINGS
July, 1899	\$2,430,767 10	\$703,853 50	\$249,855 98	\$3,384,476 58	\$2,244,418 40	\$1,140,058 18
August, "	2,342,583 90	785,989 30	248,110 33	3,376,693 53	2,190,031 60	1,186,661 93
September, "	2,842,381 22	787,059 44	249,961 83	3,879,402 49	2,675,015 17	1,204,387 32
October, "	3,414,163 37	661,400 63	252,126 62	4,327,690 62	2,637,186 77	1,690,503 85
November, "	3,179,788 72	597,159 72	245,738 30	4,022,686 74	2,498,715 50	1,523,971 24
December, "	2,698,211 30	651,572 22	245,615 42	3,595,398 94	2,172,928 85	1,422,470 09
January, 1900	2,435,984 51	534,202 36	240,616 23	3,210,813 10	2,188,023 56	1,022,789 54
February, "	2,197,885 69	441,059 37	228,798 16	2,867,741 22	2,118,449 59	749,291 63
March, "	2,610,933 12	578,006 17	238,882 03	3,427,821 32	2,239,420 78	1,188,400 54
April, "	2,459,907 11	561,780 04	242,416 60	3,264,103 75	2,506,902 71	757,201 04
May, "	2,237,464 58	610,506 86	260,686 94	3,108,658 38	2,505,158 74	603,499 64
June, "	2,370,136 65	785,913 90	263,154 78	3,419,205 33	2,444,385 34	974,819 99
Total	\$31,220,217 27	\$7,698,513 51	\$2,965,961 22	\$41,884,092 00	\$28,420,837 01	\$13,463,254 99

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.

1899	\$38,310,632 49		
1900	41,884,692 00	Increase	\$3,574,059 51

Operating Expenses.

1899	\$23,962,836 82		
1900	28,420,837 01	Increase	\$4,458,000 19

Net Earnings.

1899	\$14,347,795 67		
1900	13,463,854 99	Decrease	\$883,940 68

Gross Earnings per Mile of Road.

1899	\$6,225 61		
1900	6,598 74	Increase	\$373 13

Operating Expenses per Mile of Road.

1899	\$3,894 04		
1900	4,477 57	Increase	\$583 53

Net Earnings per Mile of Road.

1899	\$2,331 57		
1900	2,121 17	Decrease	\$210 40

Freight Earnings per Mile of Road.

1899	\$4,675 75		
1900	4,918 60	Increase	\$242 85

Passenger, Mail and Express Earnings, per Mile of Road.

1899	\$1,549 86		
1900	1,680 14	Increase	\$130 28

Average Miles of Road Operated During the Year.

1899	6,153.72		
1900	6,347.38	Increase	193.66

TRANSPORTATION STATISTICS

FOR THE YEARS ENDING JUNE 30TH, 1898, 1899 AND 1900.

	1898	1899	1900
Miles run by freight trains	13,880,445	15,331,606	15,124,734
Miles run by passenger trains.....	7,930,481	8,188,048	9,031,841
Miles run by mixed trains	1,140,398	1,125,398	1,242,986
Total miles run by revenue trains	22,951,324	24,645,052	25,399,561
Miles run by switching trains.....	4,196,088	4,309,209	4,560,610
Miles run by construction and other trains	783,209	891,908	1,434,158
Total miles run by all trains.....	27,930,621	29,846,169	31,394,329
Number of tons of freight carried.....	14,230,742	15,830,156	17,757,419
Number of tons of freight carried one mile	2,621,848,372	3,070,579,710	3,357,456,584
Mileage of freight cars—loaded	239,610,746	259,448,644	275,219,041
Mileage of freight cars—empty	98,870,373	107,895,463	108,389,277
Number of tons of freight carried per loaded car..	10.940	11.835	12.199
Number of loaded freight cars per train.....	15.952	15.765	16.815
Average miles each ton of freight was carried	184.20	193.97	189.07
Number of tons of freight per freight train mile ..	174.51	186.58	205.13
Revenue per ton of freight per mile.....	.9716 cts.	.9371 cts.	.9299 cts.
Revenue from freight per freight train mile	\$1.6955	\$1.7484	\$1.9074
Average amount received for each ton of freight ..	\$1.78971	\$1.81762	\$1.75815
Number of passengers carried	7,095,641	7,677,769	8,677,822
Number of passengers carried one mile.....	253,485,504	290,017,173	328,178,516
Average miles each passenger was carried	35.72	37.77	37.82
Revenue per passenger per mile.....	2.302 cts.	2.337 cts.	2.346 cts.
Revenue from passengers per passenger train mile...	66.00 cts.	72.79 cts.	74.93 cts.
Repairs of Locomotives per revenue train mile....	5.95 cts.	5.60 cts.	5.18 cts.
Repairs of Cars " " " "	6.43 cts.	7.97 cts.	7.59 cts.
Station Service " " " "	11.49 cts.	11.25 cts.	11.81 cts.
Train Service " " " "	7.12 cts.	7.23 cts.	7.20 cts.
Locomotive Service " " " "	8.53 cts.	8.80 cts.	8.80 cts.
Train and Station Supplies per revenue train mile..	1.91 cts.	2.01 cts.	2.17 cts.
Fuel " " " "	9.50 cts.	9.44 cts.	10.22 cts.
Oil and Waste " " " "47 cts.	.47 cts.	.49 cts.
All Other Expenses " " " "	40.98 cts.	44.06 cts.	58.44 cts.
Total Operating Expenses " " " "	92.38 cts.	97.23 cts.	111.90 cts.
Percentage of Expenses, including taxes, to Earnings	62.01 %	62.55 %	67.85 %

NOTE.—In the computations in above statement based on mileage of revenue trains, the total mileage of mixed trains is included with the mileage of both freight and passenger trains. This is in accordance with ruling of the Interstate Commerce Commission.

STATEMENT OF COMMODITIES TRANSPORTED
 DURING THE YEARS ENDING JUNE 30TH, 1899 AND 1900.

COMMODITIES	1899		1900	
	Tons	Per Cent	Tons	Per Cent
Flour	533,585	3.371	598,052	3.368
Mill Feed	197,926	1.250	242,687	1.367
Wheat	1,597,436	10.091	1,470,049	8.279
Rye	97,047	.613	69,878	.393
Barley	609,849	3.853	794,198	4.472
Oats	653,156	4.126	616,992	3.475
Corn	645,952	4.081	685,456	3.860
Flax Seed	159,658	1.009	151,797	.855
Hay	79,592	.503	112,543	.634
Dairy Products	60,271	.381	63,012	.355
Other Agricultural Products ..	349,622	2.208	382,462	2.154
Provisions	347,640	2.196	372,104	2.095
Salt	63,960	.404	69,002	.389
Lime, Cement and Plaster	157,751	.997	200,531	1.129
Brick and Stone	595,109	3.759	723,920	4.077
Iron and Steel	510,793	3.227	655,278	3.690
Iron and Other Ores	449,138	2.837	647,967	3.649
Manufactures	973,830	6.152	1,133,720	6.385
Coal	1,737,157	10.973	1,818,534	10.241
Coke	246,157	1.555	265,385	1.494
Live Stock	806,478	5.095	836,786	4.712
Lumber	1,602,860	10.125	1,722,300	9.699
Other Forest Products	1,564,991	9.886	1,857,099	10.458
Wines, Liquors and Beers	280,643	1.646	304,727	1.716
Ice	289,568	1.829	268,144	1.510
Merchandise	1,239,987	7.833	1,694,796	9.544
Total	15,830,156	100.000	17,757,419	100.000

MATERIAL AND FUEL ON HAND.

Coal	58,217 Tons,	\$118,555	47
Wood.....	2,473 Cords,	4,553	96
Ties.....	1,207,186 Number,	531,999	14
New Steel Rails.....	11,523 Tons,	355,299	18
Old Steel Rails.....	27,389 Tons,	394,150	95
Old Iron Rails	11,705 Tons,	140,457	96
Rail Fastenings.....	10,835,650 Pounds,	151,699	10
Oil.....	96,382 Gallons,	17,383	61
Waste	85,676 Pounds,	5,242	95
Iron (worked and unworked)...	18,770,993 Pounds,	281,564	89
Copper and Brass.....	483,153 Pounds,	64,777	56
Lumber and Timber.....	27,947,966 Feet,	473,765	33
Piles.....	664,262 Feet,	85,254	12
Posts	110,452 Number,	10,472	08
Engine and Car Wheels.....	6,450 Number,	66,829	31
Engine and Car Wheels (on axles)	1,906 Pairs,	44,100	40
Engine and Car Axles.....	1,160,739 Pounds,	25,426	35
Tires.....	96,022 Pounds,	4,644	25
Steel and Steel Springs	1,173,442 Pounds,	47,422	00
Engine, Car and Road Castings	6,527,913 Pounds,	120,577	76
Paints and Oils		14,910	07
Stationery Supplies		21,558	42
Other Supplies		514,253	09
Total, June 30th, 1900.....		\$3,494,897	95
Total, June 30th, 1899		2,467,793	88
Increase.....		\$1,027,104	07

EQUIPMENT JUNE 30TH, 1900.

STANDARD GAUGE.

Locomotives.....		830
Passenger Cars.....		432
Sleeping Cars.....		53
Parlor Cars.....		17
Dining Cars.....		8
Baggage, Mail, Express and Combination Cars.....		314
Freight Cars—		
Box Cars.....	25,212	
Stock Cars.....	2,844	
Flat, Coal and Ore Cars.....	6,972	
Refrigerator Cars.....	712	35,740
Caboose Cars.....		501
Wrecking and Tool Cars.....		83
Business Cars.....		13
NARROW GAUGE.		
Locomotives.....		7
Passenger Cars.....		4
Baggage, Mail, Express and Combination Cars.....		5
Freight Cars—		
Box Cars.....	202	
Stock Cars.....	59	
Flat Cars.....	45	306
Caboose Cars.....		5
Total.....		<u>38,318</u>

Eleven locomotives, 10 passenger coaches, 5 baggage, mail and express cars, 100 box freight cars, 50 stock cars, 84 flat and coal cars, 5 caboose cars, and 2 work cars were acquired with the Des Moines, Northern & Western R. R. as of July 1st, 1899, and are included in statement above.

At the close of the year ending June 30th, 1899, a shortage of 23 locomotives and 155 cars was shown by the inventory of equipment and the sum required to replace this shortage had been charged to operating expenses at that date.

During the present year 20 small locomotives were dropped from the equipment list, the cost of 20 new locomotives to replace them has been charged to operating expenses.

Thirty-three locomotives have been purchased or built during the present year for replacement and the amount required to replace the remaining shortage of 10 locomotives—\$89,960—is shown at the credit of the account of "Replacement Fund—Locomotives" on page 24 of this report.

During the present year 680 cars were destroyed—220 by wreck and fire on this and other roads, and 460 old cars of small capacity were taken down, being unfit for further service.

Eight hundred and four cars have been built during the present year for replacement, comprising 373 box, 250 stock, 170 flat, 2 ore, and 9 caboose cars.

At the close of this fiscal year, ending June 30th, 1900, there exists a shortage of 12 refrigerator cars and 19 stock cars. The amount required to replace the 31 cars—\$20,542.50—has been charged to operating expenses and is shown at the credit of the account of "Replacement Fund—Cars" on page 24 of this report.

Com. Adv. 7/11/99

ST. PAUL.

In the fiscal year 1897-98 the Chicago, Milwaukee and St. Paul road, making no allowance for its expenditures for betterments in excess of normal renewals, earned about 8 per cent. on the common stock. A conservative estimate of the results of the year that ended June 30, 1899, is a surplus after the payment of the preferred dividends of not less than 11 per cent. on the common shares. Taking into account the outlays for improvements over and above ordinary maintenance expenditures in all departments, the company earned for its common stock in 1898 a sum fully equal to 11 per cent., and by the same standard in 1899, in the opinion of good judges, certainly 12 per cent. or more. These facts lend color to the prediction that the next dividend announcement will put the stock on a 6 per cent. basis, or, at all events, that more than 2½ per cent. will be paid, although, of course, no official confirmation of this prophecy can be had. With the earnings of the last two years for a basis, 8 per cent. might be safely paid.

With the exception of the general mortgage due in 1899 the company's funded debt will mature at intervals between 1902 and 1926. None of it will become payable next year or the year after, but a quantity of Iowa and Dakota Division 7s matured on the 1st inst. The amount of these bonds outstanding at the beginning of the year was \$285,000, but all but about \$75,000 had been converted into preferred stock before maturity. The remainder were paid off and cancelled. The interest that accrued on these bonds in 1898 was \$19,950. This amount, of course, is saved as an interest charge, but the greater part of it reappears in the preferred stock dividend payments.

A great deal has been published in a fragmentary way during the past few months about the St. Paul's new construction. As often happens in such cases the promise is more important than the realization. The reported new construction is of two kinds—that which is merely suggested and is talked about within or without the directors' room, and that which actually is undertaken. Perhaps a third kind should be added—that which is proposed by outsiders, not insiders. Of the last named class appears to be the rumor of an extension of the Des Moines, Northern and Western division to Sioux Falls. S. D.

As a matter of fact the only new construction under contract is confined to three, short extensions of existing lines. Work is in progress in Iowa on an extension of the Des Moines Northern and Western line from its present terminus at Fonda, on the Illinois Central, northwest to Spencer, and on a branch of the same division from Rockwell City via Sac City to Storm Lake. In northwestern Illinois, again, the Libertyville branch of the Chicago and Milwaukee line is being extended northwest to the Fox Lake district. But this new work altogether amounts to not much more than 100 miles of road. The reported project for a line to connect Spirit Lake, Ia., with Jackson, Minn., is wholly "in the air." On the possible line from St. Paul to Duluth surveys are in progress, but action by the directors has not passed beyond this preliminary stage.

The company's principal outlays this year are for the improvement of existing lines. We are informed authoritatively that the construction work of the calendar year all told will amount approximately to \$2,500,000. Of this sum in round numbers \$1,000,000 will be expended upon the reduction of grades in Iowa and Wisconsin, the greater part on the direct Omaha line and on the La Crosse division of the St. Paul line. Another half-million will go into ballast on various parts of the system, and as much more into the continuation of track elevation in Chicago. Besides all this, the St. Paul Company is behind none of its neighbors in the rebuilding of bridges and trestles and the laying of heavier rails, at the cost of operating expenses. As regards revenue with which to meet the bills, attention is just now centred upon the spring wheat crop, concerning which the advices from all of the St. Paul's agents are to the effect that the prospects never were better.

Freight earnings on the St. Paul road reached in 1898 the lowest point recorded, at 9.72 mills per ton per mile. Returns permanently below 1 cent are to be looked for. In 1869 this company earned a fraction over 3 cents, and in 1877 a fraction over 2 cents per ton per mile. Only once before 1898 had the price fallen below 1 cent. The downward tendency is obvious enough, and is warrant enough for the present vast expenditures upon the property in order to reduce the cost of transportation to the lowest terms.

DULUTH LINE FOR THE ST. PAUL.

(Special despatch to the New York News Bureau.)

Duluth.—W. H. Sheldon, locating engineer for the Chicago, Milwaukee & St. Paul Railway, says that surveys for a line from the twin cities to Duluth have been completed and that the road will be built within a year from next Fall. The estimates are not to exceed \$3,000,000, or less than \$20,000 a mile for the 160 miles.

Times, July 26/99.

MAY LOSE ITS RIGHT OF WAY.

Special to The New York Times.

CHICAGO, July 25.—The franchise of the Chicago, Milwaukee and St. Paul Railroad through the northern half of Evanston is being assailed in the City Council. For two weeks, it is claimed, no steam cars have been running over the company's tracks from Foster Street to Wilmette.

Corporation Counsel Joseph L. Paden has been instructed to prepare a communication setting forth the city's rights to declare the franchise forfeited, and if the facts as set forth by Alderman Gooch are authenticated, the railroad will be deprived of a right of way which has cost many thousands of dollars to maintain.

Since the suburban branch was first built to Evanston it has operated its trains over tracks three miles north of Evanston station in order to hold the franchise, although there have been no passengers for that part of the city. A station has been maintained on the prairie at Noyes Street.

Resolutions which order the Mayor to remove the tracks north of Church Street were favorably received and referred to the Judiciary Committee and Corporation Counsel at the last meeting.

Bureau's

STREET, NEW YORK

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Journal of Com.
Aug. 4, 1899.

the St. Paul Road amount to 59,000 shares, which is a decrease from 93,000 shares, which represented the foreign holdings on January 1, 1898. St. Paul holdings fluctuate very freely, however. On June 30, 1898, the amount held abroad was almost exactly the same as at present—60,000 shares. In 1897 the amount fluctuated between 137,000 and 68,000 shares, in 1896 between 136,000 and 202,000 shares and in 1895 between 246,000 and 136,000 shares.

Wall St. Review
Sept. 8, 1899.

ST. PAUL ROAD'S HEAVY EARNINGS.

Company's Annual Report Shows Surplus of More Than Ten Per Cent. on the Stock.

The annual report of the Chicago, Milwaukee and St. Paul Railway Company, covering the fiscal year ended June 30, was issued late Tuesday afternoon. Figures showing the road's operations for the twelve months were published in Wall Street just after the close of the market. The figures showed that the road earned between 10 and 11 per cent. on the outstanding common stock, after the payment of all charges, and 7 per cent. dividends on the preferred stock.

ST. PAUL'S EARNING POWER.

St. Paul pays in dividends on the common stock 5 per cent. per annum. On the face of the returns the company in the year that ended June 30 last earned 11.3 per cent. on the common shares. Its actual earning power, allowing for the contribution out of revenue to the renewal and improvement fund, which is set apart for expenditure for permanent betterments, is nearly 16½ per cent. With earnings as at present, and as they are likely to be for another year, the dividend rate might be increased moderately with perfect safety. On the other hand every dollar that is saved from earnings to be put into the road is so much laid up wisely for future rainy days. Whatever decision the directors may come to upon the dividend question will be susceptible of good defense.

The St. Paul report is excellent in many respects, but its form cannot be considered wholly beyond improvement. In certain particulars the company's practice obviously is better than its statement of its practice in words and figures. The accounting department has yet to adopt in full the Interstate Commerce Commission's form

of setting forth operating expenses. This form may or may not be better than any other, but at all events has been devised with care, and the co-operation of most of the principal railroad companies, and its use contributes to the easy and accurate presentation of comparisons. Under the interstate commerce transportation and general expenses are carefully distinguished. In the Paul report "those babies" are up decidedly, and taxes are sandwiched in with them. So far as can be seen, no good end is subserved by the departure from the accepted style.

Taking it for granted that none of the "miscellaneous" and other distributed items of expense belong to maintenance of way and structures, the St. Paul Company has expended in this department per mile of road in the last three years: \$704 in 1897, \$754 in 1898, and \$829 in 1899. The average is \$762 per annum. The average for a longer series of years on this road does not vary from that amount, or, say, \$750 per annum, and \$750 may be accepted as about the annual requirement per mile for full maintenance of way upon the entire railway system throughout the Mississippi valley. The St. Paul's maintenance charges ought to prove suggestive to Chicago and Eastern Illinois enthusiasts. In view of the advance in materials and the condition of the labor market a decided increase in the cost of adequate maintenance may be anticipated the coming year.

The company's average expenditures for repairs and renewals of locomotives and cars cannot be determined in the usual way from the St. Paul's reports. St. Paul, however, easily stands at the head of the list of American roads in making it plain that no shortage of equipment maintenance occurs from year to year. Here is another pointer for Chicago and Eastern Illinois. Op-

erating expenses are charged annual specifically with sufficient money to replace every locomotive and every car wrecked or sent to the scrap heap and the replacements are made out of the funds so provided. The inventory is always complete, or the money is in hand and appropriated from the form with which to make it complete. But no outright additions to the equipment are charged to operating expenses so that the reported expenditures and this head show no excess of earning power. Down to this point, according to the reported net earnings are actual net earnings, and no more.

But the expense account shows that in 1898 the sum of \$1,125,000 and in 1899 \$1,925,000 was taken out of income and set aside as a "renewal and improvement fund." The report shows further that from this fund last year \$861,000 was expended for betterment including the elevation of tracks at Chicago, third and main tracks on the Chicago and Milwaukee division, and the heavy work of grade reduction now still in progress on the La Crosse and Council Bluffs divisions, besides which \$23,500 seems to have been expended from this fund without explanation. Obviously the amount of \$1,925,000 expended, or to be expended, as above out of the earnings of the past year, as truly a part of the measure of the company's earning power as it would be if the money had remained unappropriated, and thus had appeared in the reported surplus for 1899. The year's addition to the renewal fund was equivalent to 4.1 per cent. on the common stock, and the rate actually earned on the common after the payment of the preferred dividend was 15.4 per cent. The payment into the improvement and renewal fund was equal to \$3.14 per mile of road, and the total appropriation for maintenance, betterment and additions in the road department was \$1.142 per mile.

THE NEW YORK NEWS BUREAU.

41 Broad St.—Tel. 981 Broad. Tuesday, Oct. 10, '99—No. 42

The case of the Chicago, Milwaukee & St. Paul Railway Company vs. the Board of Railway Commissioners of the State of South Dakota is a suit to enjoin State officials as a Board of Railroad Commissioners from the publication and promulgation of a certain schedule of maximum rates of fares for the transportation of passengers and freight by railway in the State of South Dakota, which schedule had been adopted by the defendants and was about to be published and promulgated. It is stated that the reduction in charges for transportation of the proposed schedule will amount, as estimated, by complainant on the basis of the business transacted during the years 1894, 1895, 1896, and 1897 to \$682,164.70 in freight and \$227,912.07 in passenger business, or an average annual reduction of \$170,540.17 in freight and \$56,978.01 in passenger business.

Post. Jan. 11, 1900.

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Paid from _____

In discussing the recently quoted statement of President Roswell Miller of the St. Paul, to the effect that extraordinary expenditure for equipment, grading, and trackage was practically over for the fiscal year, another officer of that railroad said to-day:

"I cannot believe that Mr. Miller said all that he is reported to have said. It is true that the road will not buy iron or supplies for car-building this year. But this is because we bought very heavily of iron and steel during the latter half of last year. Much of this material has not yet been delivered. But deliveries will continue steadily, and car-building and engine replenishment will be carried forward. We have been building cars at the rate of fifteen a day at our shops, but I believe this output has been reduced to ten per day. We have broken up a number of locomotives and replaced them by larger and more modern machines. We have funds on deposit for the construction of twenty-three more new engines this year.

"Our work on roadbeds, however, and on grades, replacing wooden by steel bridges, and in other permanent improvements, has been steadily carried forward since 1895. It is not completed, nor will it be completed for a considerable time. There is a vast amount of work yet to be undertaken. It will be pushed through until no more permanent improvements are needed. It will be paid for out of the gross earnings as long as they continue heavy.

"Our policy has undergone no change. We are still working to the end that the permanency of dividends, as they are being paid now, may be secured to stockholders. Every new unit of rolling-stock we build, every inch of track we straighten, and every grade we cut down increases our train capacity and cuts down operating expenses. This we believe to be the only sure method of insuring the stability of the dividend rate. We are banking against the day when poor crops or other unfavorable conditions may cut down our earnings."

Wall St. Sun. Jan. 13, 1900.

THE ST. PAUL NEEDS MORE ROOM.

(Special despatch to the New York News Bureau.)

Chicago.—The Chicago, Milwaukee & St. Paul may leave the Union Passenger Station and take the place of the Wisconsin Central at the Grand Central Station, owned by the Chicago Terminal Transfer Company. The St. Paul has already made a contract for freight facilities with the Chicago Terminal Transfer Company. The Union Station is being used by the Chicago, Burlington & Quincy, the Chicago & Alton, the Pennsylvania and the St. Paul, and is too crowded. The St. Paul owns one-fourth interest in the Union Station and if it moves it will sell that to the Pennsylvania Railroad.

Post, Jan. 23, 1900.

**Gains a Point in the Fight with
South Dakota.**

WASHINGTON, Jan. 22. The United States Supreme Court to-day decided the case of the Chicago, Milwaukee and St. Paul Railroad Company against the Railroad Commissioners of the State of South Dakota. The case involved the State law providing a maximum rate for the railroads. The Circuit Court of the United States for the District of South Dakota dismissed the bill, but to-day's opinion reverses this judgment and remands the case, with instructions, to the lower court to investigate the earnings of the road in the State so as to arrive at the equities in the case.

The opinion, written by Justice Brewer, criticised the court below for its summary disposition of the case without a proper investigation of the facts such as the case demanded. The Justice said that the evidence before the court showed that the local operating expenses were much greater than the general operating expenses of the entire system and that they amounted to or exceeded 85 per cent. He also stated that if the local operating expenses were 85 per cent. it was obvious that under the schedule prescribed by the Commissioners there would be nothing left by way of profit or reward to the stockholders.

Post, Jan. 24, 1900.

St. Paul Extension Completed.

(Special Despatch to The Evening Post.)

CHICAGO, January 24.—The St. Paul Road has completed its extension to Fox Lake, Ill., and will begin running trains to the summer resorts in Northern Illinois.

Post, Jan. 30, 1900.

The St. Paul's Operating-Expense Account.

The fact that the Chicago, Milwaukee and St. Paul's December statement, just published, showed decrease of \$169,000 in net earnings, despite a gain of \$91,000 in gross, has again drawn the attention of railway interests to the company's avowed policy of paying for improvements and new equipment out of operating expenses.

An official of the St. Paul road said to-day that this policy will not be discontinued at present, and that he considered the working of the principle highly satisfactory, not only as a method of appropriating legitimate expenses without disappointing stockholders with an eye to the impossible distribution of large surplus sums, but also as a means of keeping up with the present improvement in railroad service.

The St. Paul started in with cars of 30,000 pounds capacity; then it used 50,000-pounds cars; and now it is building them for 60,000. Some roads are carrying as much as 100,000 pounds per car. The same is true of passenger coaches and locomotives. In all, the St. Paul has spent \$600,000 on rolling-stock alone since July 1, 1893. The improvements in other departments have been proportionate. Increased traffic has been carried at the cost of straightening curves, cutting down grades, renewing ballast and rails, and strengthening bridges and trestles. The railway officer added that managers of the St. Paul, and, indeed, of every railroad, see as yet no limit to this improvement, and admit that the system of charging improvement to operating expense is the simplest and most satisfactory method of meeting the situation.

Boston Financial, News, Feb. 10, 1900.

THE COMING ST. PAUL DIVIDEND.

New York.—Some time during the coming month the Chicago, Milwaukee & St. Paul Railroad Company will declare a semi-annual dividend. It is the practice of the company to pay the Spring dividend from the earnings for the first half of the fiscal year, and the October dividend from those of the last half. The dividend declared next month will, therefore, be taken from the six months ended December last, and will be the first one for the present fiscal year.

During the fiscal year which ended June 30, 1899, the company earned about 11 per cent, and will, no doubt, do as well during the current year which ends next June. The directors would be justified in increasing the rate from 5 per cent. to 6 per cent., in view of this showing, but whether they will do so or wait until the Fall, when the dividend for the last six months is declared and then pay the advance in the shape of an extra dividend, will not be known until the meeting is held. It certainly seems reasonable for the stockholders to expect something over 5 per cent. for the year.

The present large earnings of the company make it difficult to realize that less than 3 per cent. was earned on the stock in 1895, and that the company only rejoined the ranks of dividend-payers in 1893. There has been such a tremendous change in railroad earnings, as a whole, as well as in general business during the past four years, that it is natural for investors to be unable to expect that the low figures of 1894-95 will ever be reached again, but the fact that conservative railroad managers are paying out in dividends only a portion of the earnings of their companies shows that they at least realize that it not reasonable to expect the present volume of earnings to continue year in and year out. It is a fact, however, that railroad companies have been fortifying themselves against the falling off in earnings by heavy expenditures to put the transportation machine in shape for economical working; and further, that this policy is sure to bring about a greater uniformity in returns to stockholders.

The advance in the rate earned upon a stock—from about 2 per cent. in 1895 to 11 per cent. in 1899—is so large as to make interesting a comparison of the different elements in the company's business. The increase in dollars is about \$3,500,000. To begin with, the fixed charges have decreased about \$800,000, but from this amount must be deducted an increase of \$460,000 in the dividends on the preferred stock, leaving a net gain of \$4,340,000 from this source, and leaving about \$4,000,000 to be credited to an increase in the company's traffic. The decrease in fixed charges comes from a lower rate of interest on the bonds issued and from the fact that certain of the bonds are from time to time exchanged for the preferred stock, in accordance with the terms of the respective mortgages. The gross earnings increased \$11,400,000 from 1895 to 1899, or about 40 per cent., and operating expenses were increased \$7,000,000, or about 40 per cent. The increase in net earnings was \$4,100,000, making the increase in net about the same per cent. (40 per cent.) as for the gross. Of the increase in operating expenses about \$4,-

700,000 was in the maintenance department, leaving only \$2,300,000 as the increase in the direct expense of handling the larger volume of traffic. The result is certainly a brilliant commensurate upon the ability of the managers, especially in view of the fact that ton-mile receipts have decreased 1.4 mills. The main reason for this extraordinary showing is to be found in the increase of the average train load from 152 to 190 tons. An increase of about \$1,100,000 in passenger and miscellaneous earnings has also helped. The number of tons of freight carried increased 50 per cent.—from 10,400,000 to 15,800,000 tons—and, as the average haul has increased, it is evident that much of the increase in tons carried was in long haul business. We have made the comparisons between 1895 and 1899, because these were the extremes of the good and bad years.

The amount charged to operating expenses for improvements have been so large that it seems unnecessary to present any further figures, while the sums charged to construction account here represented new property only. It may be said, also, that nearly all of the bonds issued to pay for the latter charges have remained in the company's treasury, so that the charges to capital account have been mainly met from the surplus. The last balance sheet of the company—dated June 30, 1899—shows a surplus of something like \$11,000,000 in the current assets over liabilities.

The two questions to be considered in determining the probable future value of St. Paul stock would seem to be:—First: What rate of dividend can be expected as an average? And, second, has St. Paul as yet taken its position amongst investment stocks? In regard to the first consideration, all the facts would seem to indicate that the company could surely maintain an average rate of dividends of from 5 per cent. to 6 per cent.; and as to the second consideration, it may be said that even though St. Paul has not yet attained the standing of an investment stock, investors' growing realization of the earning power of the company and the conservatism of its directors are gradually working the security into that class.

THE NEW YORK NEWS BUREAU.

16 Broad St.—Tel 1378 Cort. Saturday, April 28, 1900—No 24

ST. PAUL EXTENSION.

(Special despatch to the New York News Bureau.)

Sheboygan, Wis.—The city of Sheboygan will accept a proposition made to it by the Chicago, Milwaukee & St. Paul road for the extension of its line to Sheboygan. The company is to spend \$500,000 on the new line and has secured options on \$183,000 worth of property in Sheboygan.

DOW,

THE WALL STREET JOURNAL

Morning and Evening Editions.

NEWS PUBLISHED SIMULTANEOUSLY

12 8

NEW YORK

ST. PAUL.

We have been asked to state an amount of income put into the St. I the five years to end June 30 next. timate the amount this year, but fi are available for the four years prec

This income has been put into two ways,—one in the shape of adm come, and the other in the shape of penses for maintenance, etc. We m surplus income.

The reports show the followin fixed charges for four years ending

1895-6	4
1896-7	
1897-8	
1898-9	

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\$15,000,000 spent on construction

Comparison of 1912 and 1889

Comparison compares as follows in 1889

	1889.	1899.
.....	\$123,765,000	\$136,226,500
.....	738,060	8,596,000
and.....	\$123,027,000	\$127,630,500
.....	21,610,900	35,595,400
.....	\$144,637,900	\$162,825,900
.....	39,868,961	46,923,600

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Inventory alone represents more than
\$15,000,000 spent on construction
Comparison compares as follows in 1889

Since the reports of crop damage began, St. Paul has been sold because it has a large mileage in the States in which wheat has been most damaged. The company operates about 6,300 miles, of which 1,120 miles are located in Minnesota, 118 miles in North Dakota, and 1,101 miles in South Dakota, making a total of 2,339 miles in these States, or about 37 per cent. of all. The tonnage is diversified so much, however, that last year wheat furnished only 10 per cent. of the tons carried. This percentage is misleading in that earnings are based on ton miles instead of the number of tons carried, so that to determine the relative importance of any article, it would be necessary to have a classification of the ton miles. This is never given. The probabilities are that the St. Paul Company gets a haul on wheat in excess of the average of all the tonnage, in which case wheat is of greater importance to it than appears from the percentage as given.

The question of the return movement of merchandise, as well as the passenger traffic, must also be considered, as these depend upon the prosperity of the communities along the lines which, in turn, depends upon the size of crops in agricultural regions. It would be entirely erroneous, therefore, to state that a loss of 50 per cent. of the wheat crop would injure the St. Paul earnings to the extent of only 5 per cent. of the road's tonnage. The road gets about 13 per cent. of its tonnage from other grain than wheat and good crops of barley, corn and oats may help make up the loss in wheat. For instance there are 1,553 miles, or nearly one-quarter of the total mileage, located in Iowa from which no damage reports have been received, and Iowa is probably the greatest agricultural State in the Union. The haul from Iowa is not nearly so long as from Minnesota or the Dakotas, however.

Looking at the matter from another standpoint and taking it for granted that the company will lose one-third of the traffic from the States of Minnesota and the Dakotas as the result of crop damage, the company would lose one-third of 37 per cent. of its gross earnings, which would amount to \$5,000,000 in round figures. But even with this loss with the leeway the St. Paul Company has in the amounts which have been charged to operating expenses for permanent improvements, and the natural saving in transportation expenses, the net could easily be as large as for the current year when over 10 per cent. has undoubtedly been earned. Of course, these figures are hardly more than guesses, as all such estimates must be, but they seem to set forth the crop damage scare in a more rational light than do current reports. There are other causes which may operate to reduce the earnings of the St. Paul Company, which cannot very well be dealt with—such as dulness in general trade or the failure of other crops—but while the St. Paul Company may be especially affected by the damage to spring wheat, it is well to bear in mind that spring wheat in Minnesota and the Dakotas is not all important to it.

There has been vast sums put into the roadway and equipment of the St. Paul lines and the operating department has not been slow to grasp the modern methods of economy while all the time the country along its lines has been growing in importance. It is doubtful, therefore, if the stock ever gets back to the old low figures, unless more than one crop should prove a total failure for more than one year.

100-01-9.

5/20/10

MORTGAGE DEED OF TRUST

FROM THE

Milwaukee and St. Paul Railway Co.

TO

**RUSSELL SAGE and N. A. COWDREY,
TRUSTEES,**

IN TRUST, TO SECURE THE PAYMENT OF \$18,000 PER MILE, NOT EXCEEDING \$3,800,000, REPRESENTING 212 MILES OF RAILROAD, EXTENDING FROM HASTINGS TO THE MINNESOTA STATE LINE.

DUE JANUARY 1, A. D. 1903.

visions your pres
Hastings & Dakota div. 187
1st mtg. Hastings, Minn., to Glencoe, Minn. Bonds convertible into preferred stock, same as (1).
Ja 1 03 | 89,000

NEW YORK:

JOHN J. CAULON, PRINTER, 47 LIBERTY STREET.

1872.

THIS INDENTURE, made this day of April, A.D. 1872, between the MILWAUKEE and ST. PAUL RAILWAY COMPANY, a corporation duly incorporated by the State of Wisconsin, parties of the first part, and Russell Sage and N. A. Cowdrey, both citizens of the City and State of New York, parties of the second part, *Witnesseth*,

That whereas, the said Railway Company have purchased and are desirous of completing the construction and equipment of a Railroad from Hastings, in Dakota ^{Preamble.} County, on the Mississippi River, in the State of Minnesota, westerly to the Missouri River.

And whereas, to pay for and to build and equip said line of Railroad it is necessary for said Railway Company to borrow the sum of eighteen thousand dollars per mile for each mile of railroad purchased, built and equipped, not exceeding in all, three million eight hundred thousand dollars, representing two hundred and twelve miles of railroad purchased, built, and to be built, and for that purpose and in evidence of the money so borrowed to make and issue bonds, in sums of one thousand dollars each, in manner and form as herein below set forth, and to secure the payment of said bonds by a mortgage of their entire line of railroad, and all their property, real and personal, within the limits above named, appertaining thereto, and also of all their franchises appertaining to said described road, to which end the said Railway Company have determined to make, issue, sell, negotiate and deliver their bonds in sums of one thousand dollars each, to the aggregate amount of three million eight hundred thousand dollars, which bonds now are or are to be all duly and legally made and issued, and are to be held by the Trustees herein named, and are only to be by them delivered as the railroad is completed, in sections of ten miles each, at the rate of \$18,000 per mile, and to be numbered 1 to 3,800 inclusive; and are all, so far as issued, secured or designed to be

secured, equally and alike by these presents, and are of the form and tenor following, viz. :

UNITED STATES OF AMERICA.

Form of Bond.

MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

\$1,000.

STATE OF MINNESOTA.

No. —

Know all men by these presents, that the Milwaukee and St. Paul Railway Company are indebted to Russell Sage and N. A. Cowdrey or bearer, in the sum of one thousand dollars, lawful money of the United States of America, for the purchase money of their line of railroad, called the Hastings and Dakota Division, which indebtedness they promise to pay on the first day of January, A. D. 1903, at the office or agency of the obligors in the City of New York, with interest thereon from the first day of July, A. D. 1872, at the rate of seven per centum per annum, payable semi-annually on the first days of January and July in each year, at said office or agency in the City of New York, on the presentation and surrender of the annexed coupons as they severally become due. If the obligor or its successors shall make default in the payment of semi-annual interest on this bond for six months from the time it becomes due, then without demand or notice, the whole principal thereof shall become due and payable, and may at once be enforced against this company or its successors.

The obligors also agree to transfer to the bearer, at his option, ten shares, of one hundred dollars each, of its preferred stock, at any time within ten days after any dividend shall have been declared and become payable on said preferred stock, upon the delivery to them in the City of New York, of this bond and the unmatured coupons, and upon the transfer to the obligor of the ten shares of scrip stock hereto attached.

This bond is one of a series of bonds of the same tenor and date, amounting in the aggregate to three million eight hundred thousand dollars, the payment

of which is secured by a mortgage deed of trust duly executed and delivered by the obligors to Russell Sage and N. A. Cowdrey, Trustees, and conveying the entire franchises and property, real and personal, of said company, appertaining to their line of railway from Hastings, in Dakota County, Minnesota, westerly to the State Line at or near Big Stone Lake.

This bond shall not be valid until it shall have been authenticated by a certificate endorsed hereon, and duly signed by both of said Trustees, or their or his survivor, successor or successors, and is issued, received and held subject to the terms and conditions contained in said mortgage deed of trust above named.

This bond is not transferable from person to person, except when the transfer is accompanied by a certificate for ten shares of scrip stock.

In witness whereof, the said company have caused their corporate name and seal to be hereto affixed, and signed by their President and Secretary, this 1st day of May, A. D. 1872.

MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

[L. s.]	By	President.
	Attest	Secretary.

(Endorsed on back of Bond.)

\$1,000. No. — BOND.

MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

FIRST MORTGAGE.

Hastings and Dakota Division.

7 per cent. interest, payable 1st day of January and July.

THIS IS TO CERTIFY—That the within bond is included in a mortgage of the franchises and property of the Milwaukee and St. Paul Railway, extending from Hastings westerly to the Minnesota State Line, at or near Big Stone Lake, in all about 212 miles, to secure the payment of \$3,800,000, to be issued at the rate

of \$18,000 per mile for completed railroad ; and that we have caused said mortgage to be duly recorded :— That the stamps required by the U. S. Internal Revenue Laws are to be affixed to each bond.

} Trustees.

Description of
Premises Mort-
gaged.

Now, therefore, The Milwaukee and St. Paul Railway Company, for and in consideration of the premises herein described and of the money received and to be received from the sale of said bonds, and for the purpose [and with the intent of securing equally and alike the payment of all the bonds above described, issued or to be issued under this mortgage or trust deed, and to establish the same as a lien upon the entire franchises and property of the Railway Company, appertaining to the premises herein described, both real and personal, now owned or to be hereafter acquired by them for operating their line of railroad from Hastings, Dakota County, westerly to the west line of the State of Minnesota, at or near Big Stone Lake ; and excepting all public lands now donated or granted, or which shall hereafter be donated or granted, either by Congress or by the State of Minnesota, or by any city, town or county in said State to aid in building said railroad,

Premises
Mortgaged.

Hath granted, bargained, sold, conveyed, assigned, transferred and confirmed, and by these presents doth grant, bargain, sell, convey, assign, transfer and confirm, to said Russell Sage and N. A. Cowdrey, citizens of the City and State of New York, as Trustees and in trust, and to the survivor of them and to their and his successors or successor, the entire property appertaining to the Railroad herein described, real and personal, of the said railway company, (except the lands not used for the business of the railroad, which either have been or may hereafter be donated by the United States to the State of Minnesota, with which to aid in constructing said railroad, and excepting lands not used by the railway company for its business in carrying persons and prop-

erty, which either now have been or which may hereafter be donated to said railway company by the State of Minnesota, or by any county or city in said State, or from any other source,) and embracing and including all its franchises and privileges appertaining to said line of railroad, now held and acquired by said company, also embracing and including all of their said railroad now constructed or to be hereafter constructed from the Mississippi River, at or near Hastings, in the county of Dakota, State of Minnesota, westerly through the counties of Dakota, Scott, Carver, McLeod, Sibley, Renville, Redwood, Chippewa, Lac Qui Parle and McPhail, to the boundary line of the State at or near the southerly end of Big Stone Lake—Township 121, Range 46—including the right of way, and land occupied by said road, and all the appurtenances thereto belonging; and also embracing all the lands acquired and appropriated or which may hereafter be acquired or appropriated on the line of road hereby conveyed, for depots, engine houses, car houses, station houses, warehouses, machine shops, workshops, superstructures, erections and fixtures, together with all buildings erected thereon, and all improvements made thereon, and all appurtenances, rights and privileges thereunto belonging.

Premises
Mortgaged.

And also, all and singular, the locomotives, tenders, passenger cars, freight cars, and every and all other cars, carriages, tools, machinery, wood, coal, and fuel, and equipments for said line of railway, hereby conveyed, and now owned or which shall hereafter be owned or acquired by said company for use upon said line of railroad.

And also, all goods and chattels, wood, fuel, oil or supplies now owned, or which shall hereafter be owned by said company, and in any way relating or appertaining or belonging to or connected with said line of railway hereby conveyed or running or operating the same.

And also, all the rents, issues, incomes, tolls, profits, currency, moneys, rights, benefits and advantages derived, or to be derived, had or received therefrom by said railroad company in any way whatever.

It is understood and agreed by the parties hereto, that the language above used relating to the equipment and supplies for use upon said line of railroad, shall be construed to mean, and to embrace, and include such proportion of equipment and supplies as the number of miles of railroad in operation, carrying persons and property, conveyed by and embraced in this mortgage, bears to the whole number of miles of railroad owned by the grantors in the State of Minnesota.

And in the event of said railroad company, or any successor, successors or assigns thereof, being in default in the payment of interest upon said bonds for the period of six months, then the issues, rents, income, tolls, and profits earned upon the mortgaged premises, are hereby declared to vest in the Trustees of the holders of the bonds issued hereunder and secured hereby, and in their successors and assigns, without demand or notice, and whoever is in possession of the mortgaged premises, it is here agreed shall account to said Trustees, their successors or assigns, for said rents, tolls, income and profits.

It is agreed that this agreement is a covenant between the parties hereto and that it is binding and obligatory upon the property and premises embraced herein; and that the same is attached to the fee, and goes with and belongs to the fee of the premises embraced herein.

To have and to hold the above granted and bargained premises, with the appurtenances thereof, unto the said Russell Sage and N. A. Cowdrey, and to the survivor of them, and to their and his successors and successor, and their and his assigns: *In trust*, and upon the trust, uses and purposes hereinafter expressed, of and concerning the same, for the use and benefit of the person and persons, firm or firms, bodies politic or corporate, who shall hereafter, at any time become the purchasers or holders, owners or bearers, of any of said indebtedness, or either of said bonds, subject to the terms, provisions and stipulations in said bonds contained, and also subject to the possession and management of said railroad and property by said com-

Declaration of
trust.

pany and its successors and assigns, so long as no default shall be made in the payment of either interest or principal of said debt or bonds, or in any or either of them, and so long as the said company shall well and truly observe, keep and perform all and singular the covenants, agreements, conditions and stipulations in said bonds, and in this indenture contained and set forth, and which are to be observed, kept and performed by and on the part of the said company.

It is mutually covenanted and agreed by the parties hereto, that said Company, with the consent in writing of said Trustees, or their or his successor or successors, or the survivor of them, may sell and convey any lands herein mortgaged, and not necessary or required to be retained for the convenience and use of the Company; and that the proceeds of said sales, whenever they amount to the sum of one thousand dollars or upwards, shall be applied to the purchase and cancellation of prior liens upon the mortgaged premises, or at the option of the Company, to the purchase and cancellation of one or more of said bonds secured by this mortgage; and said Trustees shall then be authorized to release the premises so sold from the lien of this mortgage. In lieu of purchasing and cancelling said bonds, the proceeds of said sale may be invested under the sanction and with the approval of said Trustees in the purchase of other property, real or personal, required for use by said Company, which shall be embraced in and covered by this mortgage.

Authority to sell lands not required by the Company.

It is also agreed by the parties hereto, that said Trustees shall hold and retain said bonds in their possession, and shall only deliver them to the contractors, or to whoever shall be entitled to receive said bonds, at the rate of \$18,000 per mile of finished railroad, by which is meant railroad so far finished as that regular trains for carrying persons and property run upon or over the same.

Trustees only to deliver bonds at the rate of \$18,000 per mile finished railroad.

And to the end that the bonds secured hereby may bring the best market price, and thus enhance the credit of the parties hereto, the said Company covenants and agrees to and with said Sage and Cowdrey,

Covenant to pay certain specific taxes.

Trustees, and with their successors, successor, survivor and survivors, and with each of the holders of bonds issued thereunder, that the said Company will assume and pay all taxes and assessments which may be specifically levied upon the bonds purporting to be secured thereby or upon this mortgage or trust deed, by the State of Minnesota, or by the Territory or State of Dakota.

Covenant to pay principal and interest of bonds in lawful money, or if that is retired, then in gold coin.

And the said Company does hereby covenant, promise and agree for itself, its successors and assigns, to and with the said Trustees, the survivor and survivors of them, and their and his successors or successor, that the said Company will well and truly pay each and every of said bonds issued by them, and secured by this mortgage, and all indebtedness issued hereunder or secured hereby, together with the semi-annual interest to become due thereon, at the rate of seven per cent. per annum, at the times, and in the manner, and at the place specified therein, in the present lawful money of the United States of America now in circulation by virtue of existing laws.

And that in the event of the present lawful money, commonly called legal tender, being retired, withdrawn or redeemed by the United States of America, or held by any Court of competent jurisdiction illegal, unconstitutional or void, then and thereupon the said Company hereby agrees to pay the principal and interest of each and all of the bonds issued under and purporting to be secured by this mortgage or trust deed in and with the gold coin of the United States of America, of the standard of 1871, at the times and in the manner named in said bonds, and in the coupons attached thereto.

Principal to become due in case of six months' default.

And that in case said Railroad Company shall, for the space of six months, make default in the payment of the said semi-annual interest to become due upon any of said indebtedness, or either or the whole of said mortgage bonds, then, after the expiration of six months from the time it became due, and without demand or notice, the whole principal sum mentioned in each and all of said mortgage bonds, then outstanding,

shall forthwith become due and payable, and the lien or incumbrance hereby created for the security and payment thereof may be at once enforced.

And it is agreed, in case of the default of the payment of the semi-annual interest as above provided, that said Trustees and the survivor or successors of them, are hereby expressly authorized and empowered, upon the request in writing of the owners or holders of said bonds or indebtedness, to the amount of one hundred thousand dollars, to enter into and upon, and take actual possession of all the property, real and personal, and rights, franchises, and privileges of the premises hereby conveyed, and each and every part thereof, and by themselves or by their attorneys or agents, have, hold, use and enjoy the same; and, from time to time, make all repairs and replacements, and all useful alterations, additions and improvements thereto, as fully as the party of the first part might have done before such entry, and to collect and receive all tolls, freights, incomes, rents, issues and profits of the same, and of every part thereof.

Authority to
take possession
of premises.

And the said Trustees, and the survivors and survivor of them, and their and his successors and successor, shall and may, and hereby are expressly authorized and empowered to sell at public auction to the highest bidder, the entire property, real and personal, rights, franchises and privileges herein conveyed. Said sale shall be either in the state of Minnesota or in the City of New York, and at least three months' notice shall be given of the time, place and terms of said sale, by advertising the same in one newspaper of good circulation in each of the places above named, and wherever else required by law, and continuing such advertisements at least once a week until the time of sale; and they may, at their discretion, adjourn said sale from time to time, giving reasonable notice of the time and place where it will take place. And as the attorney or attorneys in fact of said Company, or their successors, shall have full power and authority to make, execute and deliver to the purchaser or purchasers thereof, good, valid, and sufficient deed or

To sell by advertisement.

deeds, conveyance or conveyances, assignments or transfers, in fee simple or otherwise, of the entire property herein conveyed, and all the rights, franchises and privileges of the Company or its successors, which are embraced in this mortgage deed; said conveyance or conveyances, transfer or deeds, shall vest in the purchaser or purchasers all the right, title, interest, and estate whatever, reversionary or in possession, or which they may be entitled to receive, have, or hold of the said Company, and said sale shall be a complete and perpetual bar or estoppel both in law and in equity, against said Company, its successors and assigns; and all persons or parties claiming by, from or under it or them, in anywise or manner whatsoever. And the said Company hereby covenant and agree to waive, and expressly covenant and agree that neither the Company nor their successors shall have or claim any advantage of any valuation, appraisements, or extension laws.

Purchase money
—how paid.

The amount of the bid or purchase money on said sale may be paid and satisfied, in whole or in part, by the outstanding indebtedness or mortgage bonds, or any of them secured hereby, and said indebtedness or bonds shall be received in whole or in part payment and satisfaction by the said Trustees, their survivors or survivor, successors or successor, according to its or their value, to be ascertained and determined by the net amount arising from said sale.

Proceeds of sale,
how distributed.

And out of the moneys received from said tolls, freights, incomes, rents, profits, and earnings of said railroad and premises, or out of or from the proceeds of said sale so to be made as aforesaid, after first deducting the expenses, disbursements, costs, charges, and counsel fees, incurred in and about the conducting of said sale, or the working and operating of said railroad, including the compensation and commission of said Trustees in and about the execution of this trust, and all expenses of repairs, replacements, alterations, additions and improvements, and all payments for taxes, assessments, charges, or liens of said premises, or any part thereof; the said Trustees shall, if the amount secured be sufficient for that purpose, pay said

mortgage bonds, or so many of them as shall be then outstanding and unpaid, together with all interest then due upon the same; and if the amount be insufficient, then to divide the same *pro rata* among the outstanding bonds, and the surplus of all such moneys or proceeds of sale, if any there be, shall be paid to said Company or their successors or assigns.

And it is further covenanted and agreed, by and between the parties hereto, that in case of any judicial foreclosure sale, or other sale of the premises embraced in this mortgage, under the decree of any Court having jurisdiction thereof, based upon the foreclosure of this mortgage, and the holders of a majority of the then outstanding indebtedness or bonds secured by this mortgage, shall, in writing, request the said Trustees, they, or his survivors or survivor, successors or successor, they are, or he is authorized to purchase the premises embraced herein for the use and benefit of the holders of the then outstanding indebtedness or bonds secured by this mortgage.

In case of sale,
Trustees to purchase premises.

And that having so purchased said premises, the right and title thereto shall vest in said Trustee or Trustees, and no holder of said indebtedness or bonds shall have any claim to the premises or the proceeds thereof, except for his *pro rata* share of the proceeds of said purchased premises, as represented in a new Company or Corporation to be formed for the use and benefit of the holders of the indebtedness or bonds secured hereby. And the said Trustees, or their successors or successor, survivors or survivor, may take such lawful measures as he or they deem for the interest of the holders of said indebtedness or bonds, to organize a new Company or Corporation for their benefit; said new Company or Corporation shall be organized upon such terms, conditions and limitations, and in such manner as the holders of a majority of said outstanding indebtedness or bonds secured by this mortgage, shall in writing request or direct—and thereupon to reconvey the premises so purchased by him or them to said new Company or Corporation.

And to organize
a new corporation.

And it is further agreed that the said Trustees, his or

Trustees may
employ counsel,
agents, &c.

their survivor or survivors, successor or successors, may appoint and employ, at the expense of the said trust estate, all such attorneys, counsellors, clerks, book-keepers, engineers, or other agents, as may be reasonably necessary in the execution of any of the trusts herein or hereby declared, and shall not be answerable for the defaults, or other misconduct or neglect of such attorneys, counsellors, clerks, book-keepers, engineers, or other agents, unless chargeable with culpable negligence in their selection; and further, that neither of said Trustees shall be answerable for the acts, omissions, or default of his associate; nor shall either of them, or their survivor, successor or successors, be responsible for anything short of gross negligence or wilful defaults in the discharge of their duties.

Compensation of
Trustees.

And it is further mutually agreed by all parties hereto, that said Trustees, their or his successors, survivors or survivor, shall receive from said Company for his or their services in the acceptance of this trust, and the signing and delivery of the bonds issued hereunder, the sum of one-tenth of one per centum on the par amount of the bonds issued under this mortgage, exclusive of all cash disbursements; and for further services hereunder, he or they shall receive as follows, viz.: For services under any foreclosure proceedings to foreclose this mortgage, the sum of one-fifth of one per centum on the par amount of the indebtedness or bonds to be secured by this mortgage, then outstanding, exclusive of all cash disbursements. For services in selling and conveying the lands herein described and applying the proceeds as herein provided, the sum of one per centum on the par amount of the indebtedness, or bonds cancelled in that manner—exclusive of all cash disbursements. The above commission to be in full payment of both Trustees for the services named, and to be equally divided between them.

Trustees may
resign.

And it is hereby further agreed, that either of the said Trustees, or any successor, may resign and discharge himself of the trust created by these presents, by notice in writing to the party of the first part, or its

successors, and to the existing Trustees or Trustee, if there be such, three months before such resignation shall take effect, or such shorter time as they may accept as adequate notice, and upon the due execution of the conveyances hereinafter required ; that the said Trustees, or either of them, may be removed by a majority in interest of the holders of the aforesaid bonds, by a vote of such majority in interest of the said bondholders, convened upon the notice hereinafter prescribed, and being attested by an instrument under the hands and seals of the chairman and secretary of such meeting ; that in case at any time hereafter either of the said Trustees, or any Trustee hereafter appointed, shall die or resign, or be removed as herein provided, by a court of competent jurisdiction, or shall become incapable or unfit to act in the said trust, a successor to such Trustee shall be appointed by the holders, for the time being, of a majority in interest of the said bonds then outstanding, by an instrument in writing under their hands and seals ; and the Trustee so appointed, with the Trustees or Trustee so surviving or continuing, shall thereupon become vested with all the powers, authorities and estates granted to or conferred upon the parties of the second part by these presents, and all the rights and interests requisite to enable him, as such Trustee, to execute the purposes of this trust, without any further assurance or conveyance ; but the surviving or continuing Trustees or Trustee shall immediately execute all such conveyances and other instruments as may be fit or expedient for the purpose of assuring the legal estate in the premises, jointly with themselves or himself, to the Trustee so appointed ; and upon the death, resignation or removal of any Trustee, or any appointment in his place, in pursuance of these presents, all his powers and authorities, by virtue hereof, shall cease ; and all the estate, right, title and interest in the said premises of any Trustee so dying, resigning or being removed, shall, if there be a co-trustee surviving or continuing in office, wholly cease and determine ; but the Trustee so resigning or being removed shall, on the written re-

Bondholders
may appoint
new Trustees.

quest of the new Trustee who may be appointed, immediately execute a deed or deeds of conveyance, to vest in such new Trustee, jointly with the continuing Trustees or Trustee, and upon the trusts herein expressed, all the property, rights and franchises which may be at that time held upon the said Trustees; *Provided, nevertheless*, and it is hereby agreed and declared, that in case it shall, at any time hereafter, prove impracticable, after reasonable exertions, to appoint in the manner hereinbefore provided, a successor in any vacancy which may have happened, in said trust, application in behalf of all the holders of the bonds secured hereby shall be made by the surviving or continuing Trustees or Trustee, within sixty days after notice of such vacancy—or if the trust be wholly vacant, such application may be made by holders of the said bonds to the aggregate amount of one hundred thousand dollars—to any court of competent jurisdiction, for the appointment of a new Trustee or new Trustees.

Court may appoint Trustee.

And it is hereby further expressly declared and agreed, that whenever and as often as any contingency shall arise, in which the action of a majority in interest of the holders of said bonds shall be necessary, or in which the said bondholders are herein declared to have any discretionary voice or power, it shall be the duty of the said Trustees, and they or a majority of them shall be, and they are hereby authorized and required, to call a meeting of all the holders of said bonds, to be held in the City of New York, by advertisements, to be published at the expense of the said Company three times a week for six weeks, in at least two newspapers of large circulation amongst the business community in said city; and at such meeting so convened, a majority in interest of the holders of said bonds shall be competent to exercise, in person or by proxy, all the powers and authorities conferred upon them by these presents.

Notice of Bondholders' meeting

Bondholders to qualify if required.

And any person appearing at said meeting of bondholders and claiming a right to participate therein, shall, if requested by any bondholder present thereat,

produce the bond or bonds upon which such person may claim the right to vote at such meeting, or file an affidavit with the chairman of such meeting that he, the person so claiming the right to participate in such meeting, is a holder of one or more of the bonds aforesaid, or the proxy of such holder, in which affidavit he shall specify the amount and numbers of the bonds which he claims to hold or represent, before being allowed to vote at such meeting, except for the purpose of temporarily organizing the same; and on the adjournment of such meeting, all such affidavits shall be delivered to the said Railway Company to be filed among the records of said Company.

The said Company, and their successors and assigns, hereby covenant to make, execute and deliver all such other or further instruments, deeds, or indentures as may be necessary to enable the person or persons so appointed to execute the trust hereby created, as fully and perfectly in all respects as he or they could have executed the same, if originally a party to this indenture. Also, to execute and deliver any further reasonable and necessary deed or deeds, conveyance or conveyances to the said Trustees, their survivor, successor or successors, for the more fully securing the payment of said indebtedness and bonds, particularly for the conveyance of any right, interest or property acquired by said Company or their successors, subsequent to the date hereof.

Covenant for further or supplemental deeds.

Provided always, and this grant and conveyance is upon the express condition, that upon the payment in full of said indebtedness and bonds, and the interest due thereon, on exhibiting said bonds canceled to the said Trustees, his or their survivors, successors or successor, and transferring to the obligor or its successors, the indebtedness named in said Trustee's certificates, then the estate, title, and interest of the said Trustee, his or their survivor, successors or successor, shall cease, determine, and become void; and he or they shall, upon request of the Company, or their successors, duly execute and deliver a proper release or satisfaction of this mortgage.

If bonds paid, the estate conveyed to become void.

In witness whereof, the said MILWAUKEE AND ST. PAUL RAILWAY COMPANY have caused this indenture to be subscribed in their corporate name, by their president, and secretary, and have caused their corporate seal to be hereunto affixed.

MILWAUKEE AND ST. PAUL RAILWAY COMPANY,

By

[SEAL.]

President.

Attest,

Secretary.

In presence of

And the said parties of the second part, for the purpose of signifying their acceptance of the trust herein and hereby created, have hereunto subscribed their names—all done on the day and year first above written.

RUSSELL SAGE,
N. A. COWDREY.

STATE OF NEW YORK, }
County of New York, } ss. :

Be it remembered that on the day of A. D. 1872, before me, a notary public, duly commissioned in and for said county, and duly authorized to administer oaths and take acknowledgments of deeds, came Alexander Mitchell, President, and James M. McKin-

lay, Assistant Secretary of the Milwaukee and St. Paul Railway Company, who, being by me duly sworn, did respectively depose and say: That they are President and Secretary of the said Company; that they know the seal of said Company, and that the seal affixed to the foregoing instrument was affixed by order of the Company, and that they signed their respective names thereto, as President and Assistant Secretary, by the like order; and they severally acknowledge the execution thereof to be their free act and deed, and the free act and deed of said Milwaukee and St. Paul Railway Company, for the purpose therein expressed. And I certify that they are known to me to be the persons they are above described to be, and who executed this instrument.

And I further certify that the foregoing instrument is executed according to the forms of the law of the State of Minnesota and Territory of Dakota.

In witness whereof, I have hereunto set my hand and affixed my official seal on the day and year above named.

Notary Public.



GENL No. 2367
File C No. 9

Consolidated mtg. 1874-1893, 7 C. & J. J. A. 1904, \$186,000
1st mtg., 568.4 miles, as follows: Milwaukee to La
Crosse, Wis., 197.7 miles; Watertown to Madison,
Wis., 27 miles; Horicon to Berlin and Winneconne, Wis.,
58 miles; Milwaukee to Portage City, Wis., via Horicon,
Wis., 95 miles; La Crosse Bridge and approaches, 1.7 miles;
Monroe to Milton, Wis., 42 miles; Austin, Minn., to Mason
City, Ia., 40 miles; Conover to Decorah, Ia., 10 miles; Sabula
to Marion, Ia., 87 miles; and 2d mtg. on 824.5 miles as de-
scribed by (1) to (8), both inclusive, except (3), on which this
is a 3d mtg. In all 1,392.9 miles; also on all property of
the company, real and personal, and on income of road.
Bonds convertible into preferred stock, same as (1).

[Consolidated of 1874.]

MORTGAGE DEED OF TRUST

FROM THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

TO

RUSSELL SAGE AND LEVI P. MORTON,

TO SECURE THE PAYMENT OF \$35,000,000 IN AMOUNT, DUE JAN. 1, 1904.

THIS INDENTURE, made this 14th day of February, in the year one thousand eight hundred and seventy-four, between the CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY, a corporation existing under the laws of the States of Illinois, Wisconsin, Iowa and Minnesota, party of the first part, and RUSSELL SAGE and LEVI P. MORTON, both of the City of New York, parties of the second part.

WHEREAS, the party of the first part owns the several lines of railway, with their equipment and appurtenances, situated within the States of Illinois, Wisconsin, Iowa and Minnesota, in the United States of America, described as follows:

1. A line of railway from Chicago, Illinois, via Milwaukee, Watertown, Portage City and La Crosse to the City of St. Paul, Minnesota, including the bridges constructed, and in process of construction across the Mississippi River, with the approaches thereto, the whole line being about four hundred and eleven miles.

2. A line of railway from Milwaukee, Wisconsin, via Prairie du Chien to St. Paul, aforesaid, being about four hundred and five miles.

3. A line of railway from St. Paul to Minneapolis, Minnesota, being about nine miles.

4. A line of railway from Hastings, Minnesota, to Glencoe in Minnesota, being about seventy-five miles.

5. A line of railway from Austin, Minnesota, to Mason City in Iowa, being about forty miles.

6. A line of railway from Conover, Iowa, to Decora, in the same State, about ten miles.

7. A line of railway from Calmar, in Iowa, to Algona in the same State, about one hundred and twenty-six miles.

8. A line of railway from Sabula, Iowa, to Marion, in the same State, about eighty-seven miles.

9. A line of railway from Milton, Wisconsin, to Monroe, in the same State, about forty-two miles.

10. A line of railway from Watertown, Wisconsin, to Madison, in the same State, about thirty-seven miles.

11. A line of railway from Horicon, Wisconsin, to Berlin and Winneconne, in the same State, about fifty-eight miles.

12. A line of railway from Milwaukee, Wisconsin, to Portage City via Horicon, about ninety-five miles.

All of which lines of railway are displayed upon a map of parts of Illinois, Wisconsin, Iowa and Minnesota, hereto annexed, the same being designated by red lines; and

WHEREAS, the Chicago, Milwaukee & St. Paul Railway Company hold the said lines of railway and the railway property, rights and franchises, connected therewith and appurtenant thereto, subject to mortgage liens made to secure bonds issued by the party of the first part, under the name of the Milwaukee & St. Paul Railway Company, and by various corporations prior to the said lines of railway becoming the property of the said Chicago, Milwaukee & St. Paul Railway Company, to the extent of twenty-six million, two hundred and twenty-five thousand five hundred dollars, as follows:

1. A mortgage made by the Milwaukee & St. Paul Railway Company upon the lines of railway from Milwaukee to La Crosse, via Watertown and via Horicon, and from Horicon to Berlin and Winneconne, on which are secured bonds of that Company now outstanding for \$5,527,000, bearing interest at 7 per cent. per annum, and the principal payable January 1, 1893.

2. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line of railway from Milwaukee to Prairie du Chien, via Milton Junction, on which are secured bonds of

that Company now outstanding for \$3,674,000, bearing interest at eight per cent. per annum, and the principal payable February 1, 1898.

3. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line of railway from Chicago to Milwaukee, on which are secured bonds of that Company now outstanding for \$2,500,000, bearing interest at seven per cent. per annum, and the principal payable on the first day of January, 1903.

4. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line of railway from McGregor to Minneapolis and St. Paul, on which are secured bonds of that Company now outstanding for \$3,810,000, bearing interest at seven per cent. per annum, and the principal payable on the first day of July, 1897.

5. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line of railway from La Crescent to St. Paul, on which are secured bonds of that Company, now outstanding, for \$4,000,000, bearing interest at seven per cent. per annum, payable in gold, and the principal payable on the first day of January, 1902; (of which £200,000, equal \$1,000,000, are in sterling bonds).

6. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line from Hastings to Glencoe, on which are secured bonds of that Company, now outstanding, for \$1,350,000, bearing interest at seven per cent. per annum, and the principal payable on the first day of January, 1902.

7. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line of railway from Calmar to Algona, on which are secured bonds of that Company, now outstanding, for \$1,008,000, bearing interest at seven per cent. per annum, and the principal payable on the first day of July, 1899.

8. A mortgage made by the Milwaukee & St. Paul Railway Company upon one elevator and certain depot grounds in Milwaukee, on which are secured bonds of that Company, now outstanding, for \$148,500, bearing interest at seven per cent. per annum, and the principal payable on the first day of July, 1874.

9. A mortgage made by the Milwaukee & St. Paul Railway Company upon one elevator and certain of its depot grounds in Milwaukee, and also upon the lines of railway above men-

tioned (No. 1), from Milwaukee to La Crosse, via Watertown, and via Horicon, and from Horicon to Berlin and Winneconne; on which are secured bonds of that Company now outstanding, for \$1,211,000, bearing interest at seven per cent. per annum, and the principal payable on the first day of October, 1884.

10. A mortgage made by the Milwaukee & St. Paul Railway Company upon the line of railway above mentioned (No. 2), from Milwaukee to Prairie du Chien, via Milton Junction, on which are secured bonds of that Company, now outstanding, for \$1,315,000, bearing interest at 7.3-10 per cent. per annum, and the principal payable on the first day of February, 1898.

11. A mortgage made by the Milwaukee & St. Paul Railway Company, upon the bridge across the Mississippi River at La Crosse, on which are secured bonds of that Company, now outstanding, for \$245,000, bearing interest at ten per cent. per annum, and the principal payable on the first day of June, 1883.

12. A mortgage made by the La Crosse & Milwaukee Railroad Company, upon the line of railway from North Milwaukee to Portage, on which are secured bonds made by that Company, now outstanding, for \$781,500, bearing interest at eight per cent. per annum, and the principal payable on the first day of November, 1874.

13. A mortgage made by the La Crosse & Milwaukee Railroad Company, upon the same line of railway (No. 12), from North Milwaukee to Portage, on which is now outstanding a bond for \$1,000, now payable, but which has not been presented for payment.

14. A mortgage made by the Milwaukee, Fond du Lac & Green Bay Railroad Company upon parts of the same line of railway (No. 12) from North Milwaukee to Portage, on which are secured bonds, now outstanding, for \$86,000, made by the City of Milwaukee, bearing interest at seven per cent. per annum, and the principal now due and payable; also bonds for \$144,500, made by the City of Milwaukee, bearing interest at seven per cent. per annum, secured by a mortgage upon another part of the same line of railway, made by the La Crosse & Milwaukee Railroad Company, the principal of which is payable March 1, 1874.

15. A mortgage made by the Milwaukee & Western Railroad Company on the line of railway from Brookfield to Watertown, on which are secured bonds made by that Company, now outstanding, for \$234,000, bearing interest at seven per cent. per annum, and the principal payable on the first day of July, 1891.

16. A mortgage made by the Minnesota Central Railway Company upon the line of railway from Minneapolis to Owatonna, on which are secured bonds, now outstanding, for \$190,000, made by that Company, bearing interest at seven per cent. per annum, and the principal payable on the first day of July, 1894.

All of which mortgage liens the Chicago, Milwaukee & St. Paul Railway Company are bound to satisfy; and

WHEREAS, the Chicago, Milwaukee & St. Paul Railway Company desires to make a provision for paying and discharging the said liens; and to raise means for completing, improving and equipping its lines of railway, involving the building of three railway bridges across the Mississippi River, to-wit: one at or near La Crosse, one at or near Prairie du Chien, and one at or near Sabula; and the substitution of steel rails in place of iron rails upon those portions of its main lines on which steel rails have not already been laid; to accomplish which will, in the aggregate, amount to thirty-five million dollars; and

WHEREAS, the said Chicago, Milwaukee & St. Paul Railway Company has resolved, for the purpose aforesaid, to make and issue twenty-five thousand negotiable bonds of one thousand dollars each, to be numbered from one to twenty-five thousand, inclusive, which shall bear interest at the rate of seven per cent. per annum, and be payable, principal and interest, in lawful money of the the United States of America; and ten thousand bonds to be numbered from one to ten thousand, inclusive, for two hundred pounds sterling each, which shall bear interest at the rate of six per cent. per annum, and be payable, principal and interest, in gold coin; the whole to be secured by a consolidated mortgage covering the franchises and theseveral lines of railway hereinbefore mentioned, with all the railway and elevator and bridge property and appurtenances of every description, and which bonds are of the tenor and effect following, that is to say:

UNITED STATES OF AMERICA.

ILLINOIS, WISCONSIN, IOWA AND MINNESOTA.

No.

\$1,000.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

FIRST MORTGAGE CONSOLIDATED SEVEN PER CENT. BOND.

KNOW ALL MEN BY THESE PRESENTS, that the Chicago, Milwaukee & St. Paul Railway Company is indebted to and promises to pay to the bearer, One Thousand Dollars lawful money of the United States of America, on the first day of January, in the year one thousand nine hundred and four, at its office or agency in the City of New York, with interest thereon from the first day of January, 1874, at the rate of seven per cent. per annum, payable semi-annually on the first day of July and January in each year, at said office or agency in the City of New York, on the presentation and surrender of the annexed coupons, as they severally become payable. If said Company shall, on presentation of the proper coupon, make default in the payment of the semi-annual interest on this bond, and continue such default for six months from the time the coupon was payable, then, without demand or notice, the whole principal shall become payable and may at once be enforced.

At the option of the holder, this bond is convertible into preferred stock of the said Company, at par, at any time within fifteen days after any dividend has become payable on said stock, upon the delivery to the Company, at its office or agency in the City of New York, of the bond, with the unmatured coupons, and the transfer to the Company of the ten shares of scrip stock hereto attached; and it is not transferable from person to person, except when the transfer is accompanied by such certificate for ten shares of scrip stock.

This bond is one of a series of twenty-five thousand bonds of like amount, tenor and date, numbered respectively from 1 to 25,000 inclusive, made by the said Company, and which series, with another series of ten thousand bonds, each for Two Hundred Pounds Sterling, numbered respectively from 1 to 10,000 inclusive, bearing interest at the rate of six per cent. per annum, payable semi-annually, is secured without preference by the Consolidated deed in trust in the nature of a mortgage made by the Chicago, Milwaukee & St. Paul Railway Com-

pany, to Russell Sage and Levi P. Morton, of New York, Trustees, covering the entire railway, elevator and bridge property and franchises of the said Company in the States of Illinois, Wisconsin, Iowa and Minnesota, including about one thousand four hundred miles of railway now in operation, with its equipment.

To be valid, this bond must have the certificate endorsed hereon that it is secured by the said deed of trust, and that the same has been issued in accordance with the provisions thereof, signed by the Trustees in the said deed named, or their successors in the trust.

IN WITNESS WHEREOF, the said Company has caused its corporate name and seal, and the signatures of its President and Assistant Secretary to be hereto affixed, this 14th day of February, 1874.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By*President.*

[SEAL.]

.....*Assistant Secretary.*

[*Endorsed.*]

The within is one of twenty-five thousand bonds for one thousand dollars each, bearing interest at the rate of seven per cent. per annum, secured by a deed in trust in the nature of a mortgage by the Chicago, Milwaukee & St. Paul Railway Company to the subscribers, Russell Sage and Levi P. Morton, dated February 14th, 1874, and duly recorded, covering all the railways, franchises, bridges, elevators, and other property, real and personal, of the said Company; and this bond has been issued in accordance with the provisions of the said deed.

..... } *Trustees.*
 }

[*Sterling Bond.*]

UNITED STATES OF AMERICA.

STATES OF ILLINOIS, WISCONSIN, IOWA AND MINNESOTA.

No.

£200

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

CONSOLIDATED FIRST MORTGAGE SINKING FUND STERLING BOND.

KNOW ALL MEN BY THESE PRESENTS, that the Chicago, Milwaukee & St. Paul Railway Company is indebted to, and

promises to pay to the bearer, Two Hundred Pounds Sterling, in gold coin of Great Britain, on the first day of January, in the year one thousand nine hundred and four, at the banking house of Morton, Rose & Co., in the City of London, with interest at the rate of six per centum per annum, payable semi-annually in like gold coin on the first day of January and July in each year, at the said banking house, on the presentation and surrender of the annexed coupons as they respectively become payable. If said Company shall, on presentation of the proper coupon, make default in the payment of the semi-annual interest on this bond, and continue such default for six months from the time the coupon was payable, then, without demand or notice, the whole principal shall become payable, and may at once be enforced.

At the option of the holder this bond is convertible into the preferred stock of the Company, at par, at any time within fifteen days after any dividend has become payable on said stock, upon the delivery to the Company, at its office or agency in the City of New York, of the bond with its unmatured coupons.

This bond is one of a series of ten thousand bonds of like amount, tenor and date, numbered respectively from 1 to 10,000, inclusive, made by the said Company, and which series, with another series of twenty-five thousand bonds, each for one thousand dollars, lawful money of the United States of America, bearing interest at the rate of seven per cent. per annum, payable semi-annually, is secured without preference, by the Consolidated Sinking Fund Deed of Trust, in the nature of a mortgage made by the Chicago, Milwaukee & St. Paul Railway Company, to Russell Sage and Levi P. Morton, Trustees, covering the entire railway, elevator and bridge property and franchises of the said Company in the States of Illinois, Wisconsin, Iowa and Minnesota, including about one thousand four hundred miles of railway in actual operation, with its equipment.

And the said Company agrees to and with the holder at any time upon presentation of this bond at its office or agency in the City of New York, to exchange it for a bond of one thousand dollars, payable at the said office or agency in lawful money of the United States of America, with interest at seven per centum per annum, payable semi-annually in like money,

and with a certificate of ten shares of scrip stock attached, authorizing a conversion of the bond into preferred stock, as aforesaid, which bond and scrip shall, in all respects, conform to the first mortgage consolidated seven per cent. bonds of the Company and their scrip; and shall be and is secured by its consolidated mortgage, bearing even date herewith, in the same manner as if originally made as one of such consolidated seven per cent. bonds. Whenever the exchange is made the bonds given for sterling bonds will be numbered 25,001 onward. And the Company agrees to pay in gold coin, to the Trustees annually, commencing with the year 1875, as a sinking fund, one per centum of the amount of this series of bonds at the time outstanding, with which to pay, each year, on the first day of July, one per cent. in number of the outstanding bonds of this series, to be designated by lot on the first Monday of May; immediately thereafter public notice thereof shall be given in London and New York; and the bonds so designated will then be payable in New York at the rate of \$1,000 gold for each £200, and cease to draw interest, as provided in the said deed of trust.

To be valid this bond must have the certificate endorsed hereon that it is secured by the said deed of trust, and that the same has been issued in accordance with the provisions thereof, signed by the Trustees in the said deed named, or their successors in the trust.

IN WITNESS WHEREOF, the said Company has caused its corporate name and seal, and the signatures of its President and Assistant Secretary to be hereto affixed, this 14th day of February, 1874.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By*President.*

[L. S.]*Assistant Secretary.*

[*Endorsed.*]

The within is one of ten thousand bonds for Two Hundred Pounds Sterling each, bearing interest at the rate of six per cent. per annum, convertible into seven per cent. bonds, payable in lawful money of the United States of America, secured by a deed in trust in the nature of a mortgage by the Chicago, Milwaukee & St. Paul Railway Company, to the subscribers, Russell Sage and Levi P. Morton, dated February 14, 1874,

and duly recorded, covering all the railways, franchises, bridges, elevators, and other property, real and personal of the said Company; and this bond has been issued in accordance with the provisions of the said deed.

..... } Trustees.
..... }

NOW THEREFORE, to secure the said bonds to be made by the party of the first part, and in consideration of the premises, and of thirty-five million dollars to be paid and satisfied to the party of the first part, upon the bonds to be issued as aforesaid, and of one dollar to the party of the first part, paid by the parties of the second part, the receipt whereof is hereby acknowledged, the party of the first part has granted, bargained, sold, remised, released, aliened, enfeoffed and confirmed, and it doth by this indenture grant, bargain, sell, remise, release, alien, enfeoff and confirm to the parties of the second part, in their actual possession now being, and to the survivor and to such person or persons as may, in the manner herein provided, be substituted as a party or parties of the second part, their heirs and assigns, and the heirs and assigns of the survivor forever, as joint tenants and not as tenants in common, and as Trustees under this indenture, the entire lines of railway of the party of the first part hereinbefore mentioned and referred to with all the franchises of the party of the first part, in relation to the said lines of railway, all lands, railway tracks, sidings, rights and privileges, bridges built and to be built, elevators and elevator grounds, station-houses and grounds, depots and depot grounds, warehouses, machine-shops and tools, and machinery used in or in connection therewith, engines, cars, rolling-stock and apparatus of every description used in connection with all and with each of the said lines of railway, and all that may, at any time hereafter, be acquired by the party of the first part to be used in operating the said lines of railway, and in improving the same, or any or either of them whatsoever.

TO HAVE AND TO HOLD, the same and every part thereof, with their appurtenances, unto the parties of the second part and their survivor, and such person or persons as shall or may become a successor or successors in the trust hereby created and raised, for their only use, benefit and behoof forever.

IN TRUST NEVERTHELESS, for the use, benefit and security as well of the parties of the first and second parts as of all

persons natural or artificial, their respective successors, executors, administrators or assigns who shall be or become the holders of all or of any one or more of the said bonds of the party of the first part, in manner following:

FIRST. Until a default shall be made in the payment of any of the bonds to be made pursuant to the provisions of this indenture, or in the payment of any of the interest to accrue upon any of such bonds, or in any of the covenants and conditions herein contained, the party of the first part shall remain in the possession and use of all the said lines of railway, elevator and bridge property, with their franchises, and all the property, real and personal, in this indenture granted, bargained, sold, remised, released, aliened, enfeoffed, or confirmed; and that if the party of the first part shall, and doth well, truly, faithfully and seasonably pay, according to the terms and conditions thereof, each and all the principal and interest upon the bonds which it may make and issue in pursuance of the provisions of this indenture, and observe, keep, perform and fulfill all the obligations contained in each of them, and shall also keep, perform and fulfill all the covenants of the party of the first part herein contained to be kept, performed and fulfilled, then this indenture, and all the estate, franchises, rights, title, claim and demand, herein and hereby created, passed and conveyed to the parties of the second part, their survivor or successor or successors in the trust, shall become and be absolutely null and void.

SECOND. That the party of the first part, with the consent in writing of the said Trustees or their successors in the trust, to be endorsed upon the deeds, may sell and convey any of the land herein and hereby conveyed, not necessary or required to be retained for the convenience or use of the party of the first part; but in all such cases, where the amount of sale shall be one thousand dollars or more, it shall be paid to the said Trustees or their successors in the trust, and shall be by them applied to the purchase and cancellation of any of the liens now existing against the Company, or, at the option of the party of the first part, to the purchase and cancellation of one or more of the bonds to be issued on the security hereof; or the proceeds of such sales may, with the consent of the parties hereto, be invested in the purchase of other property, real or personal, required for the convenience of the Company, which

property so purchased shall be at once conveyed by the party of the first part to the said Trustees or their successors in the trust, in aid of, and as part of, the estate hereby conveyed.

THIRD. The series of twenty-five thousand bonds for one thousand dollars each, at seven per cent. interest, with the coupons attached, and one thousand two hundred and twenty-five of the bonds for two hundred pounds sterling, at six per cent. interest, with their coupons attached, being those numbered from 1 to 1,225, inclusive, are, when made, to be placed in the hands of the said Trustees or their successors in the trust, to be used by them only for making exchanges for equivalent amounts of bonds now outstanding, secured by existing liens upon all or some portion of the property in this indenture granted, conveyed, and transferred. The party of the first part, to facilitate such exchanges, may, with the consent of the parties of the second part, negotiate and sell in advance not exceeding two hundred of such bonds, the proceeds to be used only in the purchase of an equal number of bonds of one thousand dollars, or their equivalent in bonds of other denominations, of those now outstanding and secured by existing liens. And as the proceeds of such sale are disposed of in the manner aforesaid, another quantity of bonds may, with consent as aforesaid, be sold, and their proceeds applied as aforesaid, and so from time to time; but the aggregate number of bonds so sold in advance shall at no time exceed two hundred.

The parties of the second part, and their successors in the trust, are not to subscribe the certificates upon the said bonds, excepting as to those authorized to be sold in advance as in the last preceding sentence is provided, but upon exchanging them in equal amounts for the outstanding bonds secured by the various liens hereinbefore specified.

The bonds numbered from 1,226 to 10,000, inclusive, of the series of ten thousand bonds for two hundred pounds sterling each, are to be used only for the following purposes: The relaying with steel rails the lines of some of the railways aforesaid; the erection and completion of bridges aforesaid; the erection and completion of elevators; the further equipment of the lines of railway aforesaid; and for permanent improvements upon the premises herein conveyed. To effect these purposes, the Trustees for the time being, with the assent of the party of the first part, may negotiate all or any portion of

such bonds, and deposit their proceeds, in their names as Trustees, in a trust company or banking institution in the City of New York of the highest financial standing, and in their discretion change the deposits to another similar company or institution of like standing. Then on receiving satisfactory evidence from the party of the first part, that it has made actual expenditures for any such purposes, the Trustees shall pay the party of the first part by their checks upon the depository for the moneys so expended. And the Trustees shall make no payments therefrom except upon proofs satisfactory to them that the amount they pay has been fairly and in good faith expended or bestowed for the purposes aforesaid.

FOURTH. None of the bonds so to be made by the party of the first part, in pursuance of this indenture, shall be binding as a security against the party of the first part until the certificate thereon endorsed, as indicated in the form of the bond hereinbefore set forth, shall be subscribed by the said Trustees or their successors in the trust, and until so subscribed it shall not be deemed and shall not be secured by this indenture, but every bond not containing such a certificate shall be void.

The party of the first part covenants and agrees with the parties of the second part, that it will not issue any more of the bonds designated Equipment and Bridge Bonds; and that it will retire by exchange or purchase the two hundred and forty-five of said bonds heretofore issued, on or before the first day of July, 1878.

And the party of the first part hereby covenants and agrees, to and with the parties of the second part, their survivor, successor and successors in the trust herein contained, that it will well and seasonably pay and discharge all the principal and interest moneys upon the said bonds made and issued in pursuance of this indenture; and that it will also seasonably pay and discharge all taxes and assessments, of every sort and description, which may at any time be imposed or assessed upon all and every part of any of the franchises and property herein and hereby conveyed, by any of the States wherein any of such franchises and property may be, or under the authority thereof, so as to keep the mortgaged premises free and clear from any lien or incumbrance by reason thereof; and also, that it will seasonably pay and discharge all taxes and assessments, of every sort and description, which may, by the States of Illinois,

Wisconsin, Iowa, and Minnesota, or either of them, or under either of their authority, be charged or assessed upon any of the bonds to be issued under and in pursuance of the provisions of this indenture, or upon the parties of the second part, their survivor and successor or successors, or the holders of any of such bonds in respect thereto.

And the party of the first part further covenants and agrees with the parties of the second part, their survivor and successor and successors in the trust, that upon the reasonable request of the parties of the second part, their survivor and successor and successors in the trust aforesaid, the party of the first part will make, execute and deliver to them all and every further deed, conveyance, transfer or assurance for the better and more effectually vesting and confirming, in the parties of the second part, their survivor and successor and successors as aforesaid, the rights and franchises, and real and personal estate and property hereby granted and conveyed, or intended so to be, for the uses and trusts herein contained, as by the parties of the second part, their survivor and successor and successors in the trust, or their counsel learned in the law, shall be reasonably desired, advised or required; and also, that the party of the first part will, at all times by this indenture, warrant and defend the parties of the second part, their survivor and successor and successors as aforesaid, and their grantees, in pursuance of the provisions herein contained, and their heirs and assigns, and every of them, in the quiet and peaceable possession of the said rights and franchises and real and personal estate, hereby granted or conveyed, or intended so to be, whether the same are now owned by the party of the first part or shall be hereafter acquired, against all and every person or persons lawfully claiming or to claim the whole or any part thereof.

And the party of the first part further covenants and agrees to and with the parties of the second part, their survivor and successor and successors in the trust, that upon any default in the payment of the interest or principal of any of the bonds to be issued and made, under and in pursuance hereof, or upon any default in the seasonable payment and discharge of any tax or assessment upon any of the mortgaged premises, or upon any part thereof, or of any tax or assessment which may be by the States of Illinois, Wisconsin, Iowa and Minnesota, or

either of them, be charged or assessed upon any of the bonds to be issued under and in pursuance of the provisions of this indenture, or upon the parties of the second part, their survivor and successor and successors or the holders of any of such bonds in respect thereof, or upon any default in the seasonable keeping and performance of any covenant herein contained, if such default shall continue for six months, the parties of the second part, their survivor and successor or successors on the request in writing of the holders of at least one-tenth of the bonds to be made and issued as aforesaid, then outstanding, or on request of the holders of one-tenth of the sterling bonds outstanding, if the default relate to the sinking fund, and on proof by affidavit of the requesting bondholders or their agents, of such default or defaults, may and shall, either in person or by their attorney or attorneys, agents and servants, enter into and take possession of all the mortgaged premises, and have, use and operate the same, and collect and receive all income, issues and profits thereof, and from them pay and discharge all expenses they may incur in so doing, and any expenditures which they may deem proper to make for the maintenance and protection of the same, and the repairs, replacements and improvements to keep up and render the several lines of railway, elevators and bridges, and their equipment, efficient and safe.

And the parties of the second part may then, in their discretion, sell the said mortgaged premises, including all the said lines of railway, elevator and bridge property, with their rights and franchises and equipment, at the time appertaining thereto, at public auction, to the highest bidder, either in the City of New York, the City of Chicago, the City of Milwaukee, or the City of St. Paul, upon a notice of the time and place of sale, to be published at least three months prior thereto, in two newspapers of large circulation, published in the City of New York, and in the London Times, and to continue the publications at least once a week in each newspaper up to and including the week in which the sale is to take place; and the parties of the second part, their survivor and successor and successors, may, in their discretion, adjourn the sale from time to time, but if any such adjournment shall be for more than two days, notice of the same shall be published in the said newspapers in the City of New York at least twice before the adjourned day.

Upon making the sale, the parties of the second part, their survivor and successor or successors in trust, for the time being, shall execute and deliver to the purchaser or purchasers a grant and conveyance of all the mortgaged premises, including all the rights, franchises and real and personal estate appurtenant to the said lines of railway, bridges and elevator property, which grant and conveyance shall pass to and vest in the purchaser or purchasers a full, valid and indefeasible title thereto and to every part thereof. And the party of the first part covenants and agrees to and with the parties of the second part, their survivor and successor and successors, and to and with their grantees under such conveyance, and their heirs and assigns, that it will never claim any estate, right, title or interest in any portion of said mortgaged premises in bar or opposition to or impeachment of the title passed thereby.

Or the parties of the second part, their survivor and successor and successors in the trust, may in their discretion, in case of any such default, foreclose the equity of redemption of the party of the first part, and of all other persons having any equitable rights in the mortgaged premises or in any part or parcel thereof, including the rights and franchises appurtenant thereto, or to any part thereof, by any suits, actions or proceedings at law or in equity, provided for by the laws of either of the States of Illinois, Wisconsin, Iowa and Minnesota or in the Circuit Court of the United States within any or either of the said States.

PROVIDED, NEVERTHELESS, that the holders of a majority of all the bonds issued in pursuance of this indenture, and then outstanding, may, in writing, instruct and direct the parties of the second part, their survivor and successor or successors, to sell as aforesaid, or to foreclose the equity of redemption aforesaid, or to refrain from selling the mortgaged premises, or from proceeding so to foreclose the equity of redemption as herein last provided; and the parties of the second part, their survivor and successor and successors, shall thereupon proceed to sell or to foreclose or to refrain from so proceeding, and shall comply with the reasonable and legal instructions of such bondholders, given in writing, in relation to the same.

In case the parties of the second part, their survivor, or successor or successors, shall take possession of the mortgaged premises, and operate the same as herein provided, while so

operating the same the net proceeds arising from the operation, after the payment and discharge of the expenses thereof, as aforesaid, and of the management of the trust, and their compensation therefor, shall be by them applied in discharging any interest which the party of the first part is bound to pay upon any of the bonds (including those held by the Trustees) secured by prior liens upon the mortgaged premises, or any part thereof, which interest shall then be outstanding and unpaid, if such net proceeds are sufficient, and if they are not, by making payments upon them equally, without preference; and if, after paying the said interest, there is a surplus, then to apply the same (together with the interest collected on old bonds held by the Trustees), to payment and discharge of interest warrants or coupons which may have become payable upon the bonds to be issued in pursuance of this indenture, then outstanding; and if such moneys shall not be sufficient to pay all such interest warrants or coupons, then to make payments thereon equally, without preference.

In case the parties of the second part, their survivor or successor or successors in the trust, shall sell the mortgaged premises as above provided, or cause the same to be sold upon suits, actions, or proceedings to foreclose the same, as hereinbefore provided, then after payment of all their expenses in the care and management of their trust, and their own compensation, they shall apply the net proceeds of the sale to the payment of bonds issued under and in pursuance of the provisions of this indenture, then outstanding, and of all the interest warrants upon them payable before and up to the time of the application of such net proceeds, if the same shall be sufficient; but if they are insufficient, such net proceeds shall be applied by them to the payment of each of such outstanding bonds, with the interest warrants payable before and up to the time of the application, so that each holder of a bond or interest warrant payable up to the time of the application, shall receive a payment thereon of the same proportion of such net proceeds which his debt bears to the whole amount owing for principal and interest upon the bonds outstanding and secured hereby.

AND IT IS MUTUALLY AGREED AND PROVIDED by the parties hereto, that in case of a sale of the said mortgaged premises, either by the parties of the second part, their survivor, successor or successors in the trust, in the manner hereinbefore pro-

vided, or upon a foreclosure thereof at law or in equity, then on the previous request in writing from the holders of a majority of all the bonds issued in pursuance hereof, then outstanding, the parties of the second part, their survivor and successor and successors, may and shall at such sale purchase all the mortgaged premises, including the rights and franchises appurtenant, for account and benefit of all the holders of the bonds issued in pursuance hereof, then outstanding, and they shall then at once proceed to organize a corporation to own and operate all the mortgaged premises, with a capital equaling in amount the sum of the said outstanding bonds, and the interest warrants which had then matured and become payable, to be divided into shares of one hundred dollars each; and when the corporation is so organized, to transfer to each holder of a bond or interest warrant then matured and become payable, shares to represent the amount owing thereon; and if such amounts cannot be divided into sums of one hundred dollars, to issue shares for each hundred dollars, and fractional certificates for residuary sums over multiples of one hundred dollars, which may be converted into shares upon the surrender of the same in amounts to equal one hundred dollars.

AND IT IS FURTHER MUTUALLY AGREED AND PROVIDED by the parties hereto, that upon the first Monday of May in each year, commencing with the year 1875, the Trustees and their successors in the trust shall designate by lot, to be redeemed, one per centum of the number of the two hundred pounds sterling bonds at such time outstanding; and shall give notice thereof to the party of the first part, and publish a notice in two newspapers of large circulation in the City of New York, and in the London Times, stating therein that such bonds, bearing such numbers, will be redeemed on the presentation thereof with the unmatured coupons, on the first day of July thereafter, at a trust company or banking institution therein to be named, of the highest financial standing in the City of New York, and thereupon such bonds, bearing such numbers, shall become payable at such trust company or banking institution, upon such first day of July, and the interest thereon shall then cease, unless upon being presented for payment on and after such first day of July, as aforesaid, default be made in the payment thereof, in which case the interest will continue until principal and interest be paid. And the party of the first

part shall, on or before the thirtieth day of April preceding such July, pay to the Trustees or their successors in the trust, one thousand dollars in American gold coin, for each bond so to be designated, to be by them deposited in a trust company or banking institution in the City of New York, of the highest financial standing, to pay such bonds on presentation, on and after such first day of July, at the rate of one thousand dollars in gold for each bond, and then deliver them to the said Trustees or their successors in the trust.

And upon the payment of any such bond the said Trustees shall immediately cancel the same, and the unexpired interest warrants attached, by mutilation, or in some other effectual manner, to prevent their negotiation, and then deliver the same to the party of the first part, who shall keep a register containing the numbers of such bonds so cancelled and delivered to it, which shall be open to the inspection of any of the stockholders of the party of the first part, and the holders of any of the bonds to be issued under the provisions of this indenture, which are outstanding and unpaid.

AND IT IS FURTHER MUTUALLY AGREED AND PROVIDED, that when any of the bonds now outstanding, secured by the existing liens above mentioned upon the mortgaged premises, or any part thereof, shall be received by either of the parties in exchange for any of the bonds issued or made in pursuance hereof, or acquired by purchase from the proceeds of any of the bonds issued in pursuance of this indenture, they shall be placed in the hands of the parties of the second part, their survivor, successor and successors, and by them marked by printing thereon upon the same, and upon all the unmatured interest warrants or coupons attached, "This bond belongs to the Trustees of the deed of trust made by the Chicago, Milwaukee & St. Paul Railway Company, dated February 14th, 1874, and is not negotiable."

And the same shall be registered by the Trustees in books to be kept by the parties of the second part, their survivor and successor and successors, subject to the inspection provided in the last preceding clause hereof; and such bonds of each class shall be held by them until all the bonds of that class shall have been paid and redeemed, when they shall proceed to procure a satisfaction of the lien under which they are secured and then cause the said bonds to be cancelled and destroyed in their

presence and the presence of a committee of the Directors of the party of the first part; and they shall in like manner proceed as to every class of such bonds.

AND IT IS FURTHER MUTUALLY AGREED AND PROVIDED, that either of the parties of the second part, their survivor or successor or successors, may resign and discharge himself of the trusts herein created, by giving to the parties of the first part a notice in writing, stating his intention to resign, after three months from the delivery of the notice, and by publishing a copy of such notice in two papers of general circulation, printed in the City of New York, and in the London Times, at least once in each week for six successive weeks before the expiration of such three months; and at the expiration of such three months, by executing an instrument in writing under his seal, conveying and releasing to the other of such parties of the second part, whether one of the original parties hereto or a successor substituted as herein provided, all the right, title and estate vested in him, under or in pursuance of this indenture, to have and to hold the same upon the trusts herein expressed and provided for.

And that upon such resignation, or in case of the death, or of any inability of either of the parties of the second part, or their survivor or successor or successors, to perform the duties herein provided to be performed by them, or if in any manner howsoever there shall happen to be a vacancy in the office of either of the Trustees under this indenture, if there be one of such Trustees remaining in office, he may unite with a majority in interest of those holders of bonds issued under this indenture, who are present or represented at a meeting of the bondholders to be called as hereinafter provided, in the appointment, in writing, under seal and duly acknowledged by the chairman of such meeting, of a person to be substituted as a Trustee to succeed the Trustee so dying, resigning or becoming incapable to act, and he shall thereupon become and be deemed one of the parties of the second part.

And in all such cases, and also in case it should happen that both of the said Trustees for the time being should resign, die, or become incapable of performing their duties as Trustees, the holders of one hundred of the bonds issued in pursuance hereof may, by a notice published in two newspapers of large circulation in the City of New York, and in the London Times, once

in each week, for four successive weeks, call a meeting of the holders of all the bonds issued in pursuance hereof, then outstanding, to be held in the City of New York, at a time and place to be therein designated, for the purpose of nominating one or two persons, as the case may be, to be the successors of the Trustees in the trust herein, and at such meeting a majority in interest of those holders of such bonds, who are present or represented, may agree with the surviving Trustee, if any, and if none, then with the party of the first part, or a committee appointed by the party of the first part, upon a person or persons, as the case may be, to be substituted in place of the Trustee or Trustees, as successor or successors in the estate and trusts herein created and raised; and such person or persons shall thereupon, by virtue of this indenture, succeed to all the estate, rights and duties herein of the parties of the second part, and shall for every purpose be deemed Trustee or Trustees under this indenture; and in case of any disagreement between any surviving Trustee and such bondholders as to the person to be appointed, or a disagreement between the bondholders at such meeting or meetings, any court of competent jurisdiction, holding its sessions in Illinois, Wisconsin, Iowa or Minnesota may, on the application of the holders of one hundred of the said bonds, upon a written notice of three weeks, in writing, to the party of the first part, and a publication of such notice in two newspapers of large circulation in the City of New York, at least twice in each week for two weeks, appoint one or two persons, as the case may be, who shall thereupon succeed to the rights, powers and duties of the parties of the second part herein, whose trusts shall have been vacated.

At the meeting of the holders of bonds hereinbefore provided, any person claiming a right as a bondholder shall, if requested by any bondholder, produce the bond or bonds upon which he claims the right, or shall file with the chairman of the meeting an affidavit that he is the owner of one or more of the bonds, specifying them by their numbers, and stating the reason why he does not so produce them; if one claiming the right as attorney or proxy of a bondholder is requested, he shall file the affidavit of the owner as above provided, and a power of attorney from him to act for him. If either of such requests are not complied with he shall not be permitted to vote. On the adjournment of the meeting of bondholders, the affidavits

and powers are to be delivered to the Secretary of the party of the first part, to be preserved as part of its records.

AND IT IS FURTHER MUTUALLY AGREED, that the party of the first part shall pay to the parties of the second part, their survivor, successor and successors, for their services in the acceptance of the trust herein created, and the signing and delivery, and exchange of the bonds made pursuant hereto, and their attention to the sinking fund, the sum of one-tenth of one per centum on the amount of such bonds which may be sold or exchanged as herein provided, and all reasonable cash disbursements made by them; which is to be in full for such services, and is to be divided between the persons performing them; and that it will also pay the parties of the second part, their survivor, successor and successors, for any other services to be performed in pursuance hereof, what the same shall be reasonably worth; and that in case of the parties of the second part, their survivor, successor or successors, taking possession of the mortgaged premises, or foreclosing them on account of a default, they shall receive under the trust herein created, a reasonable compensation for their services under and in pursuance of their trust.

AND THIS INDENTURE FURTHER WITNESSETH, that upon the full payment and satisfaction of all the bonds to be issued in pursuance hereof, with all the interest thereon, and the complete performance of all the covenants, agreements and provisions herein contained, all the franchises, estate, right, title and interest of the parties of the second part, their survivor, successor and successors in the trust herein created and raised, shall cease, determine and become absolutely null and void; and that upon proper evidence thereof, the parties of the second part, their survivor, successor and successors, shall make and acknowledge satisfaction thereof in the manner required by law at the time, to re-invest in the party of the first part the mortgaged premises.

AND IT IS FURTHER MUTUALLY AGREED AND PROVIDED, that neither the parties of the second part, their heirs, executors and administrators, nor their successor nor successors in the trust, shall be answerable for the acts, omissions or defaults of each other in matters relating to this indenture, or of any of its provisions; and that no person now being, or hereafter becoming, as aforesaid, a party of the second part, shall be responsible

excepting for his willful default or gross negligence; and that the parties of the second part, and such persons as may be appointed to succeed them as Trustees under this indenture, may employ such attorneys, counselors, clerks, book-keepers, engineers, and other agents as may become necessary and proper to execute any of the trusts in this indenture expressed, and that they shall not be answerable for the misconduct or default of any of them, unless the said parties of the second part shall have been guilty of culpable negligence in their selection; and that the party of the first part will, upon demand, pay the parties of the second part, and those who shall succeed them in the trusts herein, any expenses, costs, or charges which they may reasonably incur in the employment of such attorneys, counselors, clerks, book-keepers, engineers and other agents, and in discharging the duties of their trusts under this indenture, or in obtaining the advice of legal counsel in relation thereto.

IN WITNESS WHEREOF, the Chicago, Milwaukee & St. Paul Railway Company hath caused its name and seal, and the signature of its President and Assistant Secretary to be hereto set, and the parties of the second part have hereto set their signatures and seals in five separate parts, each of which is identical with the others, the day and year first above written.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,
 [SEAL.] By ALX. MITCHELL, *President*.
 JAMES M. MCKINLAY, *Assistant Secretary*.

*Sealed and Delivered in
 the presence of*

JOHN BARKER.
 FRANK SAUNDERS.

L. P. MORTON.
 RUSSELL SAGE.

STATE OF NEW YORK, }
 COUNTY OF NEW YORK. } ss.

BE IT REMEMBERED that on the 3d day of March, 1874, before me, a Notary Public, duly commissioned in and for said County, and duly authorized to administer oaths and take acknowledgments of deeds, came ALEXANDER MITCHELL, President, and JAMES M. MCKINLAY, Assistant Secretary of the Chicago, Milwaukee & St. Paul Railway Company, who, being

by me duly sworn, did respectively depose and say: That they are President and Assistant Secretary of the said Company, that they know the seal of said Company, and that the seal affixed to the foregoing instrument was affixed by order of the Company, and that they signed their respective names thereto as President and Assistant Secretary by the like order; and they severally acknowledged the execution thereof to be their free act and deed, and the free act and deed of said Chicago, Milwaukee & St. Paul Railway Company, for the purpose therein expressed.

And I certify that they are personally known to me to be the persons they are above described to be, and who executed this instrument.

And I further certify that the foregoing instrument is executed according to the forms of law required by the States of Illinois, Wisconsin, Iowa and Minnesota.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, on the day and year above named.

FRANK SAUNDERS,
Notary Public.

{ NOTARIAL }
{ SEAL. }

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK. } ss.

BE IT REMEMBERED that on this 3d day of March, 1874, before me, a Notary Public, residing in the City and County aforesaid, duly commissioned and sworn, in person came RUSSELL SAGE and LEVI P. MORTON, parties of the second part named in the foregoing indenture, and who executed the same, to me known personally to be such persons; and they severally acknowledged before me that they voluntarily executed the said indenture as parties of the second part, for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year above named.

FRANK SAUNDERS,
Notary Public.

{ NOTARIAL }
{ SEAL. }

STATE OF NEW YORK,
CITY AND COUNTY OF NEW YORK, } ss.

I, WILLIAM WALSH, Clerk of the City and County of New York, and ex-officio Clerk of the Supreme Court of the State of New York, in said County, which is a Court of record, hereby certify that FRANK SAUNDERS, the person whose name is subscribed to each of the foregoing notarial certificates, was, at the date thereof, a Notary Public of the said City and County, duly commissioned and sworn and authorized by the laws of said State to take the acknowledgment of deeds therein; that I know his signature, and believe that the signature of the said Frank Saunders to each of the said certificates to be genuine.

And I hereby certify that the foregoing deed is executed and acknowledged according to the laws of the State of New York.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 4th day of March, one thousand eight hundred and seventy-four.

WM. WALSH,
County Clerk.

{ OFFICIAL }
{ SEAL. }

RECORDED: In the office of the Secretary of State of the State of Wisconsin, March 21st, 1874, in Vol. 3 of Railroad Mortgages, on pages 260 et seq.; in the office of the Recorder of Cook County, Ill., March 20th, 1874, in Book 1 of Railroad Corporations, pages 119 et seq.; and in the office of the Register of Deeds of Ramsey County, Minn., April 18th, 1874, in Book 35 of Mortgages, pages 29 et seq.

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