HISTORY

The Chicago, Milwaukee & St. Paul Railway Company was chartered May 5, 1863, under the laws of Wisconsin, as the Milwaukee & St. Paul Railway Company. It was organized at a time when there was an open question as to whether Chicago or Milwaukee would be the chief port of Lake Michigan. The aim of the company was to extend the road into the vast wildernesses of Minnesota and the Dakotas, St. Paul at that time being an obscure village and Minneapolis unknown. The purchase of the St. Paul & Chicago Railroad, effected after the organization, gave the road a through line from Milwaukee to St. Paul, and in 1874 the extension from Milwaukee to Chicago completed a continuous road between the latter city and the Minnesota capital.

It was on February 14, 1874, that the name of the company was changed to its present title. Since then the road has been steadily extended through Iowa and Minnesota, and into the Dakotas, according to the original intention. The absorption of the Milwaukee & Northern Railroad carried the system into the iron districts of the Michigan Peninsula; other extensions were made into Omaha

and Kansas City on the south, Fargo and other points in North Dakota on the north.

In 1903 the Chicago, Milwaukee & St. Paul Railway acquired the entire capital stock of the Wisconsin Western Railroad Company, whose line extended from Wauzeka to La Farge, Wisconsin. In April, 1906, the company purchased the property, rights and franchises of the Duluth, St. Cloud, Glencoe, & Mankato Railroad Companies which had a line projected from Albert Lea to Duluth, Minnesota.

The complete line from Madison to Sioux Falls, South Dakota, was opened for traffic November 5, 1906, and the line from Chamberlin to Rapid City, South Dakota, July 29, 1907.

PUGET SOUND EXTENSION

Undoubtedly the most important event in the recent history of the Chicago, Milwaukee & St. Paul Railway was the building of the Chicago, Milwaukee & Puget Sound Railway, its Extension to the Pacific Coast. It had long been apparent that such an outlet would prove of great benefit to the Chicago, Milwaukee & St. Paul, especially through the interchange of constantly increasing traffic between the Great Lakes and Puget Sound.

On October 9, 1905, under the laws of Washington, a company known as the Pacific Railway Company was chartered. In the following January the articles of incorporation were amended and the name of the company was changed to the Chicago, Milwaukee & St. Paul Railway Company of Washington. December 31, 1908, the name was again changed to the Chicago, Milwaukee & Puget

Sound Railway.

The entire capital stock of the latter company (\$100,000,000) is owned by the St. Paul. "The Puget Sound Company," as it soon became known, in turn owns all the preferred stock (\$750,000 par value) and \$748,900 of the \$750,000 common stock of the Tacoma Eastern Railroad. The latter was chartered July 14, 1890, under the laws of Washington, and after a reorganization in 1903, its road was opened from Tacoma to Eatonville on June 1 of that year. Since that time several branches

and extensions have been added, so that in 1912 the Tacoma & Eastern was operating nearly 90 miles of road, all situated in the State of Washington.

From its inception, the Puget Sound was engaged in the construction of a line of railway from the St. Paul Termini on the Missouri River, to Seattle, Tacoma, and other important Puget Sound Points. The route chosen at that time was, and is, quite inexplicable. Between the Union Pacific and the Northern Pacific Lines, there is a wide belt of territory from two to three hundred miles broad which is crossed by no east or west road except the diagonal path of the Oregon Short Line. A road going through this territory would tap a country rich in coal, oil and mineral deposits, and have a wide field to itself.

The Puget Sound chose a route almost paralleling that of the Northern Pacific; in fact, the two lines cross and recross at many points, and for long stretches run side by side. But it has amply justified itself as a business proposition. Completed May 14, 1909, the line was opened for traffic on August 1st of that year, and on May 28, 1911, through passenger service between Chicago, Seattle and Tacoma was instituted. Within two years after it was opened for operation, the Puget Sound earned over \$2,700,000 in excess of its full fixed charges. During the fiscal year, 1912, with gross earnings \$1,600,000 greater than in 1911, the road showed a small deficit after charges, which were far heavier than in 1911. Taxes alone increased \$525,000, and the company's maintenance charges were larger during 1912—probably more than sufficient to care for the requirements of the road, which is practically new.

Beginning January 1, 1913, the Puget Sound was operated directly as a part of the St. Paul System. The St. Paul acquired a deed to the physical property of the Puget Sound, and took over all its assets and obligations, assuming the latter as its own. It is believed that the financial status of the St. Paul will be materially strengthened as a result of this merger, also that the two properties operated as one will show increased operating efficiency.

PROPERTY

At the close of the fiscal year ending June 30,,1912, the St. Paul operated an average of 7,511.41 miles of main line. Of this amount, 7,265.90 miles were owned absolutely by the company, 30.50 miles were owned jointly with other companies, and 215.01 miles were being operated under special contract. The location of the road is as follows:

In	Wisconsin .															1,783.05 miles
	Illinois															415.03
	Iowa															1,871.13
	Minnesota .															1,244.90
	North Dakota															153.31
	South Dakota															1,529.66
	Missouri															•
	Michigan															159.05
	Total le	nø	th	0	fn	กลเ่	in	tr	acl							7.296.40

The Chicago, Milwaukee & Puget Sound Railway, with an average mileage in 1912 of 2,059.74 miles, is operated as a separate system, although in harmony with the St. Paul.

Included in the property of the Chicago, Milwaukee & St. Paul Railway Company are 1,180.5 acres of coal lands, and the mining rights for 1,256.61 acres, in Monroe and Marion Counties, Iowa. These lands are reached by the existing lines of the company. It has also acquired 347.13 acres of coal land, and the mining rights for 27,326.62 acres, in Bureau, Putnam, and La Salle Counties, Illinois. The title to these lands was acquired by the Excelsior Coal Company and the St. Paul Coal Company, which are controlled by the Chicago, Milwaukee & St. Paul Railway Company.

CAPITALIZATION

From the St. Paul's balance sheet of June 30, 1912, the following capitalization figures are compiled:

Capital:										
Common										\$116,348,200
Preferred										116,274,900
Total capital stock										\$232,623,100
Funded debt										268,367,155
Gross capitalization										\$500,990,255
Securities owned										
Net capitalization										\$369,407,096
Net capital per mile operate	d									\$49,181
Average miles operated										7,511.41
Net income to net capital .										6.2%
Fixed charges to net income										56.8%
Margin of safety										43.2%

With the exception of 245 miles, which are operated jointly or under special contract, the entire road is owned in fee. The gross capitalization, as above, was over \$500,000,000, or an average of \$66,699 per mile of road operated. The relative figure for the Chicago & Northwestern Railway is \$44,266, while that of the Burlington is \$35,342. It would appear from this that the capitalization per mile was excessive as compared with other roads of its class, and to let these figures stand without explanation would be extremely unfair, since the enormous burden of financing the Puget Sound Extension was primarily borne by the St. Paul.

In fact, the fairer way would be to compare the capital of the St. Paul and the Puget Sound together, with those of similar trunk lines, such as the Great Northern and the Northern Pacific. Pro rating the heavy cost of its Puget Sound Extension over the total mileage of the St. Paul, and using as a basis 9,570 miles, the amount operated by both, we find the net capital to be \$57,060 (excluding the Puget Sound's \$100,000,000 stock, all owned by the St. Paul), as compared with the net capital per mile of the Northern Pacific, which is \$61,933, and the Great Northern, which is \$41,874.

The St. Paul System as a whole, including the Puget Sound, does not carry an unfavorably high capitalization per mile, nor does the cost of construction and equipment appear excessive. We find the total cost of road per mile of the St. Paul & Puget Sound to be \$61,250, the Great Northern \$51,900, and the Northern Pacific slightly over \$64,600.

On the basis of earnings, also, the Chicago, Milwaukee & St. Paul Railway does not appear to be over-capitalized. During the fiscal year ending June 30, 1912, the St. Paul itself reported a total net income equivalent to 6.2% of its net capital of \$49,181 per mile. The Chicago & Northwestern Railway showed for the same period a total net income equivalent to 7.6% on its net capital per mile, a figure slightly over \$40,600, while the Chicago, Burlington & Quincy Railroad's net income to net capital was but 9.7% on \$32,136 per mile. Had the latter's net capital been as high as that of the St. Paul, its ratio of net income to net capital would have been but 6.2%.

During the fiscal year of 1912 there were no increases in either class of capital stock. The company's funded debt, however, received two additions, totalling \$35,794,500; one by the issue of \$1,056,000 of General Mortgage Bonds of 1989, and the other by the issue of \$34,893,500 of Convertible 4½s of 1932, for the purchase and construction of additional lines of railway, for improvements and betterments and for the purchase of new equipment. The total funded debt, June 30,

1912, was \$268,367,154, or \$35,729 per mile, of which \$40,768,000 were in the treasury of the company and \$227,599,154 were outstanding in the hands of the public.

The company's net capital per mile, June 30, 1912, was \$49,181, as compared with \$44,240 in 1911. In 1912 a net income of 6.2% upon this capitalization was shown, as compared with 9.0% in 1911. This decline of 2.8% was due in a large degree to the loss in Other Income, due to the failure of the Puget Sound to pay dividends on its \$100,000,000 capital stock, all of which is owned by the St. Paul. The company's net income applicable to fixed charges was \$3,062 per mile, being \$930 less in 1912 than in 1911. Fixed charges consumed 56.8% of the net income, leaving a margin of safety for fixed charges, which include taxes, rentals and interest, of 43.2%. This compares with 54.6% in 1911.

CHARACTER OF TRAFFIC

The St. Paul is one of the great "Granger" roads of the West, and farm products make up the chief item of its tonnage. In 1911 nearly 68% of the total traffic of the St. Paul was represented by its freight business, while the average proportion of freight to all traffic for the decade ending 1912 was 72%. Below are enumerated the salient freight statistics of the road for the years 1907 to 1912 inclusive:

Year						Freight revenue	Average rate	Freight density	Tons carried
1907 .						\$44,115,059	\$.0086	731,299	28,596,041
1908 .						40,426,880	.0081	664,153	26,189,853
1909 .						42,341,651	.0084	672,460	27,499,704
1910 .						44,909,137	.00843	709,119	30,698,915
1911 .						44,776,454	.00841	708,671	26,793,647
1912 .						42,815,573	.00838	679,782	26,575,784

We append a comparative statement, based on the reports of the company, showing the commodities transported during the years above mentioned:

Products of		1907	1908	1909	1910	1911	1912
Agriculture .		6,470,914	5,640,370	5,868,017	5,754,165	5,739,385	5,179,062
Animals		1,776,251	1,805,431	1,763,683	1,646,341	1,727,269	1,775,860
Mines		8,512,230	7,468,900	7,948,184	9,782,608	7,187,511	7,531,702
Forests		3,794,148	3,390,160	3,711,243	3,851,660	3,622,107	3,566,264
Manufactures .		4,776,377	4,522,248	4,898,948	6,056,060	4,969,968	5,067,960
Not specified		3,266,120	3,362,744	3,309,629	3,608,081	3,547,407	3,454,936
Total tons							
carried	•	28,596,041	26,189,853	27,499,704	30,698,915	26,793,647	26,575,784

Passenger earnings in 1912 represented 22% of the gross earnings of the company. Below are tabulated the more important passenger statistics of the road for the years 1907 to 1912 inclusive:

Year							Passenger revenue	Average rate	Passenger density	Passengers carried
1907							\$12,102,196	\$.022	77,957	12,246,478
1908							11,883,395	.0192	82,607	14,234,127
1909							12,774,852	.0189	89,733	15,261,551
1910							14,786,744	.0188	104,758	17,613,549
1911				,			14,077,757	.0186	100,917	16,795,212
1912							13,936,963	.0203	91,055	14,177,026
							[204]			

EARNINGS

Below are given the gross and net earnings for the years 1907 to 1912 inclusive:

Year				Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907				7,050	\$60,548,555	\$8,589	\$21,148,144	\$2,998
1908				7,499	56,932,620	7,592	19,769,252	2,636
1909				7,512	59,897,464	7,974	21,166,225	2,818
1910				7,512	64,846,894	8,632	20,055,897	2,670
1911				7,512	64,975,995	8,650	17,922,276	2,386
1912				7,511	63,122,743	8,404	15,379,587	2,049

Gross earnings recovered to the level of before-the-panic days, and except for a nominal decline in 1912, were of satisfactory volume. The net earnings per mile, however, reflect a discomforting tendency. These figures have declined over 20% since 1907; in fact they are back to the level of 1902 and 1903.

This decline in net earnings may be accounted for in two ways. It may be due to high maintenance charges or to an increase in transportation costs. In the following table the total maintenance per mile of the St. Paul is compared with that of two similarly situated roads, for the years 1907 to 1912 inclusive:

Year										St. Paul	Chicago & Northwestern	Burlington
1907										\$2,045	\$2,334	\$3,198
1908										1,825	1,942	2,935
1909										1,938	2,131	2,878
1910										2,156	2,611	3,412
1911										2,224	2,501	2,995
1912										2,462	2,410	3,068

A glance at these comparative statistics will show that the St. Paul has spent less for maintenance each year than either of the others. Even the 1912 figure, which is the largest expenditure for maintenance in the history of the road, is not any too favorable. It may be said, therefore, that the decrease in net earning power has not been due, to any large extent, to expenditures on property and equipment.

The item of transportation costs is the only remaining source of this decline. Below are given the ratios of transportation costs to gross earnings, and the operating ratios (expenses to earnings) of the St. Paul for the years 1907 to 1912 inclusive:

Year												1	ran	sportation ratio	Operating ratio
1907														41.3%	65.09%
1908														41.2	65.27
1909														40.3	64.66
1910														44.1	69.05
1911														46.7	72.40
1912														46.3	75.64

The above table shows that in 1912 the St. Paul spent \$46.30 for cost of transportation, general and traffic expense out of every hundred dollars' worth of business handled. It is interesting to compare this figure with that of the Burlington, which spent about \$37.80, and the Northwestern, which spent \$45.80. It would seem, therefore, that the decline in net earnings during the last six years could be explained by the increase in the transportation ratio from 41.3% to 46.3%.

MAINTENANCE

Although facing declining earnings during the poor year ending 1912, and with no probable betterment in business conditions for the present, the St. Paul management has not cut the amount spent for maintenance of roadway and rolling stock, even though the current dividend rate has been reduced. Below is a comparative statement of the amounts which the St. Paul has spent for maintenance in the years 1907 to 1912 inclusive:

Year							Main	tenance	Total	Per mile
							Way	Equipment	maintenance	
1907 .							\$5,830,968	\$8,589,757	\$14,420,725	\$2,045
1908 .							6,642,820	7,039,270	13,682,090	1,825
1909 .							7,288,603	7,270,774	14,559,377	1,938
1910 .							8,472,825	7,724,569	16,197,394	2,156
1911 .							7,865,401	8,839,384	16,704,785	2,224
1912 .							8,812,314	9,681,271	18,493,585	2,462

To show the maintenance charges per mile of other roads similarly situated, and also the per cent of maintenance charges to gross earnings, the following comparative table is appended for the years 1907 to 1912 inclusive:

				Total mainter	nance per mile	Total m	aintenance to gross	earnings
Year				Burlington	Chicago & Northwestern	Burlington	Chicago & Northwestern	St. Paul
1907				\$3,198	\$2,334	35.4%	25.6%	23.8%
1908				2,935	1,942	34.7	23.4	24.1
1909				2,878	2,131	33.7	24.6	24.3
1910		,		3,412	2,611	34.9	27.0	24.9
1911				2,995	2,5 01	30.6	25.7	25.7
1912				3,068	2,410	32.1	25.7	29. 3

As will be seen by the foregoing, the expenditures of the St. Paul for maintenance were not as large as those of the Burlington and the Chicago & Northwestern, but it is significant that the proportion of maintenance charges to gross earnings increased steadily during the six years in question, while the Burlington showed a considerable proportional decrease and the Chicago & Northwestern remained practically stationary.

The St. Paul's maintenance is now the highest in its history, in spite of the fact that in 1907, when the company was putting itself in shape to meet increased business on account of the opening of the Puget Sound Extension, upkeep of property and equipment was above normal.

ADDITIONS AND BETTERMENTS

Below is a comparative statement of the sums spent for additions and betterments by the Chicago, Milwaukee & St. Paul Railway for the years 1907 to 1912 inclusive:

Year				Equipment	Construction	Other betterments	Total
1907 .				\$8,381,142	\$ 3,8 17 , 213	\$11,654,652	\$23,853,007
1908 .				2,737,751	1,714,581	13,882,610	18,334,932
1909 .				215,719	832,579	13,869,311	14,917,609
1910 .				1,128,401	1,679,048	11,536,109	14,343,558
1911 .				3,084,781	1,824,994	7,461,282	12,371,057
1912 .				4,319,490	1,605,236	3,456,437	9,3 81, 16 3
				\$19,867,284	\$11,473,651 [206]	\$61,860,391	\$93,201,3 26

Below are tabulated the various accounts against which these betterments were charged during the years in question:

Year 1907	767,219 121,490*	Renewal fund \$10,145,790 10,990,707 6,721,025 7,983,543†	Capital \$8,433,991 6,577,006 8,075,094 6,360,015 12,371,057 9,381,163	Total \$23,853,007 18,334,932 14,917,609 14,343,558 12,371,057
	\$6,161,936	\$35,841,065	\$51,198,3 26	\$93,201,326
Equipment fund . Renewal fund			35,841	,065

DIVIDENDS

As a dividend payer, the St. Paul has had a record up to the present time that is surpassed by no other Western railway. With the single exception of the year 1875, dividends have been paid continuously for over forty years upon the preferred stock of the company. A complete record of dividends paid from 1892 to 1912 is as follows:

Year																Rate	
														P	referred		Common
1892 .															7%		2%
1893-4															7		4
1895 .															7		2
1896 .															7		4
1897-1	90	0													7		5
1901 .															7		6
1902-1	1														7		7
1912 .																	6

Compiled from the reports of the company for the years 1907 to 1911, the following surpluses have been shown over and above all fixed charges and dividends:

Year															Amount
1907															\$5,571,295
1908															3,269,242
1909															3,796,586
1910															
1911															

^{*} The equipment fund was discontinued in 1910, and amounts previously charged to it were charged to capital. † The renewal fund was closed in 1911.

During 1912 both common and preferred dividends were declared from Profit and Loss. The Profit and Loss Account of the company stood on its balance sheet, June 30, 1912, at \$42,931,525, equivalent to 18.5% of its total outstanding capital stock.

STATISTICS

Following are given capitalization, earnings, and traffic statistics of the Chicago, Milwaukee & St. Paul Railway, based on the average miles operated, for the year 1900 and the years 1905 to 1912 inclusive:

Fiscal year		Preferred Common stock stock			ded bt	Gross capital	Owned compa	•	Net capital	Average miles	Extra main track	
1900	86,41	10	\$7,428	\$20,6	862	\$34,500		837	834,413	6,347	293	
1905		7,141		17,6		33,249		798	32,456	6,908	455	
1906	7,133		8, 422 8,358	17,5		32,997		668	32,329	6,961	458	
1907	7,06		11,799	17,8		36,710		654	36,056	7,050	503	
1908	6,60		11,118	16,7		84,541		669	31,872	7,499	528	
1909	15,47		15,488	19,1		50,081	14,0		36,041	7,512	547	
1910	15,47		15,488	25,5		56,550		562	36,988	7,512	569	
1911	15,47		15,488	30,9		61,926	17.0		44,240	7,512	660	
1912	15,48		15,490	35,7		66,699	17,		49,181	7,511	661	
Fiscal year	Gross operating		aintenance	Transpor		Net operating	Other	Total net	Fixed charges	Surplus available	Dividends	
	revenue	Way	Equipme			revenue				for dividends		
1900	\$ 6,599	\$1,190	\$528	\$2,	132	\$2,74 9	87	\$2,756	\$1,056	\$1,700	8774	
1905	7,221	775		-,	825	2,873	33	2,906	1,099	1,807	1,086	
1906	7,962	855			800	3,295	37	3,332	1,098	2,234	1,084	
1907	8,589	827		3,	546	2,998	152	3,150	1,167	1,988	1,204	
1908	7,592	886	939	3,	181	2,636	229	2,865	1,188	1,677	1,240	
1909	7,974	970	968	3,	218	2,818	361	3,179	1,434	1,745	1,240	
1910	8,632	1,128	3 1,028	3,	806	2,670	1,286	3,956	1,469	2,487	2,160	
1911	8,650	1,047	1,177	4,	040	2,386	1,607	8,993	1,815	2,178	2,160	
1912	8,404	1,178	1,289	3,	893	2,049	1,013	3,062	1,739	1,323	2,006	
Fiscal year	Other charges to income	Surplus	Operating expenses to gross earnings	tens to g	nce	Conducting transporta- tion to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital		earned on al stock	
1900	8476	\$430	58.359	7. 96	3.0%	32.3%	16.0%	19.0%	8.0%	26.5%	17.2%	
1905	89	632	60.22		1.1	39.1	15.0	21.8	9.0	25.3	15.6	
1906	819	831	58.62).9	37.7	13.8	24.1	10.3	31.3	20.7	
1907	66	713	65.09		3.8	41.3	18.6	23.5	8.7	28.1	12.6	
1908	00	437	65.27		i.1	41.2	15.6	21.9	9.0	25.2	10.9	
1909	•	505	64.66		1.3	40.3	17.9	15.9	8.8	11.1	8.1	
1910		327	69.05		1.9	44.1	17.0	15.2	10.7	16.06	9.1	
1911		18	72.40		5.7	46.7	21.0	13.9	9.0	14.06	7.1	
1912		683*	75.64		9.3	46.3	20.7	12.6	6.2	8.54	1.5	
Fiscal year	Train mile earnings (gross)	per re		onducting ransporta- tion per revenue		Rate por Per passenger	er mile Per ton	Freight density		Freight to all traffic	Passenger, freight and company	
		Way I	Equipment								cars	
1900	\$1.65	8.132	\$.297	\$.639	\$.582	\$.0235	\$.0093	528,98		74%	37,481	
1905	1.79	.196	.191	.743	.660	.0224	.0088	590,82		72	43,003	
1906	1.93	.207	.195	.840	.688	.0223	.0086	669,99	1 282	72	41,154	
1907	1.97	.189	.279	.813	.689	.0220	.0086	731,29		78	45,937	
1908	1.89	.220	.233	.777	.660	.0192	.0081	664,15	3 274	71	47,757	
1909	1.94	.235	.235	.780	.690	.0189	.0084	672,46	0 274	71	47,585	
1910	1.97	.260	.237	.876	.597	.0188	.00843	709,11			47,286	
1911	1.98	.241	.269	.929	.541	.0186	.00841	708,67		69	46,992	
1912	1.97	.275	.303	.917	.475	.0203	.00838	679,78		68	49,948	
						* Deficit.						
						[000]						

[209]

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Chicago, Milwaukee & St. Paul Railway System, together with the bases upon which they have sold during the decade ending December 31, 1912:

General Mortgage Gold 31/2s and 4s

Dated May 1, 1889

Maturing May 1, 1989

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$150,000,000

Outstanding (4s) \$48,841,000 (3½s) 8,950,000

Per mile .

ile 9,150

Provisions of issue:

Of the total amount authorized, there are \$57,791,000 outstanding at present as above, \$39,223,000 in the treasury of the company at present unsold, and \$52,986,000 reserved to

retire prior liens.

Security:

The above bonds are secured by a direct mortgage on 6,314.78 miles of road, bridges, terminals, realty, equipment and future acquisitions on the above. They are secured by a first mortgage on 3,753.07 miles, a second mortgage on 2,611.71 miles, and on the terminal property in Milwaukee subject to the Chicago, Milwaukee & St. Paul Terminal First 5s of 1914.

Trustee:

United States Trust Company, New York.

The General Mortgage 4s sold in 1900 on a 3.47 to 3.65 basis

1901 3.47 3.62 1902 3.39 3.60 1903 3.55 3.875 1904 3.55 3.78 1905 3.47 3.60 1906 3.57 3.78 1907 3.72 4.07 1908 3.84 4.00 1909 3.82 3.95 1910 3.98 4.07 1911 4.02 4.07 1912 4.054.15

The General Mortgage 3½s sold in 1902 on a 3.33 basis

1903 3.57 1904 3.55 to 3.60 basis 1905 3.54 3.625 1906 3.62 3.84 1907 3.80 4.30 1908 3.78 4.05 1909 3.78 4.00 1910 3.95 4.12 1911 4.00 4.10 1912 4.05 4.20

These bonds are considered a legal investment for savings banks in New England.

Debenture Gold 4s

Dated July 1, 1909

Maturing July 1, 1934

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$28,050,000

Provisions of issue:

Of the total amount authorized there are at present outstanding, as above, \$28,050,000, the balance, \$21,950,000 being reserved for construction of branches and feeders for the Pacific

extension to Puget Sound.

Security:

The above bonds are not secured by a mortgage, but they are direct obligations of the company as evidenced by its indenture, which provides that no new mortgage shall be placed on the railroad owned by it July 1, 1909, without equally securing these bonds.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1909 on a 4.35 to 4.40 basis

1910 4.42 4.62 1911 4.45 4.65 1912 4.55 4.75

These bonds are considered legal for savings banks in New Hampshire and Rhode Island.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Chicago & Pacific Western Division, First Gold 5s

Dated January 1, 1881

Maturing January 1, 1921

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (closed mortgage)

Outstanding \$25,340,000

Per mile . . 22,605

Security:

The above bonds are secured by a first mortgage on the main line from Marion to Council Bluffs, Ia., 261.06 miles; from Scotland to Aberdeen, S. D., 176.32 miles; from Manila, Ia., to Scotland Junction, 178.12 miles; from Ottumwa Junction to Coburg, Mo., 202.54 miles, and branches; the above totalling 1,120.9 miles. The bonds are further secured by a first mortgage on the equipment and future acquisitions on the above.

[213]

Equity:

The above bonds are prior in lien to the General Mortgage 4s and 31/2s of 1989, a sufficient number of which has been reserved to retire this issue. Under the terms of the above General

Mortgage no further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.50 to 3.75 basis 1901 3.47 3.80 1902 3.72 4.10 1903 3.65 3.70 1904 3.55 3.80 1905 3.50 3.75 1906 3.20 3.62 1907 3.875 4.50 1908 3.82 4.17 1909 3.90 4.15 1910 4.00 4.375 1911 4.08 4.25 1912 4.10 4.40

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Dubuque Division First Currency 6s

Dated July 1, 1880

Maturing July 1, 1920

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$6,500,000 plus \$15,000 per mile

Outstanding \$4,784,000 Per mile . .

Provisions of issue:

The amount originally authorized, as above, was limited by the terms of the General Mortgage 4s and 3½s of 1989 to \$5,565,000. Of this amount, \$4,784,000 are outstanding in the hands of the public, and the balance, \$781,000, has been retired by the sinking fund.

Security:

The above bonds are secured by a first mortgage on the line from Clinton, Ia., to River Junction, Minn., 178.01 miles, and important branches, the above totalling 352.84 miles. The bonds are further secured by a first mortgage on the equipment and future acquisitions of the above.

Equity:

The above bonds are prior in lien to the General Mortgage 4s and 31/2s of 1989, a sufficient number of which has been reserved to retire this issue.

Sinking fund:

An annual amount, equal to 1% of the total bonds issued, is to be applied to the purchase of these bonds at not exceeding 103. Bonds so purchased are to be cancelled, and if not so purchasable, the money is to be invested in other first mortgage 6% bonds of the company. The sinking fund went into effect July 1, 1885.

[214]

These bonds sold in 1900 on a 3.625 to 3.84 basis 1901 3.67 1903 3.80 4.10 1904 3.85 3.90 1905 3.67 1906 3.72 3.95 1908 4.27 1909 3.92 1910 4.25 4.375 1911 4.05 4.20 1912 4.00 4.35

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Wisconsin & Minnesota Division First Gold 5s

Dated July 1, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (closed mortgage)

Outstanding \$4,755,000

Per mile . . 22,115

Security:

The above bonds are secured by a first mortgage on 215.15 miles of road and future acquisitions. The lines included in this mortgage are those from Wabasha to Zumbrota, Minn., and from Wabasha to Chippewa Falls, Wis., also the important line from St. Paul to Minneapolis.

Equity:

The above bonds are prior in lien to the General 4s and 31/2s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 31/2s of 1989 no further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.58 to 3.82 basis 1901 3.60 3.82 1902 3.47 3.80 1903 3.70 4.05 1904 3.68 3.875 1905 3.62 3.72 1906 3.67 3.951907 4.004.60 1908 3.90 4.20 1909 3.95 4.15 1910 4.10 4.37 1911 4.12 4.20 1912 4.15 4.30

These bonds are considered a legal investment for savings banks in New England.

[215]

Chicago & Missouri River Division First Currency 5s

Dated July 1, 1886

Maturing July 1, 1926

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (closed mortgage)

Outstanding \$3,083,000

Per mile . . 41,105

Security: T

The above bonds are secured by a first mortgage on the company's lines in South Dakota,

totalling 75.02 miles.

Equity:

The above bonds are prior in lien to the General 4s and $3\frac{1}{2}$ s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and $3\frac{1}{2}$ s of

1989, no further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.57 to 3.78 basis

1901 3.60 3.87 1902 3.50 3.80 1903 3.77 4.05 1904 3.67 3.95 1905 3.62 3.73 1906 3.70 3.95 1907 4.00 4.30 1908 4.054.23. 1909 3.95 4.15 1910 4.11 4.38 1911 4.20 1912 4.15 4.40

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

La Crosse & Davenport Division First Currency 5s

Dated July 1, 1879

Maturing July 1, 1919

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000.

Authorized \$3,000,000 (closed mortgage)

Outstanding \$2,500,000

Per mile . . 13,250

Security:

The above bonds are secured by a first mortgage on the company's line from Davenport to Jackson Junction, Ia., and branches, totalling 188.62 miles. They are further secured by a

first mortgage on the equipment of the line and future acquisitions.

[216]

Equity:

The above bonds are prior in lien to the General 4s and $3\frac{1}{2}$ s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and $3\frac{1}{2}$ s of 1989 no further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.60 to 3.70 basis 1901 3.57 3.67 1902 3.50 3.72 1903 3.75 3.92 1904 3.82 3.90 1905 3.60 3.75 1906 3.67 3.92 1907 4.12 4.35 1908 3.92 4.22 1909 4.15 4.20 4.40 1910 1911 4.25 4.35 1912 4.20] 4.25

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Wisconsin Valley Division First Currency 6s

Dated July 1, 1880

Due July 1, 1920

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,700,000 plus \$15,000 per mile

Outstanding \$1,853,000 Per mile . . 11,475

Provisions of issue:

The amount originally authorized, as above, was limited by the terms of the General Mortgage 4s and 3½s of 1989 to \$2,466,000, of which \$1,853,000 are outstanding in the hands of the public, and the balance, \$613,000, has been retired by the sinking fund.

Security:

The above bonds are secured by a first mortgage on the Division's line from Tomah to Minocqua, Wis., 161.49 miles. They are further secured by a first mortgage on the equipment of the line and all future acquisitions.

Equity:

The above bonds are prior in lien to the General 4s and 3½s of 1989, a sufficient number of which have been reserved to retire this issue.

Trustee:

New England Trust Company, Boston.

Sinking fund:

The annual amount equal to 1% of the total issue of these bonds is to be applied to their purchase at not exceeding 103. Bonds so purchased are to be cancelled, but if not so purchasable the amount is to be invested in first mortgage 6% bonds of the company. The sinking fund became effective July 1, 1885.

[217]

The bonds sold in 1900 on a 3.78 to 3.90 basis 1901 3.87 1902 3.78 1903 3.80 4.10 1904 3.92 4.00 1905 3.72 1906 3.82 3.90 1909 3.95 (bid) 1910 4.25 1911 4.12 to 4.32 1912 4.125 4.55

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Chicago & Lake Superior Division First Gold 5s

Dated July 21, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000 per mile

Outstanding \$1,360,000

Per mile . .

Security:

The above bonds are secured by a first mortgage on the lines of the division in Wisconsin, totalling 171.79 miles. They are further secured by a first mortgage on the entire equipment

of those lines and all future acquisitions.

Equity:

The above bonds are prior in lien to the General 4s and 3½s of 1989, a sufficient number of

which have been reserved to retire this issue. Under the terms of the General 4s and 31/2s of

1989 no further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.60 to 3.80 basis

1901 3.52 3.82 1902 3.50 1903 3.72 1905 3.62 3.72 1907 4.20 1909 4.00 4.10 4.10 1910 4.15 4.12 1911 4.25 1912 3.90 4.30

These bonds are considered a legal investment for savings banks in New England.

Terminal First Gold 5s

Dated July 1, 1884

Maturing July 1. 1914

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,748,000

Provisions of issue:

The amount originally authorized, as above, was limited by the terms of the General 4s and $3\frac{1}{2}$ s of 1989 to \$4,778,000, of which \$4,748,000 are outstanding in the hands of the public, and the balance, \$25,000, has been retired by and held under the General 4s and $3\frac{1}{2}$ s.

Security:

The above bonds are secured by a first mortgage on the railroad terminal property in Chicago and Milwaukee and all future acquisitions. They are prior in lien to the General 4s and 3½s of 1989, a sufficient number of which have been reserved to retire this issue.

Trustee:

Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.50 to 3.87 basis 1901 3.50 3.82 1902 3.45 3.75 1903 3.75 3.85 1904 3.65 3.90 1905 3.47 3.70 1906 3.75 4.12 1907 3.95 5.00 1908 3.70 4.37 1909 3.85 4.10 1910 4.00 4.35

1911 4.00 4.30 December, 1912 4.80 (bid)

These bonds are considered a legal investment for savings banks in New England.

FARGO & SOUTHERN RAILWAY

First Mortgage Gold 6s

Dated October 10, 1883

Maturing January 1, 1924

Interest payable January 1 and July 1 at the office of the Chicago, Milwaukee & St. Paul Railway, 42 Broadway, New York.

Coupon bonds of \$1,000.

Authorized \$1,250,000 (closed mortgage)

Outstanding \$1,250,000 Per mile . . 10,685

Security:

The above bonds are secured by a first mortgage on the company's line from Fargo, N. D., to Ortonville, Minn., 116.97 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

[219]

Equity:

The above bonds are prior in lien to the General 4s and 31/2s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 31/2s no

further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

The Fargo & Southern Railway Company was incorporated in the territory (now the State) of Dakota, and the property of the railroad was purchased by the Chicago, Milwaukee & St. Paul Railway Company in 1885. The latter assumed the mortgage indebtedness of the Fargo & Southern Railway Company and the above bonds are so endorsable upon presentation.

These bonds sold in 1909 on a 4.10 to 4.30 basis

1910 4.37

1911 4.25

December, 1912 4.50 (bid)

These bonds are considered a legal investment for savings banks in New England except Maine.

DAKOTA & GREAT SOUTHERN RAILWAY

First Mortgage Gold 5s

Dated January 1, 1886

Maturing January 1, 1916

Interest payable January 1 and July 1 at the office of the Chicago, Milwaukee & St. Paul Railway, 42 Broadway, New York.

Coupon bonds of \$1,000.

Authorized (closed mortgage)

Outstanding \$2,856,000

Per mile . .

17,962

Security:

The above bonds are secured by a first mortgage on the company's lines in North and South Dakota, totalling 158.93 miles, and all the equipment on them and future acquisitions.

These bonds have been ASSUMED by the Chicago, Milwaukee & St. Paul Railway Company.

Equity:

The above bonds are prior in lien to the General 4s and 31/2s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 31/2s no

further bonds may be issued.

Trustee:

Farmers' Loan & Trust Company, New York.

The Dakota & Great Southern Railway Company was incorporated in the territory (now the State) of Dakota, and the property of the railway was purchased by the Chicago, Milwaukee & St. Paul Railway Company in 1886, the latter assuming the mortgage indebtedness of the company.

[220]

These bonds sold in 1900 on a 3.57 to 4.10 basis.

1901	3.57	3.95	
1902	3.55	3.85	
1903	3.87	4.10	
1904	3.70	3.98	
1905	3.62	3.67	
1906	3.75	4.10	
1907	4.10	4.20	
1908	3.85	4.37	
1909	4.05	4.22	
1910	4.35	4.50	
1911	4.15	4.30	
1912	4.20	4.40	

These bonds are considered a legal investment for savings banks in New England except Maine.

MILWAUKEE & NORTHERN RAILROAD

First Mortgage 41/2s

Dated June 10, 1880 Extended June 1, 1910, and reduced from 6s Maturing June 1, 1913

Interest payable June 1 and December 1 at the office of the Chicago, Milwaukee & St. Paul Railway, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,155,000

Outstanding \$2,155,000 Per mile . . 16,835

Security:

The above bonds are secured by a first mortgage on the company's line from North Milwaukee to Green Bay, Wis., and branches, totalling 128.25 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

These bonds have been ASSUMED by the Chicago, Milwaukee & St. Paul Railway Company.

Equity:

The above bonds are prior in lien to \$4,003,000 Milwaukee & Northern Consolidated 6s of 1913.

The Milwaukee & Northern Railroad was incorporated under the laws of Wisconsin. The property of the railroad was deeded to the Chicago, Milwaukee & St. Paul Railway Company in 1893. The latter assumed at that time all its funded indebtedness.

These bonds sold in 1911 on a 4.10 to 4.37 basis July, 1912 4.25

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE & NORTHERN RAILROAD

Consolidated Currency 6s

Dated February 11, 1884

Maturing June 1, 1913

Interest payable June 1 and December 1 at 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$8,000,000

Outstanding \$4,003,000 Per mile . . 9,508

Provisions of issue:

Of the total amount authorized, \$4,003,000 are outstanding in the hands of the public and \$1,089,000 are held in the treasury of the company. They are subject to the Milwaukee &

Northern First 4½s of 1913.

Security:

The above bonds are secured by a direct mortgage on 420.71 miles of road, and all the equipment on the lines covered, and future acquisitions. They are secured by a first mortgage on 292.46 miles, all in Wisconsin, and by a second mortgage (subject to the above-mentioned 4½s of 1913) on 128.25 miles.

These bonds have been ASSUMED by the Chicago, Milwaukee & St. Paul Railway Company.

These bonds sold in	1900 on a	a 3.85 to	4.00 basis
	1901	3.70	4.00
	1902	3.45	3.70
	1903	3.70	4.05
	1904	3.60	4.10
	1905	3.65	3.75
	1906	3.55	
	1907	3.85	5.05
	1908	3.75	4.30
	1909	3.90	4.50
	1910	4.00	4.70
	1911	4.05	5.05
July,	1912	4.50	

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

European Loan Debenture 4s

Dated June 1, 1910

Maturing June 1, 1925

Interest payable June 1 and December 1 at Paris and London, in pounds sterling and francs.

Coupon bonds of 500 and 2,500 francs.

Authorized 250,000,000 francs

Outstanding 250,000,000 francs

Security:

The above bonds are not secured by mortgage, but are a direct obligation of the company as evidenced by its indenture, which provides that no future mortgage shall be executed upon

[222]

any part of its system without giving existing bonds the benefit thereof. The company further covenants not to part with any present or future holdings of the shares of the Chicago, Milwaukee & Puget Sound Railway Company so long as any of these debentures shall remain outstanding.

Trustee:

United States Mortgage & Trust Company, New York.

These bonds were issued for the purpose of obtaining funds for the extension of the company's railway, for second track purposes, for additional equipment, and for such other additions and betterments as should be ordered by the board of directors.

These bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, MILWAUKEE & PUGET SOUND RAILWAY

First Mortgage Gold 4s

Dated January 1, 1909

Maturing January 1, 1949

Interest payable January 1 and July 1 at Company's office, 42 Broadway, New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal.

Coupon bonds of \$500 and \$1,000 are fully registerable.

Registered bonds of \$500, \$1,000 and \$5,000 and multiples of \$500.

Coupon and registered bonds interchangeable.

Authorized \$200,000,000

Outstanding \$155,691,410

Provisions of issue:

Of the amount outstanding, \$129,596,410 are held in the treasury of the Chicago, Milwaukee & St. Paul Railway, and \$26,095,000 are in the hands of the public. The balance, \$44,308,590, is reserved for expenditures made after January 1, 1911, for construction or acquisition of new lines, terminals, equipment, improvements, etc., under restrictions of the mortgage.

Security:

The above bonds are secured by a first mortgage on the entire railroad line, terminals, equipment, operating contracts, etc., of the company including: (a) a first mortgage on 2,012 miles of road comprising the main line from Mobridge, S. D., to Maple Valley, Wash., and branches constructed and in operation; (b) a first mortgage on the company's undivided half interest in the line from Black River Junction to Tacoma, Wash., 71.23 miles, owned jointly with the Oregon-Washington Railroad & Navigation Company; (c) also upon equipment costing about \$22,555,000, terminals in Seattle, costing over \$2,000,000, terminals in Tacoma costing over \$2,000,000, and terminals in Spokane costing over \$3,000,000; (d) also upon operating contracts expiring in 2005 on the line from Maple Valley to Seattle, Wash. (about 20.5 miles).

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Chicago, Milwaukee & St. Paul Railway Company by endorsement.

Trustees:

The United States Trust Company, New York, and Edward W. Sheldon, Esq.

These bonds sold in 1911 on a 4.27 to 4.35 basis 1912 4.25 4.40

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

[223]

Convertible Gold 41/2s

Dated June 1, 1912

Maturing June 1, 1932

Interest payable June 1 and December 1, at New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal. Registered bonds of \$500, \$1,000, \$5,000 and \$10,000. Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$34,893,500

Provisions of issue:

Of the total amount authorized, \$34,893,500 are outstanding as above, and the balance, \$15,106,500, have been reserved for corporate purposes.

Security:

The above bonds are a direct obligation of the Chicago, Milwaukee & St. Paul Railway Company, but are not secured by a mortgage. In its indenture the company agrees to make no new mortgage upon its railroads, or any part thereof, while these bonds are outstanding, without ratably securing the same by such a mortgage.

Convertibility: These bonds are convertible at par into common stock from June 1, 1917, to June 1, 1922, inclusive.

Redemption: They are redeemable as a whole on or after December 1, 1922, upon 90 days' notice, at 105 and interest.

Trustee:

United States Trust Company, New York.

These bonds were offered to stockholders of record April 25, 1912, at par to the extent of 15% of their holdings, the right to subscribe closing on, and not later than, May 31, 1912. They sold up to Jan. 1, 1913, on a 4.00 to 4.37 basis.

These bonds are considered a legal investment for savings banks in New Hampshire.