

CHICAGO, MILWAUKEE & ST. PAUL--A STATISTICAL STUDY

In the face of unparalleled records, and despite some hindrances to the proper movement of traffic, whose congested condition has been well enough known to render it only necessary to mention the fact in order that it may be brought to mind--in spite also of a tendency which has not been altogether favorable to rates--the Chicago, Milwaukee and St. Paul Railway Company continues to make further marked progress with its earnings. More attention will surely be attracted to this development as its importance is better understood. More interest will also be taken in it when inquiry is found to bring out the facts as they exist in a more striking way than is possible by a mere glance at the individual monthly statements as they appear. Naturally the gains that have been made must add value to the company's securities as propositions for the investor to deal with, and as naturally

the stock is given attractions that will not be overlooked, the stock being a recognized favorite and leader in market operations; for equity added to equity means something from a market point of view, even if these accessions may not materialize off-hand in the shape of increased dividends. Directors of the St. Paul Road have proved themselves masters of the art of disappointing the talent of Wall Street more than once. They may maintain the record. No harm, however, has come of the policy which has been adopted, and as traffic development and the development of money getting have been anything but disappointing, stockholders may look with equanimity upon an official body which has brought the property to the point where it has shown efficiency in handling economically the vast offerings of business which only those with keen foresight figured out as a practical certainty.

Let us see what has taken place with regard to earnings. Four months of the current fiscal year have been reported on.

The year in which occur the months whose totals stand up for comparison was the best in the history of the company. Gross earnings for the 1902 fiscal period were \$45,613,125, and averaged \$6,906 per mile. These figures had never been equaled before. Nor had net earnings, which were \$15,416,230 in all, and \$2,334 per mile on the average mileage operated. Coming to the current year, July showed \$3,661,393 gross--a new record for July; August produced \$3,964,072 gross--a new record for August, although results were but a mere trifle in favor of the month this year. September followed with \$4,443,216--a new record for September; and October has just come forward with \$4,814,701 gross--a new record for October. But this is not all. October not only shows the best total for the month, but the best total for any month in any year. In other words, the St. Paul Road has for the first time earned in a single month in excess of \$4,800,000.

Now as to recent net earnings, which present a picture no less remarkable for

its bold features. The July total was \$1,381,035--the largest for July. August, with \$1,512,662, fell to a nominal extent behind August, 1901, the previous best exhibit for the month. But September, with \$1,553,909, and October, with \$2,019,603, both establish new records for the respective months, the last named, as was seen to be the case with gross earnings, also being the most productive month for profits the company ever enjoyed. Further, no month ever before brought in net earnings as high as \$2,000,000.

In view of the facts stated, in view of the position the road holds in the section through which it runs, in view also of the wide interest taken in its progress as a thoroughly representative member of the family of American railroads, this exhibit of St. Paul's earnings, gross and net, by months, by years, and per mile, beginning with July of the fiscal year 1892, has been compiled, forming a valuable exposition of facts which should serve a useful purpose for future study and comparison.

GROSS EARNINGS--ST. PAUL.

Fiscal Year.	*Oper'd.	July.	August.	September.	October.	November.	December.	January.	February.	March.	April.	May.	June.	Total.	Per Mile
1891-2.....	5,721	\$2,309,552	\$2,367,006	\$3,093,609	\$3,476,656	\$3,214,162	\$3,092,050	\$2,420,917	\$2,304,103	\$2,741,040	\$2,428,016	\$2,251,619	\$2,584,778	\$32,283,508	\$5.643
1892-3.....	5,723	2,716,999	2,760,011	3,109,375	3,553,520	3,340,281	3,138,954	2,555,182	2,161,446	2,706,356	2,644,658	2,540,294	2,737,979	33,975,055	5.851
1893-4.....	6,147	2,593,355	2,407,843	3,023,550	3,922,658	3,168,076	2,534,175	2,154,823	2,106,786	2,515,757	2,257,234	2,259,714	2,383,942	31,327,951	5.090
1894-5.....	6,159	1,799,226	2,493,078	2,809,375	2,990,874	2,519,014	2,203,524	1,894,379	1,927,522	2,256,237	2,054,183	2,144,094	2,263,805	27,335,369	4.438
1895-6.....	6,153	2,239,241	2,682,988	3,082,291	3,851,863	3,416,689	2,764,652	2,329,623	2,305,680	2,749,354	2,366,590	2,257,920	2,604,939	32,681,820	5.311
1896-7.....	6,153	2,546,227	2,524,360	2,878,180	3,480,112	2,738,521	2,570,878	2,010,450	2,110,740	2,336,326	2,203,770	2,359,640	2,718,560	30,486,768	4.955
1897-8.....	6,154	2,713,393	2,821,614	3,210,897	3,579,848	3,328,447	2,817,081	2,861,297	2,394,031	2,916,373	2,585,545	2,746,324	3,000,946	38,310,632	6.226
1898-9.....	6,347	3,884,476	3,376,693	3,692,183	4,073,456	3,500,448	3,504,276	2,950,408	2,573,815	3,133,728	2,916,399	3,108,658	3,419,205	41,884,692	6.509
1899-0.....	6,512	3,220,325	3,594,690	3,879,402	4,327,690	4,022,688	3,788,933	3,210,813	2,807,741	3,427,821	3,264,103	3,232,192	3,555,989	42,369,509	6.506
1900-1.....	6,605	3,582,041	3,964,056	4,150,493	4,521,207	4,177,137	3,991,254	3,818,569	3,093,905	3,530,904	3,244,196	3,484,399	3,873,717	45,613,125	6.906
1901-2.....	6,605	3,582,041	3,964,056	4,150,493	4,521,207	4,177,137	3,991,254	3,818,569	3,093,905	3,530,904	3,244,196	3,484,399	3,873,717	45,613,125	6.906
1902-3.....	6,605	3,661,393	3,964,072	4,443,216	4,814,701	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NET EARNINGS--ST. PAUL.

Fiscal Year.	*Oper'd.	July.	August.	September.	October.	November.	December.	January.	February.	March.	April.	May.	June.	Total.	Per Mile
1891-2.....	5,721	\$725,312	\$654,894	\$1,329,877	\$1,572,024	\$1,404,295	\$1,372,498	\$679,522	\$583,923	\$1,074,005	\$697,795	\$573,490	\$800,868	\$11,468,504	\$2.005
1892-3.....	5,723	801,350	830,863	1,114,928	1,432,273	1,339,165	1,275,129	670,709	480,365	1,065,917	783,060	739,107	1,004,082	11,486,947	2.007
1893-4.....	6,147	736,334	639,862	1,167,169	1,891,343	1,278,506	859,441	608,456	574,807	1,064,343	709,420	725,473	960,465	11,213,618	1.824
1894-5.....	6,159	378,170	824,922	1,005,610	1,237,957	986,159	901,248	639,460	595,503	1,035,536	735,788	671,131	1,118,387	10,291,616	1.671
1895-6.....	6,153	736,994	1,021,635	1,345,367	1,907,911	1,653,828	1,236,860	787,713	739,701	1,114,798	776,197	779,027	1,093,782	13,005,021	2.113
1896-7.....	6,153	820,863	845,764	1,011,115	1,610,488	1,255,629	1,241,008	704,593	785,532	1,010,372	740,447	789,627	1,003,359	11,909,229	1.936
1897-8.....	6,154	949,838	1,092,125	1,152,894	1,613,298	1,470,417	1,254,514	756,530	789,804	1,180,295	750,011	965,982	1,003,359	12,988,097	2,111
1898-9.....	6,154	882,521	1,111,915	1,406,224	1,919,974	1,595,299	1,591,306	1,008,163	780,322	1,210,257	749,882	961,400	1,130,523	14,347,796	2.332
1899-0.....	6,347	1,140,958	1,186,662	1,204,387	1,690,503	1,523,971	1,422,470	1,022,789	749,292	1,188,401	757,201	603,500	974,620	13,463,355	2.421
1900-1.....	6,512	1,161,090	1,350,170	1,240,989	1,693,953	1,481,357	1,484,021	1,128,443	925,025	1,240,744	770,543	733,063	1,128,181	14,301,509	2.210
1901-2.....	6,605	1,357,288	1,545,615	1,379,563	1,815,241	1,549,373	1,536,429	1,164,764	883,351	1,367,227	875,719	875,317	1,157,343	15,416,230	2.334
1902-3.....	6,605	1,381,035	1,512,662	1,553,909	2,019,603	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

*Miles.

Here at a glance may be seen what remarkable changes have taken place on the St. Paul system, which has not reached out for new mileage as much as many others, but which has steadily reflected the building up of the territory served by it, and has made handsome profits while still spending heavily on improvements. Nothing more striking is revealed than the fact that some recent monthly totals of net earnings are as large as the monthly totals of gross placed on record a few years ago, while it will easily be seen that current gross totals are from one to two million dollars, and even more, in excess of what were at one time the average receipts of the property on a comparatively trifling difference in the length of road under operation.

In the first of the years covered by this comprehensive chart, showing St. Paul's

progress and development, 1892, the company was able to pay its stockholders only 2 per cent. It had paid nothing at all in the previous year. The 2 per cent. was increased to 4 per cent. for 1893, and this rate obtained for 1894. For 1892, it may be stated that net earnings showed quite an improvement, over those for 1891, and this improvement as the table indicates, continued during the years just mentioned. It is to be remembered, nevertheless, that in 1894 there was a substantial addition to mileage, 424 miles, and that this did not prevent the net total from falling to some extent behind that for 1893. The new mileage represented the Milwaukee and Northern, hitherto reported on separately. In the accounts for 1894 its operations were included, stockholders having approved the purchase of the property, the purchase having been completed and the transfer made.

It will then be seen that for 1895, so heavy was the falling off in traffic that gross came down \$5,000,000 at a run and \$1,000,000 of profit was wiped out. The stockholders got 2 per cent. again. But this was the last of St. Paul's vicissitudes. The year 1896 was a producer of large net earnings, the road having recovered more than its loss in gross and having economized into the bargain; and so, from dividends of 4 to 5 per cent., from 5 to 6, and from 6 to the rate now being paid, St. Paul has made good all it has promised and has disappointed only foolish expectancy.

The capital stock has been increased, and apparently is to be still further raised in total. Charges have developed nothing unfavorable. Holders of convertible bonds have considered the company's position sufficiently safe for them to exchange such holdings for preferred stock, and thus

charges have actually and considerably decreased. They were, for example, \$7,162,000 in 1892, and ten years later, or for the past fiscal year, \$6,210,000. If the present rate of increase in net continues, which is a high probability, results for 1903 will exceed \$16,587,000, and probably show approximately \$11,000,000 as a dividend balance, taking outside net receipts of about \$450,000 into consideration, or the equivalent of 7 per cent. on \$157,000,000 of capital. Stock issues as of June 30 last were for \$46,682,400 preferred and \$58,183,900 common, or a total of \$104,866,300. With earnings making their present progress, and with prospects in every way favorable, it is hardly surprising that stockholders should feel keenly the delay in taking action with regard to the proposed increase in the common share capital.

MILTON J. PLATT.