



Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,

FORTY-TWO BROADWAY,

NEW YORK, January 11, 1918.

Mr. E. W. Adams, Secretary,
C. M. and St. P. Railway Company,
Milwaukee, Wis.

Dear Sir:

I enclose herewith proceedings of Executive Committee at
meetings held 3rd. and 10th of January, 1918.

Very truly yours,

Vice President

Enc.

New York, Thursday, 3 January, 1918, 2 P M

Only Messrs. P. A. Rockefeller and Stewart
were present to attend the Executive Committee meeting today.

CB Terry
Assistant Secretary.

New York, Thursday, Jan. 10, 1918, 2 P M

The Executive Committee met. There were present Messrs. P. A. Rockefeller, Ryan and Stewart.

On motion duly seconded it was unanimously

RESOLVED that C. B. Ferry, Vice President be and he hereby is authorized to advance from the Company's funds the sum of approximately \$440,000. and pay the same to the Farmers Loan and Trust Company, trustee of the Wisconsin and Minnesota Division Mortgage in order to secure said trustee's release of certain property under said Wisconsin & Minnesota Division Mortgage to be conveyed to St. Paul Union Depot Company in accordance with Resolutions of Board of Directors at meeting held on July 26, 1917.

Said purchase money to be paid to this Company by the St. Paul Union Depot Company upon the delivery of said release and the amount thereof returned to the New York office of the St. Paul Railway Company.

On motion the meeting adjourned.

C B Ferry

Assistant Secretary.

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New York, Thursday, 17 January, 1918. 2 P.M.

Only Messrs. P. A. Rockefeller and Ryan were present
to attend the Executive Committee meeting today.

L B Sany
Assistant Secretary.

New York, Thursday, 24 January, 1918. 2 P.M.

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Only Messrs. Earling and Stewart were present to attend
the Executive Committee meeting today.

L B Sany
Assistant Secretary.

New York, Thursday, 31 January, 1918. 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present Messrs. Bliss, Byram, Earling, Geddes, Harkness, P. A. Rockefeller and Stewart.

A copy of minutes of Board meeting of December 27, 1917, and of Executive Committee meetings of January 3, 10, 17 and 24, 1918, was furnished to each of the Directors present and the Secretary of the meeting read the same at length. Whereupon on motion, duly seconded, it was

RESOLVED that said Board of Directors' minutes be and hereby are approved and said Executive Committee proceedings are hereby ratified and confirmed.

The Chairman stated that Mr. H. R. Williams had expressed his desire to be retired from the position of Vice President of this Company in order to become connected with the Milwaukee Land Company in the West. Whereupon, on motion, duly seconded, it was

RESOLVED, that Mr. H. R. Williams be and he is hereby so retired, effective February 1, 1918; and further, it is unanimously recommended by this Board that the Milwaukee Land Company elect Mr. Williams President of that Company.

On motion, duly seconded, it was

RESOLVED, that the pension heretofore granted to Mr. George R. Peck retired, be made at the rate of \$3,000 per annum effective Jan. 1, 1918.

On motion, duly seconded, it was unanimously

RESOLVED, that the survey and field notes, showing the definite location of a strip of land, one hundred fifty (150) feet in width, lying northerly of and adjoining the present right of way of this Company, in the East Half (E 1/2) of the Northwest Quarter (NW 1/4) of Section 26, Township 23 north, Range 4 west, in Teton County, Montana, containing six and one-half (6 1/2) acres, be and the same is hereby approved and adopted as a proposed site for station ground purposes.

On motion, duly seconded, it was unanimously

RESOLVED, that the survey and field notes, showing the definite location of 10.6 acres of land required by this Company for station

grounds at Worley, in the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of Section 23, Township 47 north, Range 5 west, in Kootenai County, Idaho, be and are hereby approved and adopted as the definite location of the aforesaid station grounds.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company accept the proposition of the Carlson Lumber Co. of Mineral, Wash., to purchase the timber on the S-1/2 of N. W. 1/4 of Section 16, Twp. 14, R. 5, about one mile south of the town of Mineral for the sum of Four Thousand Dollars (\$4,000).

The declaration of dividend was discussed. Whereupon, on motion duly seconded, it was unanimously

RESOLVED that action on the dividend be deferred.

There being no further business to come before the meeting, the Board adjourned.

L B Semy

Assistant Secretary.



Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, February 16, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:

Enclosed please find proceedings of the Executive
Committee at meetings held February 7th and 14th.

Very truly yours, *A*

L B Brown

Vice President.

Enc.

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New York, Thursday, 7 February, 1918. 2 P.M.

Only Messrs. P. A. Rockefeller and Stewart were present to attend the Executive Committee meeting today.

L B Tully
Assistant Secretary.

New York, Thursday, 14 February, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Ryan and Stewart.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Co. accept the offer of J. J. O'Neil and others to purchase the timber on its 720 acres of land in Sections 14-22-23-24 Twp. 42, Range 1 East, about four miles south of Clarkia and adjacent to the siding of Keeler for the sum of \$80,000., \$25,000. to be paid in cash and the balance periodically, the last payment being October 1, 1919, deferred payments to bear 6% interest.

It was further recommended that the Milwaukee Land Co. sell to Edward Burns of Marble Creek, Idaho, its timber on Lots 6 and 7, SW 1/4 of the SE 1/4 of Section 18, Twp 45 N., Range 4 E., for the sum of \$2,000. cash.

It was further recommended that the Milwaukee Land Co. make the exchange of timber lands in Twps 43-44 N., Range 2-3-4 W., about ten miles south of St. Maries, adjacent to the St. Maries branch, with the McGoldrick Lumber Co., and in order to equalize the value of the timber lands so exchanged the McGoldrick Lumber Co. to pay the Milwaukee Land Co. the sum of \$14,528.50 in cash.

It was further recommended that the Milwaukee Land Co. sell to J. T. Gregory of Tacoma, Section 30 in Twp 13 N., Range 5 E. Lewis County Washington, for \$75,000., payable \$18,000. cash, the balance quarterly, last payment to be made August 1, 1919, deferred payments bearing 8% interest. Also to West Fork Timber Co. Section 34, situated as above for \$22,750., payable \$5,000. cash, the balance quarterly, last payment to be made October 1, 1919, deferred payments bearing 6% interest.

The Vice President stated that the Guaranty Trust Company had offered to purchase for account of this Company \$500,000. Puget Sound & Willapa Harbor Railway Trust Certificates at 99 1/2, and had further offered to make the Company a loan in amount equal to the purchase price of said Trust Certificates at 5% interest - said loan to mature June 1, 1918. Whereupon on motion, duly seconded, it was unanimously

RESOLVED, that the aforesaid offer of the Guaranty Trust Co. be and hereby is accepted, and the Vice President is authorized to make a loan with said Guaranty Trust Company in amount sufficient to carry out the transaction.

On motion the Committee adjourned.

L B Seely
Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, March 8, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:

As requested in your favor of the 6th inst., I
am sending you herewith minutes of the meeting of February
21st, which were according to my letter of March 1st also
enclosed with those of February 28th.

Yours very truly,

L B Fung
Vice President.

Enc

New York, Thursday, 21 February, 1918. 2 P.M.

Only Messrs. Earling and Stewart were present to
attend the Executive Committee meeting today.

L B Terry
Assistant Secretary.

NEW YORK, Thursday, 28 February, 1918. 2 P. M.

Only Messrs. Earling and Stewart were present to attend the
Executive Committee meeting today.

L B Terry
Assistant Secretary.

New York, Thursday, 28 February, 1918. 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present Messrs. Bliss, Byram, Earling, Geddes, Harkness, P. A. Rockefeller and Stewart.

A copy of minutes of Board meeting of January 31st, and of Executive Committee meetings of February 7, 14 and 21 was furnished to each of the Directors present and the Secretary of the meeting read the same at length. Whereupon on motion, duly seconded, it was

RESOLVED that said Board of Directors' minutes be and hereby are approved and said Executive Committee proceedings are hereby ratified and confirmed.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company accept the offer of F. M. Broadbent, President of the Lake Creek Shingle Co., Morton, Wash., to purchase the timber on SE 1/4 of the NE 1/4 and the NE 1/4 of the SE 1/4 of Section 3, Twp 12N, Range 4 E, adjoining the town of Morton, for the sum of \$7,125., and further recommended that the Milwaukee Land Company sell the land located in Sec. 25, Twp. 14 N., Range 2 W., about six miles east of Centralia, Wash., consisting of 80 acres, as shown on a blue print presented, to I. J. Edwards at \$45.00 per acre cash.

The question of disposing of the holdings of the Braceville Coal Co. was discussed and on motion, duly seconded, it was

RESOLVED, that the matter of such disposition be and hereby is referred to the President with power.

The Vice President presented an agreement in duplicate with the Great Northern Railway Co., covering joint use by that company of our line between Monroe and Carnation, Wash., which was accepted, and on motion, duly seconded, the President was duly authorized to execute the same on behalf of this Company.

On motion, duly seconded, it was unanimously

RESOLVED, that the Annual Meeting of the Stockholders of this Company shall be held at the office of the Company in Milwaukee, Wis., on Saturday, the 18th day of May, 1918, at 12 o'clock noon, and that the transfer books close therefor on Wednesday, the 17th day of April, 1918, and reopen on the 20th day of May, 1918.

On motion, duly seconded, it was unanimously

RESOLVED, that Messrs. Burton Hanson, David C. Green, and Grant Fitch be, and they are hereby appointed Inspectors of Election, to serve as such Inspectors at the annual meeting of the stockholders of this Company to be held at the office of the Company in Milwaukee, Wisconsin, on Saturday, May 18, 1918.

On motion, duly seconded, it was unanimously

RESOLVED, that Mr. C. B. Ferry, a Vice President of this Company, be and hereby is designated the Vice President in charge of the Financial and Transfer Office of the Company in New York.

On motion, duly seconded, it was unanimously

RESOLVED, that C. B. Ferry, Vice President, and W. B. Simpson, Assistant Secretary, jointly or either one separately with any member of the Executive Committee be and are hereby authorized to have access to the Company's vaults at the Hanover Safe Deposit Company.

FURTHER RESOLVED that the Hanover Safe Deposit Company be and hereby is requested to give such access to the Company's vaults specified in the manner aforesaid.

The President presented for approval the summary of the Budget for the year 1918, which was unanimously approved and ordered filed with the Director General of Railroads at Washington.

The Vice President reported that he had borrowed for the use of the Company Five Hundred Thousand Dollars (\$500,000) additional from the National City Bank on demand at 6% from February 28, 1918. This action was unanimously approved.

There being no further business to come before the meeting the Board adjourned.

L B Ferry
Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, March 30, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive Committee at meetings held March 7, 14 and 21, and Board meeting of March 28.

Very truly yours,

L. B. Jany
Vice President.

Enc.

New York, Thursday, 17 March, 1918. 2 P.M.

Only Messrs. Ryan and Stewart were present to attend the Executive Committee meeting today.

L B Terry
Assistant Secretary.

New York, Thursday, 14 March, 1918. 2 P.M.

Only Mr. John A. Stewart was present to attend the Executive Committee meeting today.

L B Terry
Assistant Secretary.

New York, Thursday, 21 March, 1918. 2 P.M.

Only Messrs. P. A. Rockefeller and Stewart were present to attend the Executive Committee meeting today.

L B Terry
Assistant Secretary.

New York, Thursday, 28 March, 1918. 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present Messrs. Bliss, Byram, Earling, Geddes, Harkness, P. A. Rockefeller, Ryan and Stewart.

A copy of the minutes of Board meeting of February 28th, and Executive Committee meetings of March 7, 14 and 21 was furnished to each of the Directors present and the Secretary of the meeting read the same at length. Whereupon, on motion, duly seconded, it was

RESOLVED, that said Board of Directors' minutes be and are hereby approved, and said Executive Committee proceedings are hereby ratified and confirmed.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company accept the offer of McCormick and Dale of Aberdeen, Wash., to purchase its land located NE 1/4 of Section 8, Twp 15N, Range 7 W, for \$13,500., payable \$3,000. cash, the balance in monthly installments of \$1,000. each, the last payment to be made on or before January 1, 1919; deferred payments to bear interest at 6%.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company accept the offer of the United States Government through the Warren Spruce Co. and others of Portland, Oregon, to purchase its spruce timber, for use in the manufacture of aeroplanes, at \$7.50 per thousand feet.

On motion, duly seconded, it was unanimously recommended that

the Milwaukee Land Company sell the remaining portion of the so-called Shonkin Ranch, consisting of 1617.04 acres, for the sum of \$48,511., payable \$5,000. cash and \$5,000. per annum with 6% interest on deferred payments.

On motion, duly seconded, it was unanimously

RESOLVED, that pursuant to the provisions of Paragraph 12 of Regulations Governing the Destruction of Records of Steam Roads, prescribed by the Interstate Commerce Commission, effective July 1, 1914, C. B. Ferry, Vice President, and R. J. Marony, Assistant Secretary of the Chicago, Milwaukee & St. Paul Railway Company, be, and they are hereby, named a Cremation Committee, to destroy cancelled stock certificates, bonds, and other records of said Railway Company covered by item 6 of Paragraph 20 of said Regulations, and that said Cremation Committee be, and it is hereby, authorized and directed to act in conjunction with the Trustees under the mortgages, or deed of trust, or other instruments under which said bonds were issued and secured.

The Vice President reported that he had arranged for the renewal of the following loans of the Company:

Guaranty Trust Company	for	\$1,500,000.	due	April 2	Extended for 90 days @ 6
Union Trust Company	"	500,000.	"	"	" " 3 mos. @ 6
Farmers' Loan & Trust Co.	"	500,000.	"	"	" " " " "6'

This action of the Vice President was unanimously approved.

There being no further business to come before the meeting, the Board adjourned.

L B Ferry

Assistant Secretary.

New York, Thursday, 25 April, 1918. 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present Messrs. Bliss, Byram, Earling, Geddes, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

A copy of the minutes of Board meeting of March 28, and of Executive Committee meetings of April 4, 11 and 18 was furnished to each of the directors present and the Secretary of the meeting read the same at length. Whereupon, on motion, duly seconded, it was

RESOLVED, that said Board of Directors' minutes be and are hereby approved, and said Executive Committee proceedings are hereby ratified and confirmed. /

On motion, duly seconded, the following preambles and resolutions were unanimously adopted: X

X WHEREAS, on the 26th day of July, 1917, a resolution was passed by the Board of Directors, approving the sale, and authorizing the conveyance, of certain real estate in the City of St. Paul, Minnesota, to The Saint Paul Union Depot Company, and authorizing the officers of this Company to take all steps, and to execute all instruments^{required} for the release of said real estate from the liens of the "Wisconsin and Minne-

sota Division Mortgage", dated July 1, 1881, the "General Mortgage", dated May 1, 1889, and the "General and Refunding Mortgage", dated November 1, 1913, which resolution recited that the consideration for said sale and conveyance was the sum of Four Hundred Thirty-six Thousand and Ninety-seven Dollars (\$436,097.00); and

WHEREAS, it has been found, upon further consideration, that the value of said real estate, as agreed upon by the parties, is Four Hundred Thirty-three Thousand, Seventy-two Dollars and Ninety Cents (\$433,072.90), from which amount there is to be deducted and paid to The Saint Paul Union Depot Company the sum of Ten Thousand, Nine Hundred Sixty-five Dollars and Fifty Cents (\$10,965.50), as the agreed value of certain interests in real estate to be conveyed by said Depot Company to this Company, as a part of the same transaction, (which, when conveyed, will be subject to the lien of said mortgages), making the true consideration for the sale and conveyance, first above named, the sum of Four Hundred Twenty-two Thousand, One Hundred Seven Dollars and Forty Cents (\$422,107.40);

NOW, THEREFORE, RESOLVED, that said resolution of July 26, 1917, be, and the same is hereby, amended so that it shall recite as the true consideration for said sale and conveyance the sum of Four Hundred Twenty-two Thousand, One Hundred Seven Dollars and Forty Cents (\$422,107.40).

BE IT FURTHER RESOLVED, that upon delivery of a certified copy of this resolution to The Farmers' Loan & Trust Company, Trustee in said "Wisconsin and Minnesota Division Mortgage", the United States Trust Company, Trustee in said "General Mortgage", and the Guaranty Trust Company of New York and Alexander J. Hemphill, Trustee in said "General and Refunding Mortgage", all requests, statements and certificates, heretofore made and delivered to said Trustees, or either of them, for the purpose of securing releases of said real estate from the liens of said mortgages, respectively, shall be, and be deemed to be, amended in respect to the consideration for said sale and conveyance, as above set forth.

The President submitted the following Notice to Stockholders, which was unanimously approved and ordered to be bound in the Annual Report of the Company for the year ending December 31, 1917:

Notice to Stockholders.

The accompanying annual report is sent to you pursuant to the By-laws of the Company. The Board of Directors deem it important to advise you at this time of the unusual situation which confronts the Company and the holders and owners of its outstanding bonds and stock, brought about by the action of the President of the United States in taking possession and control of the railroads and systems of transportation of the Company on December 28th, 1917, and the enactment by Congress of the so-called Federal Control Act of March 21, 1918. This Act, among other things, authorizes the President to make an agreement with each Company, whose railroad is taken over in respect of

(a) The amount of the annual compensation to be paid to each Company, which shall not exceed a sum equivalent to the average annual railway operating income for the three years ended June 30, 1917;

(b) The keeping of the railway and property in good repair so that it will be returned to the Company at the end of Federal control in substantially as good condition and in substantially as complete equipment as it was in at the beginning of such control;

(c) The acceptance by the Company of all the terms and conditions of the Act, and any regulation or order of the President;

(d) All other reasonable provisions that may be deemed necessary by the President for the determination of the mutual rights and obligations of the parties arising out of such Federal Control.

This Act also provides that if no such agreement is made, or pending the execution of an agreement, the President may, nevertheless, pay to any Company while under Federal Control, an annual amount not exceeding ninety per centum of the estimated annual amount of just compensation, remitting the Company, in case where no agreement is made, to its legal rights for any balance claimed, to the remedies provided in Section 3 of the Act by filing its petition in the Court of Claims.

The Act also provides that the acceptance of said ninety per centum or any part thereof shall constitute an acceptance by the Company of all the provisions of the Act.

The alternative is therefore presented of making an agreement with the President, or, failing that, to resort to the remedies pro-

vided in the Act for obtaining the just compensation the Company is found to be legally entitled to for the use and possession of its railroads and system of transportation during Federal Control.

The Company through its proper officers is now negotiating for such an agreement and hopes to be able to submit to the stockholders at the coming annual meeting to be held in the City of Milwaukee, Wisconsin, May 18th next, for their consideration and action, the form of such agreement as is possible. If at that time the negotiations have not advanced to the point where the terms of an agreement may be presented to the meeting, it will be necessary for the stockholders to consider and decide whether they should authorize the Board of Directors acting by a majority vote to determine on behalf of the Company whether such agreement as it is found may be made with the President, shall be made and executed by the Company, or whether the Company, by its Board of Directors, shall under the then existing conditions, determine not to make the agreement which is found possible, but instead thereof will avail itself of the legal remedies provided in said Act for obtaining its just compensation.

The situation which thus confronts the Company is of such importance as to require you to attend the meeting in person or to send your proxy.

Dated, Chicago, Ill.
April 25, 1918.

The Board of Directors
by
A. J. Earling.
Chairman.

On motion, duly seconded, it was unanimously

RESOLVED, that C. B. Ferry, Vice President, be and he hereby is delegated the recipient of the non-operating income of the Company, and that he is hereby directed to deposit the same in the National City Bank of New York in an account with said bank known as "Corporate Funds, Chicago, Milwaukee & St. Paul Railway Company".

There being no further business to come before the meeting, the Board adjourned.

C B Ferry
Assistant Secretary.

*Advised
sent to Mr. Harman
John 3/24/18
JKE*

New York, Thursday, 4 April, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, P. A. Rockefeller, Wm. Rockefeller, and Stewart.

No formal action was taken.

L B Terry

Assistant Secretary.

New York, Thursday, 11 April, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Wm. Rockefeller, Ryan and Stewart.

No formal action was taken.

L B Terry

Assistant Secretary.

New York, Thursday, 18 April, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Wm. Rockefeller and Stewart.

The Chairman submitted the Annual Report of the Company for the year ending December 31, 1917, which was unanimously approved and ordered distributed to the stockholders.

The Chairman presented the bill of Dr. A. I. Bouffleur, Chief Surgeon of the Company, for \$22,900., in settlement for his services from 1906 to 1915, *as recommended by Vice President Bush,* which was approved, and it was ordered that it shall be determined hereafter as to whether payment of said bill be paid out of the corporate funds of the Company.

On motion the Committee adjourned.

L B Terry

Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, April 26, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Board of
Directors at meeting held April 25, 1918.

I also enclose corrected copy of the proceedings
of the Executive Committee at meeting held April 18, 1918.

Very truly yours, *L B*

Vice President.

ENC

*Entered
JHC*

*7 correction
HJC*

New York, Thursday, 18 April, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Wm. Rockefeller and Stewart.

The Chairman submitted the Annual Report of the Company for the year ending December 31, 1917, which was unanimously approved and ordered distributed to the stockholders.

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The Chairman presented the bill of Dr. A. I. Bouffleur, Chief Surgeon of the Company, for \$22,900., in settlement for his services from 1906 to 1915, *(+)* as recommended by Vice President Bush, which was approved, and it was ordered that it shall be determined hereafter as to whether payment of said bill be paid out of the corporate funds of the Company.

On motion the Committee adjourned.

G B Terry
Assistant Secretary.

Note: The above resolution was changed
at request of Mr. Earling.



Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

465

NEW YORK, May 13, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive
Committee at meetings held May 2nd and 9th.

Very truly yours,

L B Terry
Vice President.

Enc.

New York, Thursday, 2, May, 1918. 2 P.M.

The Executive Committee met. There were present
Messrs. P. A. Rockefeller, Wm. Rockefeller, and Stewart.

No formal action was taken.

L B Terry

Assistant Secretary.

New York, Thursday, 9 May, 1918. E P. M.

The Executive Committee met. There were present Messrs. P. A. Rockefeller, Wm. Rockefeller and Stewart.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company lease on a royalty basis to Samuel Hill of Portland, Oregon, its coal lands in Sec. 30, Twp. 13 N., Range 5 East, about four miles northeast of Morton, Wash., on the Tacoma Eastern Railroad on the following basis:

(1) The minimum output to be 100,000 tons per annum to be applied to the tonnage mined during the second and subsequent twelve months periods. The actual output to govern during the first year.

(2) Royalty 15¢ per ton of 2240 lbs. to be paid on or before the 20th day of each month for the coal taken out during the preceding month.

(3) The length of contract to be twenty-five (25) years.

It was further recommended that the Milwaukee Land Company sell to J. F. Cox, logging contractor of the Milwaukee Lumber Company, St. Maries, Idaho, that portion of the timber on the NW 1/4 of the NE 1/4 and the N 1/2 of the NW 1/4 of Sec. 24, Twp. 43, Range 1, about three miles south of Fernwood Station on the St. Maries Branch, consisting of approximately 85 acres, at a price of \$1500., payable \$700. cash and the balance in three months, deferred payments to bear 6% interest.

On motion the Committee adjourned.

L B Berry

Assistant Secretary.



481 to 484

New York, Thursday, 23 May, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart. No formal action was taken.

L B Terry
Assistant Secretary.

New York, Wednesday, 29 May, 1918. 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present Messrs. Bliss, Earling, Geddes, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

A copy of the minutes of Board meeting of May 18 and of Executive Committee meeting of May 23 was furnished to each of the Directors present, and the Secretary of the meeting read the same at length. Whereupon, on motion, duly seconded, it was

RESOLVED, that said Board of Directors minutes be and are hereby approved and said Executive Committee proceedings are hereby ratified and confirmed.

The Chairman laid before the Board of Directors the resolutions adopted by the Board at its Annual Meeting in Milwaukee, Wisconsin, Saturday, May 18, 1918, authorizing the President or any Vice President of the Company to obtain a loan or loans from the United States for certain capital requirements and financing of maturing obligations; also to obtain and to accept from the United States the sum of \$2,301,320.00 as advances out of the compensation to be paid by the United States to the Company, under the Federal Control Act, to enable the Company to meet interest requirements in that amount which mature June 1, 1918. The Chairman stated to the Board that by conference with Mr. Brown, one of the Advisory Committee of the Finance Division of the United States Railroad Administration, that the United States might prefer to loan said amount, \$2,301,320.00, to the Company instead of advancing the same out of the compensation to be paid to the Company under the Federal Control Act.

WHEREUPON, on motion made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the resolution adopted at said Annual Meeting of the Board, May 18, 1918, authorizing a loan or loans from the United States in the amount of \$21,500,000.00 for capital requirements and financing of maturing obligations be modified by including therein the amount required by the Company for the payment of interest due on certain bonds of the Company June 1, 1918, amounting to \$2,301,320.00, and that the President or any Vice President of the Company be and they are hereby authorized by and on behalf of the Company to obtain a loan from the United States for said \$2,301,320.00 instead of accepting that amount as an advance out of the compensation to be paid to it under the Federal Control Act, and that in respect of such loan the President or any Vice President of the Company be and they hereby are authorized by and on behalf of the Company, and in the name of the Company, to execute and deliver to the Secretary of the Treasury of the United States the note or notes of the Company in substantially the form set forth in such resolution of May 18, 1918, said note or notes to be countersigned by the Secretary, or an Assistant Secretary, of the Company, and the corporate seal be affixed thereto if required.

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NOW FURTHER RESOLVED, that if a loan is made for said amount and a note or notes given therefor they shall bear such rate of interest not exceeding Six Per Cent (6%) per annum as may be agreed upon between the aforesaid officials of the Company and the Director General, and that as security for the payment of said note or notes said officials of the Company be and they hereby are authorized to pledge to the Secretary of the Treasury of the United States, General and Refunding Mortgage Bonds of the Company, Series Z, issued under and secured by the General and Refunding Mortgage of the Company, as set forth in the aforesaid resolutions.

NOW FURTHER RESOLVED, that the aforesaid officials of the Company be and they hereby are authorized and directed to do each, and every of all those things which may be necessary or which may be required in respect of obtaining said loan of \$2,301,320.00 from the United States, they being hereby expressly authorized to make, execute and deliver any and all such instruments, certificates, documents, etc., which may be required in respect thereof.

On motion, duly seconded, it was unanimously

RESOLVED, that for the purpose of paying off the Trust Certificates of the Puget Sound and Willapa Harbor Railway Company, amounting to \$3,000,000., maturing June 1, 1918, the Vice President be and he hereby is authorized to make a loan with the United States Trust Company of New York in the amount of \$3,000,000. at 6% per annum for thirty days, with the privilege of prepaying the same on three days' notice in event of this Company being in receipt of a loan from the United States Government prior to said loan falling due, and said Vice President is further authorized to execute this Company's note therefor and to deposit with said Trust Company this Company's General and Refunding Mortgage 6% Bonds, Series Z, as collateral security for said loan in such amount as shall be acceptable to the officers of the Trust Company; and it is

FURTHER RESOLVED, that said United States Trust Company is hereby authorized to hold the stock of the Puget Sound and Willapa Harbor Railway Company deposited with them until the above loan is paid by this Company.

On motion, duly seconded, it was unanimously

RESOLVED, that the Vice President be and he hereby is authorized to make a temporary loan with the National City Bank of New York of \$2,300,000.00 at 6% per annum for twenty days or to such time prior thereto as this Company shall receive a loan from the United States Government, for the purpose of providing for this Company's fixed charges maturing June 1, 1918, and said Vice President is further authorized to execute this Company's note therefor and to deposit this Company's General and Refunding Mortgage 6% Bonds, Series Z, as collateral security for the same in such amounts as required by the officers of said bank.

On motion, duly seconded, it was unanimously

RESOLVED, that in the absence, inability, or at the request of the Vice President in charge of the Financial and Transfer Office, F. B. Simpson, Assistant Secretary, be and he hereby is authorized to sign checks drawn on the bank and trust company accounts of the Company in the place of such Vice President, and that such checks shall be signed "F. B. Simpson, Assistant Secretary, for Vice President."

On motion, duly seconded, the following preambles and resolution were unanimously adopted:

WHEREAS, the Union Trust Company of New York was duly appointed and has been acting as the Registrar of the capital stock of this Company, and

WHEREAS, the said Union Trust Company of New York and the Central Trust Company of New York propose in the near future, to merge under the name Central Union Trust Company of New York,

RESOLVED, that Central Union Trust Company of New York be and it hereby is appointed Registrar of the capital stock of this Company, Common and Preferred, to become effective on the effective date of said merger.

On motion, duly seconded, it was

RESOLVED, that the Chairman be and he hereby is authorized to procure the necessary office accommodations in Chicago and to organize and employ such an accounting force as may be requisite for the protection of the Company's interests.

The salaries, office and other expenses incident thereto, to be submitted to the Board for approval.

There being no further business to come before the meeting, the Board adjourned.

L B Jany
Assistant Secretary.

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CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Annual Meeting of Directors.

MILWAUKEE, WISCONSIN, May 18, 1918.

10 o'clock A. M.

Pursuant to Article III of the By-Laws, the regular annual meeting of the Board of Directors was held at the office of the Company in this city at ten o'clock in the forenoon of this day, the Chairman of the Board of Directors of the Company presiding.

There were present: Messrs. J. Ogden Armour, Walter P. Bliss, H. E. Byram, A. J. Earling, Donald G. Geddes, Edward S. Harkness, L. J. Petit, and P. A. Rockefeller, 8.

And absent: Messrs. Stanley Field, Samuel McRoberts, William Rockefeller, John D. Ryan, and John A. Stewart, 5.

The minutes of the meetings of the Board of Directors and Executive Committee, from April 25, 1918, to the present time, were read, and on motion, duly seconded, were approved.

The Chairman stated that the following quitclaim deeds had been executed by this Company since the last annual meeting of the Board:

1. Q. C. D. to INDEPENDENT SCHOOL DISTRICT, 7-235
of Manning, Iowa.

Dated May 25, 1917.

Consideration: \$3815.

CONVEYS: Part of NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 20, Township 82 north, Range 26 west, Carroll County, Iowa;

Being part of the abandoned station grounds of the Company at Manning, and no longer required for railway purposes.

2. Q. C. D. to S. H. BEVINS,

7-242

Dated June 19, 1917.

Consideration: \$100.

CONVEYS: Part of SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 19, Township 94,
Range 9 west, Fayette County, Iowa.

Premises not required for railway purposes.

3. Q. C. D. to BARKER & STEWART LUMBER COMPANY,

7-249

Dated July 23, 1917.

Consideration: \$1.00

CONVEYS: The abandoned right of way of the old Al-
genac logging spur in Sections 10, 11, and
12, Township 30 north, Range 9 east; and
Sections 7, 8, 9, and 16, Township 30,
north, Range 10 east, Marathon County,
Wisconsin.

Deed executed in pursuance of provisions
contained in deed conveying said right of way to the
Railway Company, i. e., that if at any time the Rail-
way Company should permanently abandon its line of
railway and remove all its material from the said
right of way, then and in that case it would cause
to be conveyed to the Barker & Stewart Lumber Com-
pany, by quitclaim deed, the premises conveyed. Ma-
terial has been removed and right of way abandoned.

4. Q. C. D. to JOHN BOWEN,

7-253

Dated October 17, 1917.

Consideration: \$1.00.

CONVEYS: Part of SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18,
Township 15 north, Range 24 east, Fergus
County, Montana, -6.78 acres.

Premises originally acquired in connection
station grounds at Bower's Ranch. Owing to change
of plan, however, the station was located a short
distance east of original location, hence the prem-
ises conveyed are not required by the Railway Compa-
ny and were deeded to Bowen in exchange for his deed,
conveying to the Railway Company two parcels, of e-
qual area, in another location, upon which the sta-
tion was established.

5. Q. C. D. to CHICAGO & NORTHWESTERN RAILWAY COMPANY,

7-271

Dated October 18, 1917.

Consideration: \$15,000.

CONVEYS: Lots 16 and 17 in Willard & Barney's Ex-

change in the City of Mankato, Blue Earth County, Minnesota.

Premises not required for railway purposes.

6. Q. C. D. to TOWN OF MANNING, IOWA,

7-273

Dated October 25, 1917.
Consideration: \$6690.30

CONVEYS: Part of NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 20, Township 82, north, Range 36 west, Carroll County, Iowa, for park purposes;

Being part of the abandoned station grounds at Manning and no longer required for railway purposes.

7. Q. C. D. to HERMAN A. MEYER,

7-314

Dated December 7, 1917.
Consideration: \$400.00.

CONVEYS: Part of SE $\frac{1}{4}$, Section 4, Township 45 north, Range 9 east, Lake County, Illinois.
Premises not required for railway purposes.

8. Q. C. D. to CITY OF MINNEAPOLIS, MINNESOTA,

7-318

Dated March 8, 1918.
Consideration: \$1.00

CONVEYS: Part of the north 14 feet of the S $\frac{1}{2}$ of Lot 14 of Emmerson's Addition; also the north 14 feet of the south 38 feet of Lot 7, Block 8, of Merriam & Shaw's Addition; and the north 14 feet of the south 45 feet of Lot 7, Block 7 of Merriam & Shaw's Addition; all in the City of Minneapolis.

Premises were conveyed for street purposes under the provisions of the Minneapolis-H. & D. Division Track Depression Ordinance of December 30, 1910.

9. Q. C. DEEDS to abutting property owners of certain old, abandoned right of way in Carver, Scott, Hennepin, Chippewa, and McLeod Counties, Minnesota; Day, Clay, Clark, Grant, Walworth, and Campbell Counties, South Dakota; Clinton and Tama Counties, Iowa; and Milwaukee County, Wisconsin;

Deeds are listed in Secretary's Deed Impression Book 7, between pages 244 and 235. They carry an aggregate consideration of \$7512.50, which amount has been turned over to the Treasurer of the Company and the deeds duly delivered to the several grantees.

On motion, duly seconded, it was unanimously

RESOLVED, that the report be entered in the minutes of this meeting, and that the action of the President and Secretary of the Company, in executing and delivering these quitclaim deeds, is hereby ratified, approved, and confirmed.

On motion, duly seconded, it was unanimously

6
✓
RESOLVED, that this Company acquire, by purchase or condemnation proceedings, all lands and additional right of way necessary for engine terminals at Ottumwa Junction, in Sections 22, 23, 27, and 28, Township 72 north, Range 14 west, in Wapello County, Iowa, in accordance with plans and specifications prepared by the Chief Engineer of this Company.

The Chairman of the meeting presented the following for the consideration of the Board:

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✓
ORGANIZATION for conserving and protecting the property rights and interests of the CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, during the period of Federal control, as defined by an Act of Congress, approved March 21, 1918, entitled, "AN ACT to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes."

WHEREAS, on December 28, 1917, the President of the United States, pursuant to an Act of Congress approved August 29, 1916, took possession, and assumed control of the railroad and system of transportation of this Company; and

WHEREAS, provision is made by said Act of March 21, 1918, for the operation of said railroad and systems of transportation during said period of Federal control, for the payment to the Company of compensation as provided in said Act, and for other purposes; and

WHEREAS, the possession and control of this Company's railroad system of transportation so taken over by the President imposed up-

on the Board of Directors of this Company, as a matter now separated from their former duties in regard to operation, the duty and obligation of conserving and protecting the property rights and interests of the Company, in respect of the property so taken possession and control of, as well as the property of the Company not so taken possession and control of; and

WHEREAS, the Board of Directors deem it necessary and requisite to create an organization supplemental to the organization provided by the By-Laws of this Company (which, in part, have been suspended by the action taken by the Director General of Railroads under said Act of March 21, 1918), in order that it may properly and efficiently perform its duties and obligations to the Company and the owners of its outstanding capital stock and securities during such period of Federal control and operation of the Company's railroad and system of transportation.

NOW, THEREFORE, be it

RESOLVED, That there be, and is hereby, created an organization supplemental to the organization provided in the By-Laws of the Company, consisting of the following departments:

SUPERVISION
LAW
ACCOUNTING
FINANCE

and such other departments as the Board of Directors may hereafter deem necessary and requisite for the proper conservation and protection of the property rights and interests of the Company.

ARTICLE I.

THE DEPARTMENT OF SUPERVISION shall be in charge of the Chairman of the Board, and, in addition to his duties as such Chairman, he shall, subject to the Board of Directors, have general supervision of the other departments of this organization, and of the

property, business and affairs of the Company not taken possession and control of by the President of the United States, and of all matters and things affecting the Company's property rights, and interests arising out of said Act of Congress of March 21, 1918, or of any agreement or agreements with the United States under said Act, or otherwise. He shall have power, subject to the approval of the Board of Directors, to appoint one or more Assistants, and such agents and employes as may be required to properly perform the duties of this Department, prescribe their duties and fix their salaries.

ARTICLE II.

DEPARTMENT OF LAW shall be in charge of the General Counsel of the Company. He shall be the legal adviser of the Board of Directors and of the departments of this organization; and, subject to the direction of the Chairman, he shall have the charge and management of all matters and things of a legal nature arising out of, or connected with, the property rights and interests of the Company not taken possession and control of by the President of the United States, and shall, likewise, have the charge and management of all matters and things of a legal nature affecting the Company's property rights and interests arising out of said Act of March 21, 1918, or of any agreement or agreements with the United States under said Act, or otherwise, and shall perform such other duties as may be assigned to him by the Board. He shall also have power, subject to the approval of the Chairman, to appoint one or more assistants and such employees as may be required to properly perform the duties of this Department, prescribe their duties and fix their salaries.

ARTICLE III.

THE DEPARTMENT OF ACCOUNTING shall be in charge of an Account-

all right of redemption on the part of the undersigned or successors in interest, which is hereby waived and released. The said Secretary of the Treasury of the United States shall apply the net proceeds of such sale or sales towards the payment of this note, holding the undersigned liable for any deficiency remaining unpaid, which deficiency the undersigned forthwith promises to pay.

(Affix revenue stamp here)

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FURTHER RESOLVED, that said note or notes so executed in the name of this Company by the President or one of the Vice Presidents, be countersigned by the Secretary, or an Assistant Secretary, of this Company, and the corporate seal of this Company be affixed thereto, if required.

FURTHER RESOLVED, that said note or notes bear such rate or rates of interest, not exceeding six per centum per annum, as may be agreed upon between the aforesaid officials of this Company and the Director General.

FURTHER RESOLVED, that as security for the payment of the loans to be made by the United States to the Company, and the notes of the Company to be executed and delivered in respect thereof, the aforesaid officials of the Company be, and they hereby are, authorized to pledge to the Secretary of the Treasury of the United States, General and Refunding Mortgage Bonds of the Company, Series "Z," issued under, and secured by, the General and Refunding Mortgage of this Company, dated November 1, 1913, to the Guaranty Trust Company of New York and Alexander J. Hemphill, Trustees, in such amounts as may be required.

FURTHER RESOLVED, that the aforesaid officials of this Company be, and they hereby are, authorized and directed to do each, every

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Directors' Meeting.

MILWAUKEE, WISCONSIN, May 18, 1918.

1:15 o'clock P. M.

Pursuant to Section 2 of Article III of the By-Laws, the Board of Directors assembled for organization and for the transaction of such other business as should come before it.

There were present: Messrs. J. Ogden Armour, Walter P. Bliss, H. E. Byram, A. J. Earling, Donald G. Geddes, Edward S. Harkness, L. J. Petit, and P. A. Rockefeller, 8.

And absent: Messrs. Stanley Field, Samuel McRoberts, Williams Rockefeller, John D. Ryan, and John A. Stewart, 5.

Mr. Petit was called to the chair and the Secretary of the Company acted as secretary of the meeting.

The minutes of the stockholders' meeting held this day and the certificate of the Inspectors, showing the result of the election held thereat, were read.

Before proceeding to elect the officers of the Company, the following resolution was, on motion duly made and seconded, unanimously adopted:

RESOLVED, that the officers of this Company to be elected this day, as well as those who shall hereafter be elected by the Board or appointed by the President or by any other officer of the Company, shall continue in service such length of time and shall receive such compensation for their services as the Board shall from time to time fix and prescribe.

The Chairman stated that the next business in order was the election of officers for the ensuing year.

Mr. Bliss nominated Mr. A. J. Earling for Chairman of the Board of Directors.

The nomination being seconded, a vote was called for and taken, from which it appeared that Mr. Earling had received seven votes, being all the votes cast, and was thereupon declared unanimously

elected Chairman of the Board of Directors of the Company for the ensuing year and until his successor is elected and qualified.

Mr. Earling then took the chair.

Mr. Armour nominated Mr. H. E. Byram for President.

The nomination being seconded, a vote was called for and taken, from which it appeared that Mr. Byram had received seven votes, being all the votes cast, and was thereupon declared unanimously elected President of the Company for the ensuing year and until his successor is elected and qualified.

Mr. Rockefeller nominated the following persons for Vice Presidents of the Company: Messrs. E. D. Sewall, D. L. Bush, H. B. Earling, C. A. Goodnow, R. M. Calkins, and C. B. Ferry.

The nomination being seconded, a vote was called for and taken, and it appeared that each of the above named persons had received eight votes, being all the votes cast, and was thereupon declared duly elected a Vice President of the Company to hold office for one year and until his successor is elected and qualified.

Mr. Petit nominated Mr. E. W. Adams for Secretary.

The nomination being seconded, a vote was called for and taken, and it appeared that Mr. Adams had received eight votes, being all the votes cast, and was thereupon declared duly elected Secretary of the Company, to hold office for one year and until his successor is elected and qualified.

Mr. Rockefeller nominated the following named persons for Assistant Secretaries: Messrs. C. B. Ferry, R. J. Marony, A. C. Hagensick, and F. B. Simpson.

The nomination being seconded, a vote was called for and taken and it appeared that the above named persons had each received eight votes, being all the votes cast, and each was thereupon de-

clared duly elected an Assistant Secretary of the Company, to hold office for one year and until his successor is elected and qualified.

Mr. Geddes nominated Mr. A. G. Loomis for Treasurer, and Mr. J. McNab and Mr. John Dickie for Assistant Treasurers.

The nomination being seconded, a vote was called for and taken, and it appeared that Mr. Loomis, Mr. McNab, and Mr. Dickie had each received eight votes, being all the votes cast, and they were thereupon declared duly elected Treasurer and Assistant Treasurers, respectively, of the Company, to hold office for one year and until their successors are elected and qualified.

Mr. Harkness nominated Mr. Burton Hanson for General Counsel, Mr. H. H. Field for General Solicitor, Mr. G. J. Bunting for Comptroller, Mr. J. T. Gillick for General Manager, and Mr. C. F. Loweth for Chief Engineer.

The nomination being seconded, a vote was called for and taken, from which it appeared that the above named persons had each received eight votes, being all the votes cast. Whereupon the Chairman declared each of said persons duly elected to hold his respective office for one year and until his successor is elected and qualified.

Mr. Bliss nominated Messrs. A. J. Earling, William Rockefeller, P. A. Rockefeller, E. S. Harkness, John A. Stewart, and H. E. Byram for members of the Executive Committee.

The nomination being seconded, a vote was called for and taken, from which it appeared that the above named persons had each received five votes, being all the votes cast; and they were thereupon declared duly and severally elected members of the Executive Committee, to serve for one year and until their successors are elected and qualified.

On motion, duly seconded, it was unanimously

RESOLVED, that all officers of this Company, heretofore appointed by the President, as provided for in the By-Laws, be continued in their respective offices during the pleasure of the Board.

There being no further business to come before the meeting, on motion, duly seconded, the Board adjourned.

Attest:



Secretary.

ant, who shall be chosen by the Board of Directors. He shall have charge of the accounting and books of account of the Company, which relate to the property, business and affairs of the Company not taken possession and control of by the President of the United States, or to any business transaction or accounts with the United States under said Act of March 21, 1918, or to any agreement or agreements, with the United States under said Act, or otherwise. He shall see that the accounting and books of account are properly and correctly kept; that suitable vouchers and other documents are returned for all disbursements made, and that they are properly filed and preserved; that timely reports and remittances are made as directed by the Chairman, or the Board of Directors, and that delinquencies therein are properly reported to the Chairman. He shall prepare and make such reports and statements as are required by lawful authority, or by the Board of Directors, or the Chairman. He shall have power, subject to the approval of the Chairman, to appoint an assistant, and such employees as may be required to properly perform the duties of this department, prescribe their duties and fix their salaries.

ARTICLE IV.

THE DEPARTMENT OF FINANCE shall be in charge of the Vice President of the Company in charge of the Financial and Transfer Office of the Company, in the City of New York. He shall, in addition to his duties as such Vice President, safely keep and account for all moneys, funds and other properties which come into his hands, and shall deposit the same in such banks and places of deposit as the Board may designate. He, or the Cashier of the Company at its New York Office, shall sign all checks drawn on such banks or other depositories, but such checks shall not be valid unless countersigned by the Chairman, or his assistant, or one of the Assistant

Secretaries of the Company at its New York Office. All vouchers and warrants shall be approved by the officer in charge of the Department in which they originate, and by the Chairman or his assistant, and entered of record by the Accountant before payment. Such Vice President and Cashier shall give bond, in such amount and form as the Board may require.

ARTICLE V.

✓ The organization hereby created may be dissolved and discontinued by the consent of a majority of the Board of Directors, at any of its stated meetings, or at any regular annual meeting, and at any such meeting any article or provision of this organization may be likewise altered or added to.

On motion, duly seconded, it was

RESOLVED, that the foregoing preambles and resolution be, and the same are hereby adopted, each Director present having voted in favor thereof.

Whereupon the Chairman declared that said resolution, and the organization set forth in said preambles and resolution, had been duly adopted.

The Chairman laid before the Board of Directors the correspondence between officials of the Company and the Director General of Railroads, relative to proposed advances by the United States to the Company for certain capital requirements, and for caring for maturing financial obligations, a total requirement of approximately \$21,500,000, in respect of which advances the United States will require the note or notes of the Company, payable on demand with interest payable quarterly at a rate not exceeding six per cent (6%) per annum. Said note or notes to be secured by General and Refunding Mortgage Bonds of the Company in an amount, in proportion to

the advances, to be agreed upon between the officials of the Company and the Director General.

The matter being before the Board for consideration, and all the Directors present desiring to be heard having been heard, the following resolutions were, on motion made and seconded, unanimously adopted:

RESOLVED, that the President, or any Vice President of this Company be, and they hereby are, authorized by and on behalf of the Company, to obtain a loan or loans from the United States for capital requirements and the financing of maturing obligations, all as follows:

- (1) To take up, when they mature on June 1, 1918, certificates of the Puget Sound & Willapa Harbor Railway Company, the payment of which is guaranteed by this Company, \$3,000,000
- (2) To pay outstanding short time notes of this Company running to certain banks and trust companies in New York City and maturing July 1, 1918, \$4,500,000
- (3) For necessary extensions, additions, betterments and improvements and the acquisition of additional property, \$14,000,000

FURTHER RESOLVED, that in respect of such loans so to be made by the United States to the Company, the President or any Vice President of the Company be, and they hereby are, authorized by and on behalf of the Company, and in the name of the Company, to execute and deliver to the Secretary of the Treasury of the United States the note or notes of the Company in substantially the following form:

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The undersigned, FOR VALUE RECEIVED, ON DEMAND, without grace, promise to pay to the order of THE SECRETARY OF THE TREASURY OF THE UNITED STATES, at the United States Treasury, in the City of Washington, D. C., Dollars (.....) in gold coin of the United States of America of or equivalent to the present standard of weight and fineness, with interest in like gold coin at the rate of (.....) per annum, payable quarterly, having pledged to the said Secretary of the Treasury of the United States as security for the payment of this note and all other liabilities of the undersigned to said Secretary of the Treasury of the United States, due or to become due, or which may hereafter be contracted or existing:

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Upon the nonpayment of this note or any of the other above-mentioned liabilities, the said Secretary of the Treasury of the United States is hereby authorized to sell said securities, or any part thereof, or any substitutes therefor, or any additions thereto, in such manner as in his discretion shall deem proper, without demand, advertisement, or notice, either at the New York Stock Exchange or any brokers' board or at public or private sale. If such securities or property are sold at the New York Stock Exchange or any brokers' board or at public sale, the said Secretary of the Treasury of the United States may purchase the same, or any part thereof, free from

all right of redemption on the part of the undersigned or successors in interest, which is hereby waived and released. The said Secretary of the Treasury of the United States shall apply the net proceeds of such sale or sales towards the payment of this note, holding the undersigned liable for any deficiency remaining unpaid, which deficiency the undersigned forthwith promises to pay.

(Affix revenue stamp here)

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FURTHER RESOLVED, that said note or notes so executed in the name of this Company by the President or one of the Vice Presidents, be countersigned by the Secretary, or an Assistant Secretary, of this Company, and the corporate seal of this Company be affixed thereto, if required.

FURTHER RESOLVED, that said note or notes bear such rate or rates of interest, not exceeding six per centum per annum, as may be agreed upon between the aforesaid officials of this Company and the Director General.

FURTHER RESOLVED, that as security for the payment of the loans to be made by the United States to the Company, and the notes of the Company to be executed and delivered in respect thereof, the aforesaid officials of the Company be, and they hereby are, authorized to pledge to the Secretary of the Treasury of the United States, General and Refunding Mortgage Bonds of the Company, Series "Z," issued under, and secured by, the General and Refunding Mortgage of this Company, dated November 1, 1913, to the Guaranty Trust Company of New York and Alexander J. Hemphill, Trustees, in such amounts as may be required.

FURTHER RESOLVED, that the aforesaid officials of this Company be, and they hereby are, authorized and directed to do each, every

✓ and all of those things which may be necessary, or may be required, in respect of obtaining said loans from the United States, they being hereby expressly authorized to make, execute, and deliver any and all such written instruments, documents, certificates, etc., as may be required in respect thereof.

9 The attention of the Directors was called to the possible necessity of causing temporary bonds of Series "Z" to be exchanged for permanent bonds of Series "Z" to be delivered to the Government as security for proposed Government loans.

Whereupon, it was on motion made, seconded and unanimously adopted,

RESOLVED, that the officials of this Company be and they hereby are authorized and directed to exchange not exceeding \$50,000,000 principal amount, temporary General and Refunding Mortgage Bonds of this Company, Series "Z," for a like principal amount of permanent engraved bonds, Series "Z," and that the form of the permanent engraved bonds, Series "Z," shall be as follows:

- (1) Form of Coupon Bond.
- (2) Form of Registered Bond.

FURTHER RESOLVED, that the officials of this Company be and they hereby are authorized and directed to cause such permanent bonds, Series "Z," to be prepared, to execute the same, and to cause such permanent bonds to be certified by the corporate Trustee and delivered in exchange for the temporary bonds.

10 The Chairman laid before the Board of Directors the letter from the President of the Company to John Skelton Williams, dated May 11, 1918, in respect of proposed advances by the United States, on account of the just compensation to be received by the Company under the Federal Control Act of March 21, 1918, for interest requirements of the Company, aggregating \$2,301,320.

Whereupon, on motion made and seconded, the following resolu-

tions were unanimously adopted:

✓ RESOLVED, that the Chairman of the Board, or the General Counsel of this Company be, and they hereby are, authorized to obtain and to accept from the United States, the amounts required for the following interest requirements of the Company, June 1, 1918:

Interest on the 4½% bonds of the Milwaukee Northern Railroad Company, the payment of both principal and interest of which has been assumed by Chicago, Milwaukee and St. Paul Railway Company, \$ 161,752

Interest on Convertible 4½% bonds of the Chicago, Milwaukee and St. Paul Railway Company, 1,124,568

Interest on Chicago, Milwaukee and St. Paul Railway Company 4% French Bonds, 238,000

Interest on 4% Debenture Bonds of Chicago, Milwaukee and St. Paul Railway Company, 702,000

Interest on Puget Sound & Willapa Harbor Railway Company certificates, the payment of which has been guaranteed by Chicago, Milwaukee and St. Paul Railway Company, 75,000

Total, \$2,301,320;

such advances to be made by the United States out of the compensation to be paid by the United States to the Company under the Federal Control Act.

FURTHER RESOLVED, that the aforesaid officers of the Company be, and they hereby are, authorized to do each, every and all of those things which may be necessary or required in order to obtain such advances, being expressly authorized to make, execute and deliver all such written instruments, documents and certificates as may be necessary in respect thereof.

There being no further business to come before the meeting, on motion, duly seconded, the Board adjourned.

Attest:



479-480

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Directors' Meeting.

MILWAUKEE, WISCONSIN, May 18, 1918.

1:15 o'clock P. M.

Pursuant to Section 2 of Article III of the By-Laws, the Board of Directors assembled for organization and for the transaction of such other business as should come before it.

There were present: Messrs. J. Ogden Armour, Walter P. Bliss, H. E. Byram, A. J. Earling, Donald G. Geddes, Edward S. Harkness, L. J. Petit, and P. A. Rockefeller, 8.

And absent: Messrs. Stanley Field, Samuel McRoberts, Williams Rockefeller, John D. Ryan, and John A. Stewart, 5.

Mr. Petit was called to the chair and the Secretary of the Company acted as secretary of the meeting.

The minutes of the stockholders' meeting held this day and the certificate of the Inspectors, showing the result of the election held thereat, were read.

Before proceeding to elect the officers of the Company, the following resolution was, on motion duly made and seconded, unanimously adopted:

RESOLVED, that the officers of this Company to be elected this day, as well as those who shall hereafter be elected by the Board or appointed by the President or by any other officer of the Company, shall continue in service such length of time and shall receive such compensation for their services as the Board shall from time to time fix and prescribe.

The Chairman stated that the next business in order was the election of officers for the ensuing year.

✓ Mr. Bliss nominated Mr. A. J. Earling for Chairman of the Board of Directors.

The nomination being seconded, a vote was called for and taken, from which it appeared that Mr. Earling had received seven votes, being all the votes cast, and was thereupon declared unanimously

elected Chairman of the Board of Directors of the Company for the ensuing year and until his successor is elected and qualified.

Mr. Earling then took the chair.

Mr. Armour nominated Mr. H. E. Byram for President.

The nomination being seconded, a vote was called for and taken, from which it appeared that Mr. Byram had received seven votes, being all the votes cast, and was thereupon declared unanimously elected President of the Company for the ensuing year and until his successor is elected and qualified.

Mr. Rockefeller nominated the following persons for Vice Presidents of the Company: Messrs. E. D. Sewall, D. L. Bush, H. B. Earling, C. A. Goodnow, R. M. Calkins, and C. B. Ferry.

The nomination being seconded, a vote was called for and taken, and it appeared that each of the above named persons had received eight votes, being all the votes cast, and was thereupon declared duly elected a Vice President of the Company to hold office for one year and until his successor is elected and qualified.

Mr. Petit nominated Mr. E. W. Adams for Secretary.

The nomination being seconded, a vote was called for and taken, and it appeared that Mr. Adams had received eight votes, being all the votes cast, and was thereupon declared duly elected Secretary of the Company, to hold office for one year and until his successor is elected and qualified.

Mr. Rockefeller nominated the following named persons for Assistant Secretaries: Messrs. C. B. Ferry, R. J. Marony, A. C. Hagensick, and F. B. Simpson.

The nomination being seconded, a vote was called for and taken and it appeared that the above named persons had each received eight votes, being all the votes cast, and each was thereupon de-

clared duly elected an Assistant Secretary of the Company, to hold office for one year and until his successor is elected and qualified.

Mr. Geddes nominated Mr. A. G. Loomis for Treasurer, and Mr. J. McNab and Mr. John Dickie for Assistant Treasurers.

The nomination being seconded, a vote was called for and taken, and it appeared that Mr. Loomis, Mr. McNab, and Mr. Dickie had each received eight votes, being all the votes cast, and they were thereupon declared duly elected Treasurer and Assistant Treasurers, respectively, of the Company, to hold office for one year and until their successors are elected and qualified.

Mr. Harkness nominated Mr. Burton Hanson for General Counsel, Mr. H. H. Field for General Solicitor, Mr. G. J. Bunting for Comptroller, Mr. J. T. Gillick for General Manager, and Mr. C. F. Loweth for Chief Engineer.

The nomination being seconded, a vote was called for and taken, from which it appeared that the above named persons had each received eight votes, being all the votes cast. Whereupon the Chairman declared each of said persons duly elected to hold his respective office for one year and until his successor is elected and qualified.

Mr. Bliss nominated Messrs. A. J. Earling, William Rockefeller, P. A. Rockefeller, E. S. Harkness, John A. Stewart, and H. E. Byram for members of the Executive Committee.

The nomination being seconded, a vote was called for and taken, from which it appeared that the above named persons had each received five votes, being all the votes cast; and they were thereupon declared duly and severally elected members of the Executive Committee, to serve for one year and until their successors are elected and qualified.

On motion, duly seconded, it was unanimously

RESOLVED, that all officers of this Company, heretofore appointed by the President, as provided for in the By-Laws, be continued in their respective offices during the pleasure of the Board.

There being no further business to come before the meeting, on motion, duly seconded, the Board adjourned.

Attest:



Secretary.

File with Minutes

1917

FIFTY-THIRD ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

FOR THE

Fiscal Year Ended December 31, 1917

1917

FIFTY-THIRD ANNUAL REPORT

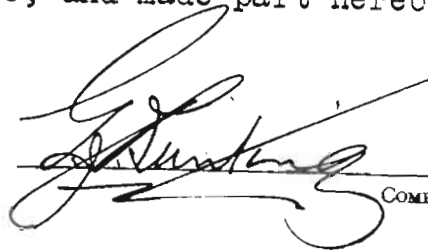
OF THE

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

FOR THE

Fiscal Year Ended December 31, 1917

KNOW ALL MEN BY THESE PRESENTS, that I, G. J. BUNTING, Comptroller of the Chicago, Milwaukee & St. Paul Railway Company, do hereby certify that I caused to be sent to each stockholder of said Company, whose address is shown on the Company's books, ten days prior to the Annual Meeting of the Stockholders, in May 1918, a printed copy of the Annual Report of the Board of Directors to the Stockholders of the Company for the fiscal year ended December 31, 1917, by depositing, on the 8th day of May, 1918, said report in the postoffice at the City of Chicago, Illinois, addressed to each stockholder of said Company, whose address is shown on the Company's books, all as required by Section 8, Article I of the By-laws of the Company. A true copy of said report is attached to this certificate, and made part hereof.


COMPTROLLER

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

DIRECTORS

TERM EXPIRES SEPTEMBER, 1918

H. E. BYRAM	CHICAGO
DONALD G. GEDDES	NEW YORK
WILLIAM ROCKEFELLER	NEW YORK
JOHN A. STEWART	NEW YORK

TERM EXPIRES SEPTEMBER, 1919

J. OGDEN ARMOUR	CHICAGO
STANLEY FIELD	CHICAGO
L. J. PETIT	MILWAUKEE
P. A. ROCKEFELLER	NEW YORK

TERM EXPIRES MAY, 1920

WALTER P. BLISS	NEW YORK
A. J. EARLING	CHICAGO
EDWARD S. HARKNESS	NEW YORK
SAMUEL McROBERTS	NEW YORK
JOHN D. RYAN	NEW YORK

EXECUTIVE COMMITTEE

JOHN A. STEWART
WILLIAM ROCKEFELLER
H. E. BYRAM

A. J. EARLING
P. A. ROCKEFELLER
JOHN D. RYAN

OFFICERS

A. J. EARLING	Chairman of the Board	CHICAGO
H. E. BYRAM	President	CHICAGO
E. D. SEWALL	Vice-President	CHICAGO
D. L. BUSH	Vice-President	CHICAGO
R. M. CALKINS	Vice-President	CHICAGO
H. B. EARLING	Vice-President	SEATTLE
C. A. GOODNOW	Vice-President	CHICAGO
J. W. TAYLOR	Assistant to the President	CHICAGO
E. W. ADAMS	Secretary	MILWAUKEE
C. B. FERRY	Vice-Pres't, Ass't Sec'y and Ass't Treas.	NEW YORK
A. C. HAGENSICK	Assistant Secretary	MILWAUKEE
R. J. MARONY	Assistant Secretary and Transfer Agent	NEW YORK
F. B. SIMPSON	Assistant Secretary and Transfer Agent	NEW YORK
A. G. LOOMIS	Treasurer	CHICAGO
JOHN McNAB	Assistant Treasurer	CHICAGO
JOHN DICKIE	Assistant Treasurer	CHICAGO
G. J. BUNTING	Comptroller	CHICAGO
J. T. GILLICK	General Manager	CHICAGO
H. E. PIERPONT	Freight Traffic Manager	CHICAGO
C. F. LOWETH	Chief Engineer	CHICAGO
BURTON HANSON	General Counsel	CHICAGO
H. H. FIELD	General Solicitor	CHICAGO
O. W. DYNES	Commerces Counsel	CHICAGO

NOTICE TO STOCKHOLDERS

The accompanying annual report is sent to you pursuant to the By-laws of the Company. The Board of Directors deem it important to advise you at this time of the unusual situation which confronts the Company and the holders and owners of its outstanding bonds and stock, brought about by the action of the President of the United States in taking possession and control of the railroads and systems of transportation of the Company on December 28th, 1917, and the enactment by Congress of the so-called Federal Control Act of March 21, 1918. This Act, among other things, authorizes the President to make an agreement with each Company, whose railroad is taken over in respect of

(a) The amount of the annual compensation to be paid to each Company, which shall not exceed a sum equivalent to the average annual railway operating income for the three years ended June 30, 1917;

(b) The keeping of the railway and property in good repair so that it will be returned to the Company at the end of Federal Control in substantially as good condition and in substantially as complete equipment as it was in at the beginning of such control;

(c) The acceptance by the Company of all the terms and conditions of the Act, and any regulation or order of the President;

(d) All other reasonable provisions that may be deemed necessary by the President for the determination of the mutual rights and obligations of the parties arising out of such Federal Control.

This Act also provides that if no such agreement is made, or pending the execution of an agreement, the President may, nevertheless, pay to any Company while under Federal Control, an annual amount not exceeding ninety per centum of the estimated annual amount of just compensation, remitting the Company, in case where no agreement is made, to its legal rights for any balance claimed, to the remedies provided in Section 3 of the Act by filing its petition in the Court of Claims.

The Act also provides that the acceptance of said ninety per centum or any part thereof shall constitute an acceptance by the Company of all the provisions of the Act.

The alternative is therefore presented of making an agreement with the President, or, failing that, to resort to the remedies provided in the Act for obtaining the just compensation the Company is found to be legally entitled to for the use and possession of its railroads and system of transportation during Federal Control.

The Company through its proper officers is now negotiating for such an agreement and hopes to be able to submit to the stockholders at the coming annual meeting to be held in the City of Milwaukee, Wisconsin, May 18th next, for their consideration and action, the form of such agreement as is possible. If at that time the negotiations have not advanced to the point where the terms of an agreement may be presented to the meeting, it will be necessary for the stockholders to consider and decide whether they should authorize the Board of Directors acting by a majority vote to determine on behalf of the Company whether such agreement as it is found may be made with the President, shall be made and executed by the Company, or whether the Company, by its Board of Directors, shall under the then existing conditions, determine not to make the agreement which is found possible, but instead thereof will avail itself of the legal remedies provided in said Act for obtaining its just compensation.

The situation which thus confronts the Company is of such importance as to require you to attend the meeting in person, or to send your proxy.

The Board of Directors.

By A. J. EARLING,
Chairman.

Dated
Chicago, Ill., April 25 1918

REPORT
OF THE
BOARD OF DIRECTORS

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

For the Fiscal Year ended December 31, 1917

The Directors submit to the Stockholders the following report of the operations of the Company for the year ended December 31, 1917, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Operating Revenues.....	\$ 113,739,201.66
Operating Expenses.....	85,195,963.74
Net Operating Revenue.....	\$ 28,543,237.92
Taxes Accrued.....	6,517,211.97
Operating Income.....	\$ 22,026,025.95

Other Income:

Interest on Bonds.....	\$ 41,663.00
Dividends on Stocks.....	279,471.00
Interest on Other Securities, Loans and Accounts.....	597,404.59
Rents—Received.....	518,404.55
Miscellaneous.....	382,410.40
Gross Corporate Income....	\$ 1,819,353.54
	\$ 23,845,379.49

Deductions:

Interest Accrued on Funded Debt..	\$ 16,596,623.64
Rents—Paid.....	1,026,147.67
Hire of Equipment.....	1,136,242.05
Miscellaneous.....	617,734.48
Net Corporate Income....	\$ 19,376,747.84
	\$ 4,468,631.65

MILES OF TRACK, DECEMBER 31, 1917

Owned solely by this Company:

Main track.....	9,840.61	
Second main track.....	1,035.03	
Third main track.....	23.02	
Fourth main track.....	14.40	
Connection tracks.....	49.01	
Yard tracks, sidings and spur tracks.....	3,246.38	14,208.45

Owned jointly with other Companies:

Main track.....	109.74	
Second main track.....	6.16	
Third main track.....	1.94	
Fourth main track.....	1.93	
Connection track.....	6.51	
Yard tracks, sidings and spur tracks.....	196.78	323.06

Used by this Company under contracts:

Main track.....	362.78	
Second main track.....	77.99	
Third main track.....	1.14	441.91

Total miles of track..... 14,973.42

Average miles of main track in operation during the year:

Owned solely.....	9,785.00 miles
Owned jointly.....	109.74 "
Used under contracts.....	361.79 "

Total average miles operated..... 10,256.53 miles

The lines of road of this Company are located in the following States:

Wisconsin.....	1,823.59 miles
Illinois.....	415.04 "
Iowa.....	1,875.64 "
Minnesota.....	1,244.90 "
North Dakota.....	379.93 "
South Dakota.....	1,795.85 "
Missouri.....	140.27 "
Michigan.....	197.39 "
Montana.....	1,157.29 "
Idaho.....	237.89 "
Washington.....	682.56 "

Total length of main track owned solely and jointly..... 9,950.35 miles

SUBSIDIARY COMPANIES

(The capital stock of these companies is all owned and held by the Chicago, Milwaukee & St. Paul Railway Company.)

SEATTLE, PORT ANGELES & WESTERN RAILWAY COMPANY

Contract has been let for construction of three miles of the extension west from Twin Rivers, Washington. The work was about 50% completed on December 31, 1917, and will be finished in the Spring of 1918.

MILWAUKEE TERMINAL RAILWAY COMPANY

The car ferry purchased from the Northern Pacific Railway Company has been remodeled and was placed in service between Seattle, Bellingham and Port Townsend in August, 1917.

EQUIPMENT

During the year eight locomotives and two thousand two hundred and seventy cars of various classes have been purchased or built, as follows:

1 Locomotive—Steam	265 Ore Cars
7 Locomotives—Electric	1 Parlor Car
152 Flat Cars	1 Mine Rescue Car
1696 Coal Cars	155 Work Train Cars

During the year forty-seven locomotives and two thousand four hundred and eighty-five cars were destroyed by wreck or fire, sold or taken down on account of small capacity, as follows:

47 Locomotives—Steam	6 Passenger and Baggage Cars
1901 Box Cars	4 Baggage Cars
185 Flat Cars	1 Dining Car
98 Stock Cars	1 Parlor Car
52 Coal Cars	1 Other Passenger Train Car
43 Refrigerator Cars	1 Snow Plow
24 Caboose Cars	1 Pile Driver
39 Ore Cars	17 Ballast Cars
8 Coaches	101 Work Train Cars
2 Mail and Express Cars	

The original cost of the equipment retired has been credited to Property Investment—Road and Equipment.

PROPERTY INVESTMENT DURING THE YEAR
ENDED DECEMBER 31, 1917

Equipment.....	\$ 2,175,821.62
New Branch Lines and Extensions.....	551,370.46
New Additional Main Tracks and Reducing Grade and Perfecting Line.....	61,084.27
Other Additions and Betterments.....	7,268,908.64
	\$ 10,057,184.99
Credit—Property retired or converted.....	647,445.72
Total as shown by detailed statement on page 36 of this report	\$ 9,409,739.27

ADDITIONS AND BETTERMENTS AUTHORIZED

EQUIPMENT

Authority has been given for the purchase or building of additional equipment, as follows:

- 15 Electric Passenger Locomotives
- 4 Electric Switching Locomotives

NEW STATION BUILDINGS AND TERMINAL FACILITIES

The new freight yard and engine terminal at North McGregor, Iowa, has been completed and is now in operation.

The grading for the new freight yard and engine terminal at Sioux City, Iowa, has been completed and the track work is eighty per cent completed. The buildings have all been constructed and will be ready for occupancy as soon as winter weather will permit the change from the old location.

Grading on the new yard and engine terminal at Atkins, Iowa, is ninety-five per cent, and track work is twenty per cent completed. The terminal buildings are eighty per cent completed and the pipe line to furnish water supply from the Cedar River, five miles distant, is sixty per cent completed. Work was suspended in December until Spring but can be fully completed and put into service by the fall of 1918.

The new yard and track changes at Cedar Rapids, Iowa, have been completed, and the yard is now in operation.

AUTOMATIC BLOCK SIGNALS

During the year ended December 31, 1917, installation of automatic block signals has been completed as follows:

Rocky Mountain Division, new three position, color indication, alternating current, light signals were installed, Harlowton to Lennep, 35.7 miles and Colorado Junction to Deer Lodge, 40 miles. The direct current semaphore signals between Lennep and Ringling, 21.6 miles have been replaced with light signals on account of the trolley poles obstructing the view of the semaphore arms.

Missoula Division, new installations of color indication, alternating current, light signals were made between Deer Lodge and Garrison and between Alberton and Haugan, a total distance of 73.8 miles.

The direct current semaphore signals formerly in service in the Electric Zone on the Rocky Mountain & Missoula Divisions have been re-installed on the Idaho Division between Plummer Junction and Manito, 26.3 miles, and on the Columbia Division between Marengo and Beverly 96.7 miles.

New color indication, alternating current, light signals have been authorized and work is rapidly nearing completion between Three Forks and Piedmont, 34.2 miles on the Rocky Mountain Division; between Garrison and Alberton, 100 miles, on the Missoula Division and between Hennepin Avenue, Minneapolis and South Minneapolis, 3 miles, on the Hastings and Dakota Division in the depression district, Minneapolis.

Replacement of the direct current, lower quadrant signals on the Iowa Division, Savanna to Green Island, 14.9 miles, with direct current, upper quadrant signals, has been authorized and work will be completed during the coming year.

ELIMINATION OF GRADE CROSSINGS

Elevation of the Chicago and Evanston Division from Montrose Avenue to Howard Avenue, Chicago, a distance of 4.4 miles, has eliminated thirty-seven grade crossings, and eighty per cent of the permanent work on the subways has been done.

The elevation of tracks in the City of Milwaukee, Wisconsin, was completed during 1917.

The new subway ordered by the Wisconsin Railroad Commission at Portage, Wisconsin, was constructed during 1917, and two street crossings over yard of fourteen tracks were vacated.

A viaduct 1750 feet long, with three approaches, has been constructed across the Railway Company's property on South Eleventh Street, Tacoma, at a cost of \$121,000, the expense of

which is borne jointly by the Railway Company and the City. The Railway Company will have the right to lay additional tracks across South Eleventh Street, greatly facilitating switching operations to its shops and ocean docks.

NEW LINES AND EXTENSIONS

The Choteau Line, extending from Great Falls to Agawam, Montana, a distance of 66.70 miles, was completed and put in operation June 30, 1917.

Grading and bridging were completed on an extension from Grass Range to Winnette, Montana, a distance of 22.98 miles, and track has been laid on same.

Grading and bridging on the extension of the Big Blackfoot Line from Blackfoot Junction to Clearwater, Montana, a distance of 22.01 miles, was completed to Blanchard Creek and track laid to a point one and one-half miles east of Blackfoot Junction.

ELECTRIFICATION

The electrification of the line between Othello and Seattle and Tacoma, a distance of 217 miles, was commenced in March, 1917, and has made such progress since that time that it now seems probable the entire work will be completed by July 1st, 1919, and the whole line above referred to placed under electric operation on that date.

RESERVE FOR ACCRUED DEPRECIATION

At the close of the fiscal year, ending December 31, 1916, there was at the credit of Reserve for Accrued Depreciation the sum of \$10,239,458.02.

A certain percentage of the total cost of equipment has been credited to this Reserve for the estimated depreciation of locomotives, passenger train cars, freight train cars and work equipment, accrued during the year, which, together with other adjustments, aggregates \$1,917,827.12.

There has been charged to this Reserve an amount of \$378,644.00, representing the accrued depreciation, previously credited, on locomotives and cars destroyed, sold or taken down during the year, which results in a net increase in this Reserve of \$1,539,183.12 for the year.

The balance of this Reserve, December 31, 1917, as shown on page 22, is \$11,778,641.14, which represents the estimated depreciation of rolling stock subsequent to June 30, 1907.

CAPITAL STOCK

At the close of the last fiscal year (December 31, 1916) the share capital of the Company amounted to \$233,686,200.00 and consisted of \$117,411,300.00 of Common Stock and \$116,274,900.00 of Preferred Stock, of which \$429,100.00 Preferred Stock and \$5,300.00 Common Stock are held by the Company. No Capital Stock has been issued during the year ended December 31, 1917.

FUNDED DEBT

At the close of the last fiscal year the Funded Debt of the Company was \$490,547,154.66.

It has been decreased during the fiscal year by \$1,000.00 Dakota & Great Southern Ry. Co. 5% Bonds; \$233,000.00 Du-buque Division 6% Bonds; \$8,000.00 Wisconsin Valley Division 6% Bonds; \$1,000.00 South Western Division 6% Bonds and \$596,234.22 European Loan of 1910—4% bonds retired.

It has been increased by \$596,234.22 Four per cent Gold Bonds of 1925, issued.

The amount of bonds issued at the close of this fiscal year is \$490,304,154.66, of which \$107,259,200.00 are in the Treasury of the Company and \$383,044,954.66 are outstanding.

TREASURY BONDS

At the close of the last fiscal year the amount of the Company's bonds in its treasury was.....\$ 132,259,200.00

It has been decreased by—

General and Refunding Mortgage 4½% Bonds sold.....	25,000,000.00
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At the close of this fiscal year, bonds in treasury composed of General and Refunding Mortgage Bonds, available for the acquisition of additional property or for other additions and betterments amounted to.....\$ 107,259,200.00

INSURANCE DEPARTMENT

INSURANCE RESERVE ACCOUNT

INCOME:

Premium Received:

For Insurance of Railway Properties.....	\$ 191,360.59
Less—Reinsurance paid.....	158,688.07
Net Premium Income.....	\$ 32,672.52

Other Income:

Interest and Dividends on Securities owned..	116,914.50
Gross Income.....	\$ 149,587.02

DISBURSEMENTS:

Fire Losses—Net.....	225,578.39
Net Deficit for the Year.....	\$ 75,991.37

Insurance Reserve—December 31, 1917.....	\$ 2,785,487.17
Less Reinsurance effected applying subsequent to December 31, 1917.....	9,645.65
Insurance Reserve as per General Balance Sheet— Page 23.....	\$ 2,775,841.52

ASSETS AND LIABILITIES

ASSETS:

Funded:

Securities as shown on page 15.....	\$ 2,835,100.00
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Unfunded:

Interest Accrued on Securities Owned.....	40,753.78
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DEFERRED DEBITS:

Reinsurance effected applying subsequent to December 31, 1917.....	9,645.65
Total Assets.....	\$ 2,885,499.43

LIABILITIES:

Insurance Reserve.....	\$ 2,785,487.17
C. M. & St. P. Ry. Co. Advances.....	100,012.26
Total Liabilities.....	\$ 2,885,499.43

INSURANCE DEPARTMENT

INVESTMENTS—SECURITIES

The Insurance Reserve December 31, 1917, amounts to \$2,785,487.17, of which \$2,835,100.00 is invested in securities at par, as shown in the following statement:

Chicago, Milwaukee & St. Paul Ry. Co. Stock:

Preferred Stock.....	\$ 86,190.00
Common Stock.....	5,300.00

Chicago, Milwaukee & St. Paul Ry. Co. Bonds:

Chicago, Milwaukee & Puget Sound Ry. Co. 4%\$	1,000,000.00
Fargo & Southern Ry. Co. 6%.....	2,000.00
Milwaukee & Northern R. R. Co. First 4½%..	38,000.00
Milwaukee & Northern R. R. Co. Cons., 4½%..	20,000.00
General Mortgage 4%.....	759,000.00
General & Refunding Mortgage Convertible 5%	11,500.00
Twenty-five Year Gold 4%.....	83,000.00
La Crosse & Davenport Division 5%.....	4,000.00
Chicago & Pacific Western Division 5%.....	6,000.00
Convertible Gold 4½%.....	19,200.00

Bonds of Subsidiary Companies:

Tacoma Eastern R. R. Co. 5%.....	51,000.00
	\$ 2,085,100.00

Bonds of other Companies:

Atchison, Topeka & Santa Fe Ry. Co. 4%....	100,000.00
Baltimore & Ohio R. R. Co. 3½%.....	50,000.00
Chicago, Burlington & Quincy R. R. Co. 4%..	50,000.00
Chicago & Western Indiana R. R. Co. 4%....	125,000.00
City of New York 4%.....	75,000.00
Lake Shore & Michigan Southern Ry. Co. 4%..	100,000.00
Northern Pacific Ry. Co. 4%.....	100,000.00
Pennsylvania R. R. Co. 4%.....	100,000.00
Union Pacific R. R. Co. 4%.....	50,000.00

Total.....	\$ 2,835,100.00
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OPERATING REVENUES

The Operating Revenues for the year were \$113,739,201.66 an increase of \$3,129,512.80 compared with the previous year.

The revenue from freight traffic was \$79,957,271.48—70.30% of total revenue—an increase of \$308,758.64 or .38%.

The number of tons of freight carried was 38,444,353—a decrease of 1,541,783 tons, or 3.86%.

The following classes of commodities show a decrease compared with the previous year: Products of Agriculture, 986,118 tons; Products of Animals, 66,824 tons; Manufactures, 435,767 tons and Commodities Not Specified, 387,623 tons.

There was an increase in Products of Mines of 308,977 tons and in Products of Forests of 25,572 tons.

The number of tons of all agricultural products carried during the year was 7,009,902 tons—a decrease compared with the previous year of 12.33%. Agricultural products comprised 18.23% of the total tonnage carried, compared with 20.00% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 31,434,451 tons—a decrease compared with the previous year of 555,665 tons, or 1.74%—the per cent of the total being 81.77% against 80.00% last year.

The number of tons of revenue freight carried one mile was 10,545,443.466—a decrease of 201,879.949, or 1.88%. The revenue per ton per mile was .7582 cent—an increase of .0171 cent, or 2.31%. The average miles each ton of revenue freight was carried was 274.30 miles—an increase of 5.52 miles, or 2.05%.

The number of tons of revenue freight carried per loaded car was 20.056, against 18.151 last year—an increase of 10.50%. The number of tons of revenue freight per freight and mixed train mile was 467.53, against 441.96 last year—an increase of 5.76%. The revenue from freight per freight and mixed train mile was \$3.5449, as against \$3.2753 last year—an increase of 8.23%.

The revenue from passenger traffic during the year was \$21,329,946.47—18.76% of the total revenue—an increase of \$1,573,111.15 compared with the previous year, or 7.96%.

The number of passengers carried was 15,484,374, a decrease of 485,003 or 3.00%. The number of passengers carried one mile was 980,728,974—an increase of 58,735,142, or 6.37%.

The revenue per passenger per mile was 2.174 cents—an increase of .031 cent, or 1.45%. The average miles each passenger was carried was 63.34 miles—an increase of 5.60 miles, or 9.87%.

OPERATING EXPENSES

The Operating Expenses for the year were \$85,195,963.74, an increase of \$11,430,912.69 compared with the previous year.

The expenses of Maintenance of Way and Structures were \$10,953,308.83; Maintenance of Equipment, \$22,015,200.63; Traffic Expenses, \$1,803,963.65; Transportation Expenses, \$48,083,125.30; Miscellaneous, \$813,678.84; General Expenses, \$2,162,192.35; and Transportation for Investment—Credit \$635,505.86.

There was an increase in Maintenance of Equipment of \$4,481,752.29; in Transportation Expenses of \$7,775,128.87; in Miscellaneous Operations of \$81,628.39 and in General Expenses of \$191,555.71.

There was a decrease in Maintenance of Way and Structures of \$1,563,029.16; in Traffic Expenses of \$158,015.78 and in Transportation for Investment—Credit of \$621,892.37.

During the year 17 steel bridges, aggregating 1,842 feet in length and 5 masonry bridges, aggregating 716 feet in length, were built—replacing 1,098 feet of wooden bridges, 614 feet of iron bridges and 846 feet of embankment; and 7,163 feet of wooden culverts were replaced with iron and concrete pipe. About 1.25 miles of pile bridges were filled with earth, 34 bridges having been completely filled and 14 reduced in length by filling.

SUBSIDIARY COMPANIES.

The operations for the fiscal year of the Subsidiary Companies named below, show the following results:

These Companies are operated independently and their Revenues and Expenses are not included in the statement of the Chicago, Milwaukee & St. Paul Railway Company, shown on page 7 of this report.

TACOMA EASTERN RAILROAD COMPANY.

Operating Revenues.....	\$450,710.91
Operating Expenses.....	362,090.20
Net Operating Revenue.....	\$ 88,620.71
Taxes Accrued.....	43,200.00
Operating Income.....	\$ 45,420.71
Rents Received.....	\$24,269.33
Hire of Equipment.....	77,679.72
Miscellaneous.....	6,215.84
Gross Corporate Income.....	108,164.89
DEDUCTIONS:	\$153,585.60
Interest Accrued on Funded Debt.....	\$44,200.00
Non-Operating Property Expenses.....	7,208.22
Rents Paid.....	750.00
Miscellaneous.....	443.78
	52,602.00
*Net Corporate Income.....	\$100,983.60

*Excluding interest on funds advanced by the C. M. & St. P. Ry. Co.

SUBSIDIARY COMPANIES—Continued.

BELLINGHAM & NORTHERN RAILWAY COMPANY

Operating Revenues.....	\$318,532.25	
Operating Expenses.....	219,439.14	
Net Operating Revenue.....	\$ 99,093.11	
Taxes Accrued.....	26,361.30	
Operating Income.....	\$ 72,731.81	

OTHER INCOME:

Rents Received.....	\$ 4,401.08	
Miscellaneous.....	3,757.83	8,158.91
Gross Corporate Income..		\$ 80,890.72

DEDUCTIONS

Interest Accrued on Funded Debt.....	\$25,942.78	
Sinking Fund.....	16,397.50	
Hire of Equipment.....	12,570.64	
Rents Paid.....	3,140.00	
Miscellaneous.....	431.22	58,482.14
*Net Corporate Income.....		\$ 22,408.58

GALLATIN VALLEY RAILWAY COMPANY.

Operating Revenues.....	\$108,279.96	
Operating Expenses.....	105,920.37	
Net Operating Revenue.....	\$ 2,359.59	
Taxes Accrued.....	14,784.77	
Operating Deficit.....	12,425.18	
Non-Operating Property Income.....	2,066.00	
Gross Corporate Deficit.....	\$ 10,359.18	

DEDUCTIONS:

Hire of Equipment.....	\$15,633.38	
Miscellaneous.....	808.44	16,441.82
*Net Corporate Deficit.....		\$ 26,801.00

MILWAUKEE TERMINAL RAILWAY COMPANY

Operating Revenues.....	\$169,978.38	
Operating Expenses.....	122,027.68	
Net Operating Revenue.....	\$ 47,950.70	
Taxes Accrued.....	9,000.00	
Gross Corporate Income.....	\$ 38,950.70	

DEDUCTIONS:

Hire of Equipment.....	\$20,281.17	
Non-Operating Property Expenses.....	664.70	
Rents Paid, etc.....	731.40	21,677.27
*Net Corporate Income.....		\$ 17,273.43

*Excluding interest on funds advanced by the C. M. & St. Co.

SUBSIDIARY COMPANIES—Concluded.

SEATTLE, PORT ANGELES & WESTERN RY. CO.

Operating Revenues.....	\$241,345.56	
Operating Expenses.....	158,338.58	
Net Operating Revenue.....	\$ 83,006.98	
Taxes Accrued.....	26,558.91	
Operating Income.....	56,448.07	
Other Income.....	1,713.87	
Gross Corporate Income.....	\$ 58,161.94	

DEDUCTIONS:

Hire of Equipment.....	\$ 62,834.75	
Miscellaneous.....	1,355.21	64,189.96
Net Corporate Deficit.....		\$ 6,028.02

*Excluding interest on funds advanced by the C. M. & St. P. Ry. Co.

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

By order of the Board of Directors.

May, 1918.

H. E. BYRAM,
President.

To the President,

Herewith are submitted the General Accounts
and Statements of Operation of the Company for
the fiscal year ended December 31, 1917.

G. J. BUNTING,
Comptroller.

GENERAL BALANCE SHEET

ASSETS—DECEMBER 31, 1917.

PROPERTY INVESTMENT:		
Road and Equipment.		\$604,578,835.94
Reserve for Accrued Depreciation—Cr		11,778,641.14
		\$592,800,194.80
Securities:		
Securities of Controlled Companies—		
Unpledged:		
Stocks.	\$11,304,855.12	
Funded Debt.	140,000.00	11,444,855.12
Other Investments:		
Advances to Controlled Companies for		
Construction, Equipment and Better-		
ments.	\$30,049,952.93	
Miscellaneous Investments:		
Physical Property.	677,602.15	
Investment Securities—Unpledged.	24,321.54	30,751,876.62
TOTAL CAPITAL ASSETS.		\$634,996,926.54
WORKING ASSETS:		
Cash.	\$ 7,418,940.49	
Loans and Bills Receivable.	439,662.64	
Traffic and Car-Service Balances.	825,285.19	
Due from Agents and Conductors.	1,915,287.38	
Miscellaneous Accounts Receivable.	3,901,126.70	
Materials and Supplies.	14,688,584.99	
Other Working Assets.	794,196.13	29,983,083.52
ACCRUED INCOME NOT DUE:		
Unmatured Interest.		89,262.99
DEFERRED DEBIT ITEMS:		
Working Funds.	\$ 288,032.08	
Special Deposits.	121,135.58	
Cash and Securities in Sinking Funds.	442,146.87	
Securities in Insurance Fund.	2,835,100.00	
Other Deferred Debit Items.	4,612,072.20	8,298,486.73
		\$673,367,759.78

GENERAL BALANCE SHEET

LIABILITIES—DECEMBER 31, 1917.

CAPITAL STOCK:		
Common Stock.		
In Hands of Public.	\$117,406,000.00	
Held by Company.	5,300.00	\$117,411,300.00
Preferred Stock.		
In Hands of Public.	\$115,845,800.00	
Held by Company.	429,100.00	116,274,900.00
Premiums Realized on Capital Stock. .		36,183.87
Total Capital Stock.		\$233,722,383.87
FUNDED DEBT:		
Mortgage Bonds.		
In Hands of Public.	\$249,385,800.00	
Held by Company.	109,368,700.00	\$358,754,500.00
Debenture Bonds.		
In Hands of Public.	\$131,443,454.66	
Held by Company.	102,200.00	131,545,654.66
Total Funded Debt.		\$490,300,154.66
Total Capital Stock and Funded Debt. .		\$724,022,538.53
Less Stock and Bonds <i>unsold</i> , held by the		
Company.		107,602,200.00
TOTAL CAPITAL LIABILITIES.		\$616,420,338.53
WORKING LIABILITIES:		
Traffic and Car-Service Balances.	\$1,018,809.92	
Pay Rolls and Vouchers.	9,569,324.60	
Miscellaneous Accounts Payable.	1,425,826.96	
Unclaimed Dividends.	9,070.50	
Interest Coupons not Presented.	425,339.02	
Matured Funded Debt.	7,782.62	
Other Working Liabilities.	953,534.60	13,409,688.22
ACCRUED LIABILITIES NOT DUE:		
Interest Accrued on Funded Debt.	\$ 5,698,123.66	
French Government Tax — European		
Loan of 1910.	767,702.88	
Taxes Accrued not Payable.	744,000.00	7,209,826.54
DEFERRED CREDIT ITEMS:		
Insurance Department Fund—Reserve	2,775,841.52	
Other Deferred Credit Items.	1,998,116.29	4,773,957.81
APPROPRIATED SURPLUS:		
Reserves from Income or Surplus:		
Invested in Sinking Funds.	450,216.87	
Invested in Physical Property.	128,557.72	578,774.59
		\$642,392,585.69
PROFIT AND LOSS—BALANCE:		
Surplus.		30,975,174.09
		\$673,367,759.78

STATEMENT OF INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1917.

OPERATING INCOME:		
Rail Operations:		
Operating Revenues.....		\$113,739,201.66
Operating Expenses.....		85,195,963.74
Net Operating Revenue.....		\$ 28,543,237.92
Taxes Accrued..		6,517,211.97
Operating Income.....		\$ 22,026,025.95
OTHER INCOME:		
Interest Accrued on Bonds Owned.	\$ 41,663.00	
Dividends on Stocks Owned.....	279,471.00	
Interest on Other Securities, Loans and Accounts.....	597,404.59	
Rents—Received.	518,404.55	
Miscellaneous.	382,410.40	
Total Other Income.		1,819,353.54
Gross Corporate Income.....		\$23,845,379.49
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt.	\$16,596,623.64	
Rents—Paid.	1,026,147.67	
Hire of Equipment.....	1,136,242.05	
Miscellaneous.	617,734.48	
Total Deductions from Gross Corporate Income.....		19,376,747.84
NET CORPORATE INCOME FOR YEAR CARRIED FORWARD TO CREDIT OF PROFIT AND LOSS		\$ 4,468,631.65

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1917.

DEBIT.		CREDIT.	
Dubuque Division and Wisconsin Valley Division Sinking Funds.....	\$ 184,540.00	Balance December 31, 1916.....	\$42,247,364.23
Extinguishment of book value of equipment destroyed, sold or taken down during the year.....	453,009.93	Balance for Year brought forward from Income Account.....	4,468,631.65
Net Loss on Property sold or abandoned and not replaced.....	128,600.42	Profit on Property Sold and Other Miscellaneous Net Credits.....	\$ 168,441.88
Unamortized Discount and Expenses on Funded Debt.....	1,722,315.80		
Surplus appropriated for Investment in Physical Property.....	30,321.52		
Dividend declared January 25, 1917: 3 1/2% on \$115,845,800 Preferred Stock.....	4,054,603.00		
2 1/2% on \$117,406,000 Common Stock.....	2,935,150.00		
Dividend declared July 26, 1917: 3 1/2% on \$115,845,800 Preferred Stock.....	4,054,603.00		
2% on \$117,406,000 Common Stock.....	2,348,120.00		
Balance Credit, December 31, 1917, carried to General Balance Sheet.....	30,975,174.09		
	\$46,884,437.76		\$46,884,437.76

STATEMENT OF INCOME ACCOUNT
YEAR ENDED DECEMBER 31, 1917.

OPERATING INCOME:		
Rail Operations:		
Operating Revenues.....		\$113,739,201.66
Operating Expenses.....		85,195,963.74
Net Operating Revenue.....		\$ 28,543,237.92
Taxes Accrued.....		6,517,211.97
Operating Income.....		\$ 22,026,025.95
OTHER INCOME:		
Interest Accrued on Bonds Owned.....	\$ 41,663.00	
Dividends on Stocks Owned.....	279,471.00	
Interest on Other Securities, Loans and Accounts.....	597,404.59	
Rents—Received.....	518,404.55	
Miscellaneous.....	382,410.40	
Total Other Income.....	1,819,353.54	
Gross Corporate Income.....	\$23,845,379.49	
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt.....	\$16,596,623.64	
Rents—Paid.....	1,026,147.67	
Hire of Equipment.....	1,136,242.05	
Miscellaneous.....	617,734.48	
Total Deductions from Gross Corporate Income.....	19,376,747.84	
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Extinguishment of book value of equipment destroyed, sold or taken down during the year.....	453,009.93	Balance for Year brought forward from Income Account.....	4,468,631.65
Net Loss on Property sold or abandoned and not replaced.....	126,600.42	Profit on Property Sold and Other Miscellaneous Net Credits.....	\$ 168,441.88
Unamortized Discount and Expenses on Funded Debt.....	1,722,315.80		
Surplus appropriated for Investment in Physical Property.....	30,321.52		
Dividend declared January 25, 1917:			
3½% on \$115,845,800 Preferred Stock.....	4,054,603.00		
2½% on \$117,406,000 Common Stock.....	2,935,150.00		
Dividend declared July 26, 1917:			
3½% on \$115,845,800 Preferred Stock.....	4,054,603.00		
2% on \$117,406,000 Common Stock.....	2,348,120.00		
Balance Credit, December 31, 1917, carried to General Balance Sheet.....	30,975,174.09		
	\$46,884,437.76		\$46,884,437.76

CAPITAL STOCK, DECEMBER 31, 1917

Common Stock December 31, 1916.....	\$117,411,300.00
Preferred Stock December 31, 1916.....	116,274,900.00
Total Capital Stock, December 31, 1916.....	\$233,686,200.00
Common Stock December 31, 1917.....	\$117,411,300.00
Preferred Stock December 31, 1917.....	116,274,900.00
Total Capital Stock December 31, 1917.....	\$233,686,200.00

FUNDED DEBT, DECEMBER 31, 1917

Total Funded Debt December 31, 1916, including all liens on purchased roads.....	\$490,547,154.66
Decrease during the year:	
European Loan of 1910 Bonds purchased	\$ 596,234.22
Dubuque Division Bonds purchased for Sinking Fund.....	233,000.00
Wisconsin Valley Division Bonds pur- chased for Sinking Fund.....	8,000.00
Dakota & Great Southern Railway Co. Bond purchased.....	1,000.00
South Western Division Bond purchased	1,000.00
Total Decrease.....	839,234.22
Increase during the year:	
4% Gold Bonds of 1925 sold.....	\$489,707,970.44
Total Funded Debt December 31, 1917.....	596,234.22
Of the total amount of Bonds as stated above, there remains in the Treasury...	\$490,304,154.66
	\$107,259,200.00

FUNDED DEBT, DECEMBER 31, 1917

DESCRIPTION OF BONDS	DATE OF MATURITY	INTEREST			AMOUNT OF BONDS
		RATE	PAYABLE	ACCRUED DURING THE YEAR	
Dakota & Great Southern Ry. Co.	Jan. 1, 1916	5 %	Jan. and July		\$ 4,000.00
La Crosse & Davenport Division.....	July 1, 1919	5 %	Jan. and July	\$ 124,800.00	2,496,000.00
Dubuque Division.....	July 1, 1920	6 %	Jan. and July	255,660.00	4,261,000.00
Wisconsin Valley Division.....	July 1, 1920	6 %	Jan. and July	88,680.00	1,478,000.00
Chicago & Pacific Western Division..	Jan. 1, 1921	5 %	Jan. and July	1,266,700.00	25,334,000.00
Wisconsin & Minnesota Division.....	July 1, 1921	5 %	Jan. and July	237,750.00	4,755,000.00
Chicago & Lake Superior Division.....	July 1, 1921	5 %	Jan. and July	68,000.00	1,360,000.00
Fargo & Southern Ry. Co.....	Jan. 1, 1924	6 %	Jan. and July	74,880.00	1,248,000.00
European Loan of 1910.....	June 1, 1925	4 %	June and Dec.	527,330.04	13,076,496.42
Four per cent Gold of 1925.....	June 1, 1925	4 %	June and Dec.	1,400,537.60	35,100,158.24
Chicago & Missouri River Division..	July 1, 1926	5 %	Jan. and July	154,150.00	3,083,000.00
Convertible Gold.....	June 1, 1932	4 1/2 %	June and Dec.	2,249,136.00	49,980,800.00
Twenty-five Year Gold.....	July 1, 1934	4 %	Jan. and July	1,331,440.00	33,286,000.00
Milwaukee & Northern R. R. Co. First Mortgage....	June 1, 1934	4 1/2 %	June and Dec.	95,265.00	2,117,000.00
Milwaukee & Northern R. R. Co. Consolidated....	Jan. 1, 1934	4 1/2 %	June and Dec.	228,240.00	5,072,000.00
Chicago, Milwaukee & Puget Sound Ry. Co.	Jan. 1, 1949	4 %	Jan. and July	1,047,000.00	26,175,000.00
General Mortgage.....	May 1, 1989	4 %	Jan. and July	1,929,640.00	48,241,000.00
General Mortgage.....	May 1, 1989	3 1/2 %	Jan. and July	313,250.00	8,950,000.00
General Mortgage.....	May 1, 1989	4 1/2 %	Jan. and July	1,916,865.00	42,597,000.00
General and Refunding Mortgage.....	Jan. 1, 2014	4 1/2 %	Apr. and Oct.	1,828,380.00	43,089,000.00
General and Refunding Mortgage Convertible.....	Jan. 1, 2014	5 %	Feb. and Aug.	1,456,490.00	29,129,800.00
Interest on Bonds matured and retired				2,430.00	
				\$16,596,623.64	\$380,833,254.66
Bonds in the Treasury of the Company as shown on pages 13 and 26					107,259,200.00
Bonds in Insurance Reserve and Sinking Funds					2,211,700.00
TOTAL					\$490,304,154.66

DETAILED STATEMENT OF OPERATING REVENUES, EXPENSES AND INCOME.

FOR THE YEARS ENDED DECEMBER 31, 1916 AND 1917.

OPERATING REVENUES.

	1916	1917	INCREASE.	DECREASE.
TRANSPORTATION				
Freight.....	\$ 79,648,512.84	\$ 79,957,271.48	\$ 308,758.64	
Passenger.....	19,756,835.32	21,329,946.47	1,573,111.15	
Excess Baggage.....	191,670.90	183,841.04		\$ 7,829.86
Sleeping Car.....	1,217,419.67	1,386,630.78	169,211.11	
Parlor and Chair Car.....	78,242.84	78,004.40		238.44
Mail.....	2,329,575.10	2,217,622.97		111,952.13
Express.....	2,619,955.53	3,164,464.25	544,508.72	
Other Passenger Train.....	35,670.70	93,633.87	57,963.17	
Milk.....	928,318.40	934,140.89	5,822.49	
Switching.....	1,899,172.53	2,169,375.73	270,203.20	
Special Service Train.....	38,641.51	30,394.62		8,246.89
Total—Transportation Revenue.....	\$108,744,015.34	\$111,545,326.50	\$ 2,801,311.16	
INCIDENTAL				
Dining and Buffet.....	\$ 649,171.08	\$ 725,650.24	\$ 76,479.16	
Station, Train and Boat Privileges.....	56,266.03	63,078.78	6,812.75	
Parcel Room.....	3,696.88	3,511.37		185.51
Storage—Freight.....	63,267.23	56,281.66		6,985.57
Storage—Baggage.....	14,827.03	26,163.87	11,336.84	
Demurrage.....	430,514.65	582,820.11	152,305.46	
Telegraph and Telephone.....	102,778.94	110,830.12	8,051.18	
Stock Yard.....	38,357.89	75,232.16	36,874.27	
Hotels and Restaurants.....	2,911.52	3,389.91	478.39	
Rents of Buildings and Other Property.....	108,360.38	132,025.48	23,665.10	
Miscellaneous.....	257,369.07	284,448.15	27,079.08	
Total—Incidental Revenue.....	\$ 1,727,520.70	\$ 2,063,431.85	\$ 335,911.15	
JOINT FACILITY				
Joint Facility—Credit.....	\$ 138,384.52	\$ 130,808.00		\$ 7,576.52
Joint Facility—Debit.....	231.70	364.69		132.99
TOTAL—Joint Facility Revenue.....	\$ 138,152.82	\$ 130,443.31		\$ 7,709.51
TOTAL—Operating Revenues.....	\$110,609,688.86	\$113,739,201.66	\$ 3,129,512.80	

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CHICAGO, MILWAUKEE & ST. PAUL

OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED

OPERATING EXPENSES.

	1916	1917	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$ 614,945.53	\$ 646,416.61	\$ 31,471.08	
Roadway Maintenance.....	1,527,327.67	1,522,658.66		\$ 4,669.01
Tunnels and Subways.....	5,909.15	3,503.76		2,405.39
Bridges, Trestles and Culverts.....	987,498.54	680,260.44		307,238.10
Elevated Structures.....	1,372.85	107.16		1,265.69
Ties.....	1,461,134.91	1,013,482.04		447,652.87
Rails.....	448,119.24	172,167.92		620,287.16
Other Track Material.....	355,465.39	258,267.44		97,197.95
Ballast.....	359,942.80	143,356.62		216,586.18
Track Laying and Surfacing.....	3,900,267.52	3,506,217.78		394,049.74
Right of Way Fences.....	130,400.02	98,398.95		32,001.07
Snow and Sand Fences and Snow Sheds.....	14,690.58	22,926.09	8,235.51	
Crossings and Signs.....	150,883.42	135,572.43		15,310.99
Station and Office Buildings.....	361,560.50	367,171.13	5,610.63	
Roadway Buildings.....	40,710.41	27,007.62		13,702.79
Water Stations.....	161,494.14	181,627.35	20,133.21	
Fuel Stations.....	49,921.97	89,881.55	39,959.58	
Shops and Engine-houses.....	259,225.50	359,173.43	99,947.93	
Storage Warehouses.....	58.77	126.10	184.87	
Wharves and Docks.....	40,281.87	22,864.29		17,417.58
Coal and Ore Wharves.....	9,705.74	37,843.06	28,137.32	
Telegraph and Telephone Lines.....	141,552.13	127,011.19		14,540.94
Signals and Interlockers.....	272,551.91	273,102.62	550.71	
Power Plant Buildings.....	2,266.31	2,774.99	508.68	
Power Substation Buildings.....	1,084.32	468.64		615.68
Power Transmission Systems.....	4,564.15	1,000.68		3,563.47
Power Distribution Systems.....	40,354.05	81,944.74	41,590.69	
Power Line Poles and Fixtures.....	12,622.64	14,573.92	1,951.28	
Underground Conduits.....	437.94		437.94	
Miscellaneous Structures.....	711.33	572.98		138.35
Paving.....	5,905.21	1,217.97		7,123.18
Roadway Machines.....	58,909.61	54,693.50		4,216.11
Small Tools and Supplies.....	174,633.24	154,065.54		20,567.70
Removing Snow, Ice and Sand.....	291,512.94	584,471.51	292,958.57	
Assessments for Public Improvements.....	1,095.12	4,031.14	2,936.02	
Injuries to Persons.....	189,291.96	209,988.97	20,697.01	
Insurance.....	12,620.58	40,919.90	28,299.32	
Stationery and Printing.....	16,881.28	17,859.85	978.57	
Other Expenses.....	3,003.51	1,275.48		1,728.03
Maintaining Joint Tracks, Yards and Other Facilities—Dr.....	557,648.02	591,340.38	33,692.36	
Maintaining Joint Tracks, Yards and Other Facilities—Cr.....	151,231.86	150,263.82	967.54	
TOTAL—Maintenance of Way and Structures.....	\$12,516,337.99	\$10,953,308.83		\$ 1,563,029.16

RAILWAY COMPANY

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OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED

	1916	1917	INCREASE	DECREASE
MAINTENANCE OF EQUIPMENT				
Superintendence.....	\$ 327,353.51	\$ 360,196.90	\$ 32,843.39	
Shop Machinery.....	267,538.72	337,221.11	69,682.39	
Power Plant Machinery.....	35,471.12	39,962.79	4,491.67	
Power Substation Apparatus.....	3,682.21	10,034.37	6,352.16	
Steam Locomotives—Repairs.....	6,474,882.49	8,351,370.32	1,876,487.83	
Steam Locomotives—Depreciation.....	433,376.28	434,109.16	732.88	
Steam Locomotives—Retirements.....	1,105.87	14,198.60	13,092.73	
Other Locomotives—Repairs.....	90,961.10	220,525.76	129,564.66	
Other Locomotives—Depreciation.....	33,908.69	77,134.23	43,225.54	
Freight Train Cars—Repairs.....	6,186,065.48	7,760,360.12	1,574,294.64	
Freight Train Cars—Depreciation.....	1,049,813.84	1,090,460.99	40,647.15	
Freight Train Cars—Retirements.....	139,727.53	176,577.12	36,849.59	
Passenger Train Cars—Repairs.....	1,438,125.67	1,887,135.98	449,010.31	
Passenger Train Cars—Depreciation.....	269,844.57	269,969.20	124.63	
Passenger Train Cars—Retirements.....	2,437.58	7,313.64	4,876.06	
Motor Equipment of Cars—Repairs.....	11,773.26	9,584.15		\$ 2,189.11
Motor Equipment of Cars—Depreciation.....	1,932.72	1,934.37	1.65	
Work Equipment—Repairs.....	426,876.39	496,683.65	69,807.26	
Work Equipment—Depreciation.....	44,371.49	44,219.17		152.32
Work Equipment—Retirements.....	7,398.26	12,722.47	5,324.21	
Injuries to Persons.....	179,410.16	215,650.97	36,240.81	
Insurance.....	41,613.70	129,102.58	87,488.88	
Stationery and Printing.....	21,448.09	24,956.52	3,508.43	
Other Expenses.....	3,873.19	2,754.16		1,119.03
Maintaining Joint Equipment at Terminals—Debit.....	43,464.48	44,166.77	702.29	
Maintaining Joint Equipment at Terminals—Credit.....	8,008.06	8,144.47		136.41
TOTAL—Maintenance of Equipment.....	\$17,533,448.34	\$22,015,200.63	\$ 4,481,752.29	
TRAFFIC				
Superintendence.....	\$ 462,307.65	\$ 464,255.73	\$ 1,948.08	
Outside Agencies.....	901,179.38	840,064.71		\$ 61,114.67
Advertising.....	360,964.69	279,453.40		81,511.29
Traffic Associations.....	30,968.66	31,932.54	963.88	
Industrial and Immigration Bureaus.....	73,820.90	62,414.32		11,406.58
Insurance.....	383.11	44.60		338.51
Stationery and Printing.....	129,461.52	121,425.86		8,035.66
Other Expenses.....	2,893.52	4,372.49	1,478.97	
TOTAL—Traffic Expenses.....	\$ 1,961,979.43	\$ 1,803,963.65		\$ 158,015.78

30 CHICAGO, MILWAUKEE & ST. PAUL

OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED

	1916	1917	INCREASE	DECREASE
TRANSPORTATION				
Superintendence.....	\$ 356,487.24	\$ 432,179.55	\$ 75,692.31	
Dispatching Trains.....	505,243.36	513,831.85	8,588.49	
Station Employees.....	5,279,681.37	6,042,246.59	762,565.22	
Weighing, Inspection and Demurrage Bureaus.....	119,902.95	140,088.37	20,185.42	
Coal and Ore Wharves.....	62,356.72	86,815.14	24,458.42	
Station Supplies and Expenses.....	363,440.32	374,993.07	11,552.75	
Yard Masters and Yard Clerks.....	305,005.87	408,825.76	103,819.89	
Yard Conductors and Brakemen.....	2,385,791.34	3,052,614.18	666,822.84	
Yard, Switch and Signal Tenders.....	157,598.57	177,896.61	20,298.04	
Yard Enginemen.....	1,384,186.77	1,765,640.01	381,453.24	
Yard Motormen.....	3,697.18	16,007.63	12,310.45	
Fuel for Yard Locomotives.....	1,601,700.31	2,169,952.11	568,251.80	
Yard Switching—Power Produced.....	33.12	233.83	200.71	
Yard Switching—Power Purchased.....	3,034.73	8,321.86	5,287.13	
Water for Yard Locomotives.....	87,767.38	93,402.94	5,635.56	
Lubricants for Yard Locomotives.....	27,076.88	31,404.07	4,327.19	
Other Supplies for Yard Locomotives.....	35,797.59	43,424.80	7,627.21	
Enginehouse Expenses—Yard.....	520,593.24	741,440.42	220,847.18	
Yard Supplies and Expenses.....	20,345.07	24,919.95	4,574.88	
Operating Joint Yards and Terminals—Debit.....	592,276.01	636,219.29	43,943.28	
Operating Joint Yards and Terminals—Credit.....	158,696.38	173,974.55		\$ 15,278.17
Train Enginemen.....	4,664,052.18	5,033,303.04	369,250.86	
Train Motormen.....	138,040.24	262,177.75	124,137.51	
Fuel for Train Locomotives.....	8,618,246.16	10,466,551.60	1,848,305.44	
Train Power Produced.....	34,230.26	49,402.15	15,171.89	
Train Power Purchased.....	325,808.88	544,224.25	218,415.37	
Water for Train Locomotives.....	464,558.75	506,587.92	42,029.17	
Lubricants for Train Locomotives.....	161,083.84	166,505.26	5,421.42	
Other Supplies for Train Locomotives.....	141,844.79	164,409.70	22,564.91	
Enginehouse Expenses—Train.....	1,835,061.51	2,338,963.90	503,902.39	
Trainmen.....	4,929,383.72	5,441,166.94	511,783.22	
Train Supplies and Expenses.....	1,354,532.58	1,683,476.28	328,943.70	
Operating Sleeping Cars.....	281,315.35	301,868.50	20,553.15	
Signal and Interlocker Operation.....	250,084.47	283,744.57	33,660.10	
Crossing Protection.....	228,664.24	245,045.68	16,381.44	
Drawbridge Operation.....	38,193.58	38,180.81		12.77
Telegraph and Telephone Operation.....	92,543.02	100,972.52	8,429.50	
Stationery and Printing.....	189,777.42	215,990.50	26,213.08	
Other Expenses.....	155,590.10	88,981.99		66,608.11
Operating Joint Tracks and Facilities—Debit.....	216,480.89	266,118.16	49,637.27	
Operating Joint Tracks and Facilities—Credit.....	103,635.80	114,699.16		11,063.35

RAILWAY COMPANY

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OPERATING REVENUES, EXPENSES AND INCOME—CONCLUDED

	1916	1917	INCREASE	DECREASE
TRANSPORTATION—Concluded				
Insurance.....	\$ 34,558.41	\$ 43,526.59	\$ 8,968.18	
Clearing Wrecks.....	155,492.87	224,472.30	68,979.43	
Damage to Property.....	114,988.43	173,180.74	58,192.31	
Damage to Live Stock on Right of Way.....	88,503.11	94,767.25	6,264.14	
Loss and Damage—Freight.....	1,083,633.63	1,552,346.57	468,712.94	
Loss and Damage—Baggage.....	5,086.56	8,281.33	3,194.77	
Injuries to Persons.....	1,156,557.60	1,317,094.67	160,537.07	
TOTAL—Transportation Expenses.....	\$40,307,996.43	\$48,083,125.30	\$ 7,775,128.87	
MISCELLANEOUS OPERATIONS				
Dining and Buffet.....	\$ 700,415.38	\$ 743,731.44	\$ 43,316.06	
Hotels and Restaurants.....	3,857.28	4,188.80	331.52	
Stock Yards.....	27,777.79	65,758.60	37,980.81	
TOTAL—Miscellaneous Operations.....	\$ 732,050.45	\$ 813,678.84	\$ 81,628.39	
GENERAL				
Salaries and Expenses of General Officers.....	\$ 364,154.17	\$ 378,308.89	\$ 14,154.72	
Salaries and Expenses of Clerks and Attendants.....	885,433.88	968,748.85	83,314.97	
General Office Supplies and Expenses.....	87,118.79	90,856.17	3,737.38	
Law Expenses.....	295,940.88	295,152.77		\$ 788.11
Insurance.....	666.16	1,295.94	629.78	
Stationery and Printing.....	72,373.82	94,408.95	22,035.13	
Valuation Expenses.....	155,254.04	231,774.60	76,520.56	
Other Expenses.....	74,655.06	70,592.83		4,062.23
General Joint Facilities—Debit.....	35,930.22	31,936.97		3,993.25
General Joint Facilities—Credit.....	890.38	883.62	6.76	
TOTAL—General Expenses.....	\$ 1,970,636.64	\$ 2,162,192.35	\$ 191,555.71	
Transportation for Investment—Credit.....	\$ 1,257,398.23	\$ 635,505.86	\$ 621,892.37	
TOTAL—Operating Expenses.....	\$73,765,051.05	\$85,195,963.74	\$11,430,912.69	
SUMMARY				
Total Operating Revenues.....	\$110,609,688.86	\$113,739,201.66	\$ 3,129,512.80	
Total Operating Expenses.....	73,765,051.05	85,195,963.74	11,430,912.69	
Net Operating Revenue.....	\$36,844,637.81	\$28,543,237.92		\$ 8,301,399.89
Taxes Accrued.....	5,480,119.39	6,517,211.97	\$ 1,037,092.58	
Operating Income.....	\$31,364,518.42	\$22,026,025.95		\$ 9,338,492.47

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES.

FOR THE YEARS ENDED DECEMBER 31, 1916 AND 1917.

OPERATING REVENUES.

	1916		1917	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight Revenue.....	\$ 79,648,512.84	72.01	\$ 79,957,271.48	70.30
Passenger Revenue.....	19,756,835.32	17.86	21,329,946.47	18.76
Other Transportation Revenue.....	9,338,667.18	8.44	10,258,108.55	9.02
Incidental Revenue.....	1,727,520.70	1.56	2,063,431.85	1.82
Joint Facility Revenue.....	138,152.82	.13	130,443.31	.10
TOTAL Operating Revenues.....	\$110,609,688.86	100.00	\$113,739,201.66	100.00

OPERATING EXPENSES

	1916	1917
Maintenance of Way and Structures.....	\$ 12,516,337.99	\$ 10,953,308.83
Maintenance of Equipment.....	17,533,448.34	22,015,200.63
Traffic Expenses.....	1,961,979.43	1,803,963.65
Transportation Expenses.....	40,307,996.43	48,083,125.30
Miscellaneous Operations.....	732,050.45	813,678.84
General Expenses.....	1,970,636.64	2,162,192.35
Transportation for Investment—Credit.....	1,257,398.23	635,505.86
Operating Expenses.....	\$ 73,765,051.05	\$ 85,195,963.74

RECAPITULATION

Operating Revenues.....	\$110,609,688.86	100.00	\$113,739,201.66	100.00
Operating Expenses.....	73,765,051.05	66.69	85,195,963.74	74.90
Net Operating Revenue.....	\$ 36,844,637.81	33.31	\$ 28,543,237.92	25.10
Average miles in operation during the year, including miles of main track used under contracts.....	10,196.25		10,256.53	

COMPARATIVE SUMMARY OF OPERATION.

FOR THE YEARS ENDED DECEMBER 31, 1916 AND 1917.

	1916	1917	INCREASE	DECREASE
Operating Revenues.	\$110,609,688.86	\$113,739,201.66	\$ 3,129,512.80	
Operating Expenses.....	73,765,051.05	85,195,963.74	11,430,912.69	
Net Operating Revenue.....	\$ 36,844,637.81	\$ 28,543,237.92		\$ 8,301,399.89
Freight Revenue per mile of road.....	\$ 7,811.55	\$ 7,795.74		\$ 15.81
Passenger Revenue per mile of road.....	1,937.66	2,079.65	\$ 141.99	
Miscellaneous Revenues per mile of road.....	1,098.87	1,214.05	115.18	
Operating Revenues per mile of road.....	\$ 10,848.08	\$ 11,089.44	\$ 241.36	
Operating Expenses per mile of road.....	7,234.53	8,306.51	1,071.98	
Net Operating Revenue per mile of road....	\$ 3,613.55	\$ 2,782.93	\$\$	830.62
Average miles in operation during the year, including miles of main track under contracts....	10,196.25	10,256.53	60.28	

OPERATING REVENUES, EXPENSES AND TAXES—MONTHLY
YEAR ENDED DECEMBER 31, 1917.

MONTH	OPERATING REVENUES	OPERATING EXPENSES	NET OPERATING REVENUE	TAXES ACCRUED	OPERATING INCOME
January.....1917	\$ 8,351,112.93	\$ 6,220,807.00	\$ 2,130,305.93	\$ 465,192.98	\$ 1,665,112.95
February....."	6,514,625.36	6,209,115.35	305,510.01	458,697.03	* 153,187.02
March....."	8,757,232.10	6,183,252.46	2,573,979.64	458,580.60	2,115,399.04
April....."	9,330,909.40	6,718,432.03	2,612,477.37	457,383.36	2,155,094.01
May.....	9,917,911.06	6,729,444.75	3,188,466.31	442,437.91	2,746,028.40
June....."	9,410,567.01	6,544,674.08	2,865,892.93	545,620.09	2,320,272.84
July....."	10,195,753.86	6,977,649.91	3,218,103.95	590,013.08	2,628,090.87
August....."	10,500,802.16	7,681,036.61	2,819,765.55	597,704.78	2,222,060.77
September....."	10,382,216.37	8,185,878.11	2,196,338.26	597,820.36	1,598,517.90
October....."	11,034,551.48	8,029,522.89	3,005,028.59	655,569.15	2,349,459.44
November....."	10,155,099.10	8,011,084.45	2,144,014.65	657,120.69	1,486,893.96
December....."	9,188,420.83	7,705,066.10	1,483,354.73	591,071.94	892,282.79
Total.....	\$113,739,201.66	\$ 85,195,963.74	\$ 28,543,237.92	\$ 6,517,211.97	\$ 22,026,025.95

*Deficit.

CHARGES TO PROPERTY INVESTMENT—ROAD & EQUIPMENT

DURING THE YEAR ENDED DECEMBER 31, 1917

Additional Equipment Purchased or Built:

7 Locomotives—Electric.....	\$ 758,216.84
1 Locomotive—Steam.....	9,000.00
150 Flat Cars.....	265,364.90
2 Flat Cars—Converted.....	1,597.36
1696 Coal Cars—Gondolas.....	2,317,690.04
250 Ore Cars.....	246,071.37
15 Ore Cars—Rebuilt.....	11,183.86
1 Parlor Car.....	8,596.48
1 Mine Rescue Car—Converted.....	12,157.88
141 Cinder Dump Cars.....	65,762.33
5 Supply Cars—Converted.....	5,278.41
1 Wrecking Car—Converted.....	731.13
6 Boom Cars—Converted.....	2,764.08
1 Water Service Car—Converted.....	450.00
1 Locomotive Crane.....	8,239.84
1 Automobile Truck.....	1,253.92
Improvements to Locomotives and Cars.....	243,851.39
Gross Additions and Betterments—Equipment.....	\$ 3,958,209.83
Less original cost of equipment destroyed, sold or taken down during the year.....	1,782,388.21
Net Additions and Betterments—Equipment.....	\$ 2,175,821.62
New Branch Lines and Extensions.....	551,370.46
New Additional Main Tracks and Reducing Grade and Perfecting Line.....	61,084.27
Other Additions and Betterments:	
Land for Transportation Purposes.....	\$ 113,138.61
Grading.....	718,264.07
Tunnels and Subways.....	58,848.17
Bridges, Trestles and Culverts.....	758,516.13
Ties.....	125,375.83
Rails.....	366,223.05
Other Track Material.....	213,745.45
Ballast.....	229,722.15
Track Laying and Surfacing.....	214,067.42
Right of Way Fences, etc.....	36,820.42
Crossings and Signs.....	157,694.60
Station and Office Buildings.....	428,999.77
Roadway and Miscellaneous Buildings.....	62,412.92
Water and Fuel Stations.....	355,444.38
Shops and Enginehouses.....	489,300.79
Grain Elevators and Storage Warehouses.....	89,808.12
Wharves and Docks.....	42,588.00
Telegraph and Telephone Lines.....	18,249.89
Signals and Interlockers.....	500,098.71
Power Stations, Transmission Systems, etc.....	1,572,842.92
Paving and Assessments.....	134,972.58
Roadway Machines and Tools.....	12,360.04
Shop Machinery.....	104,521.19
Miscellaneous.....	464,893.43
Gross Additions and Betterments—Road and Equipment.....	7,268,908.64
Credit—Property retired or converted.....	\$ 10,057,184.99
Net Additions and Betterment—Road and Equipment.....	647,445.72
Road and Equipment, December 31, 1916...	\$ 9,409,739.27
Road and Equipment, December 31, 1917...	595,169,096.67
	\$604,578,835.94

TRANSPORTATION STATISTICS

FOR THE YEARS ENDED DECEMBER 31ST, 1916 AND 1917.

	1916	1917
Miles run by freight trains.....	22,561,341	20,959,947
Miles run by passenger trains.....	17,794,060	18,166,288
Miles run by mixed trains.....	1,756,332	1,595,799
Total miles run by revenue trains.....	42,111,733	40,722,034
Miles run by loaded freight cars.....	592,113,791	525,792,181
Miles run by empty freight cars.....	225,394,150	182,489,099
Total miles run by freight cars.....	817,507,941	708,281,280
Freight revenue.....	\$79,648,512.84	\$79,957,271.48
Tons of revenue freight carried.....	39,986,136	38,444,353
Tons of revenue freight carried one mile.....	10,747,323,415	10,545,443,466
Tons of Company freight carried one mile.....	1,489,988,109	1,479,699,429
Tons of all freight carried one mile.....	12,237,311,524	12,025,133,395
Tons of revenue freight per freight and mixed train mile.....	441.96	467.53
Tons of Company freight per freight and mixed train mile.....	61.27	65.60
Total tons of freight per freight and mixed train mile.....	503.23	533.13
Average revenue per ton of revenue freight per mile.....	.7411 ct.	.7582 ct.
Average distance haul of each ton of revenue freight—miles.....	268.78	274.30
Average amount received per ton of revenue freight.....	\$1.9919	\$2.0797
Average revenue from freight per freight and mixed train mile.....	\$3.2753	\$3.5449
Tons of revenue freight per loaded car.....	18.151	20.056
Tons of Company freight per loaded car.....	2.516	2.814
Total tons of freight per loaded car.....	20.667	22.870
Average number of loaded freight cars per train.....	24.349	23.311
Average number of empty freight cars per train.....	9.269	8.090
Average number of freight cars per train.....	33.618	31.401
Passenger Revenue.....	\$19,756,835.32	\$21,329,946.47
Passengers carried.....	15,969,377	15,484,374
Passengers carried one mile.....	921,993,832	980,728,974
Passengers carried per passenger and mixed train mile.....	47.16	49.63
Average revenue per passenger per mile.....	2.143 cts.	2.174 cts.
Average distance traveled by each passenger —miles.....	57.74	63.34
Average amount received per passenger.....	\$1.2372	\$1.3775
Average revenue from passengers per pas- senger and mixed train mile.....	\$1.0106	\$1.0793
Operating expenses per revenue train mile.....	\$1.7517	\$2.0921

STATEMENT OF COMMODITIES TRANSPORTED
DURING THE YEARS ENDED DECEMBER 31ST, 1916 AND 1917.

COMMODITIES	1916		1917	
	TONS	PER CENT	TONS	PER CENT
PRODUCTS OF AGRICULTURE:				
Grain.....	4,827,940	12.074	4,079,581	10.612
Flour.....	1,177,974	2.946	1,049,265	2.729
Other Mill Products.....	539,901	1.350	477,840	1.243
Hay.....	251,126	.628	246,183	.640
Tobacco.....	38,848	.097	46,253	.120
Cotton.....	54,386	.136	28,249	.074
Fruit and Vegetables.....	742,646	1.857	759,785	1.976
Other Products of Agriculture.....	363,199	.909	322,746	.840
Total.....	7,996,020	19.997	7,009,902	18.234
PRODUCTS OF ANIMALS:				
Live Stock.....	1,539,022	3.850	1,452,407	3.778
Dressed Meats.....	240,873	.602	209,906	.546
Other Packing House Products.....	76,756	.192	90,710	.236
Poultry, Game and Fish.....	86,705	.217	67,330	.175
Wool.....	23,236	.058	11,862	.031
Hides and Leather.....	85,372	.213	79,794	.208
Other Products of Animals.....	184,539	.461	257,670	.670
Total.....	2,236,503	5.593	2,169,679	5.644
PRODUCTS OF MINES:				
Anthracite Coal.....	1,005,033	2.514	895,999	2.331
Bituminous Coal.....	3,588,345	8.974	4,988,257	12.975
Coke.....	514,616	1.287	323,854	.842
Ores.....	3,266,328	8.169	3,025,128	7.869
Stone, Sand and Other Like Articles.....	2,817,566	7.046	2,239,313	5.825
Other Products of Mines.....	214,460	.536	242,824	.632
Total.....	11,406,398	28.526	11,715,375	30.474
PRODUCTS OF FORESTS:				
Lumber.....	5,918,878	14.803	5,677,991	14.769
Other Products of Forests.....	485,907	1.215	752,366	1.957
Total.....	6,404,785	16.018	6,430,357	16.726
MANUFACTURES:				
Petroleum and Other Oils.....	642,288	1.606	747,148	1.943
Sugar.....	169,993	.425	141,357	.368
Naval Stores.....	13,550	.034	13,268	.035
Iron, Pig and Bloom.....	526,585	1.317	507,417	1.320
Iron and Steel Rails.....	93,643	.234	81,104	.211
Other Castings & Machinery.....	483,410	1.209	545,646	1.419
Bar and Sheet Metal.....	598,933	1.498	635,689	1.654
Cement, Brick and Lime.....	1,949,957	4.877	1,577,954	4.105
Agricultural Implements.....	218,793	.547	270,686	.704
Wagons, Carriages, Tools, etc.....	230,631	.577	256,169	.666
Wines, Liquors and Beers.....	520,081	1.301	496,497	1.291
Household Goods & Furniture.....	186,914	.467	169,735	.441
Other Manufactures.....	1,766,647	4.418	1,522,988	3.962
Total.....	7,401,425	18.510	6,965,658	18.119
COMMODITIES NOT SPECIFIED.....	4,541,005	11.356	4,153,382	10.803
Grand Total.....	39,986,136	100.0	38,444,353	100.000

EQUIPMENT, DECEMBER 31, 1917.

Locomotives—Steam.....	1,937	
Locomotives—Electric.....	45	
Freight-train Cars:		
Box Cars.....	40,759	
Flat Cars.....	4,850	
Stock Cars.....	5,519	
Coal Cars.....	6,546	
Refrigerator Cars.....	2,293	
Caboose Cars.....	1,067	
Other Freight-train Cars (Ore Cars).....	2,112	63,086
Passenger-Train Cars:		
Coaches.....	646	
Combination Passenger Cars.....	133	
Passenger, Baggage and Mail.....	4	
Passenger and Baggage.....	101	
Gas-Electric Motor Cars.....	7	
Baggage-Buffer.....	5	
Buffer-Observation.....	14	
Buffer-Lounging Cars.....	2	
Other Combination Cars.....	138	
Baggage, Mail and Express.....	6	
Baggage and Mail.....	83	
Mail and Express.....	49	
Dining Cars.....	61	
Parlor Cars.....	34	
Sleeping Cars.....	239	
Standard.....	203	
Tourist.....	36	
Baggage and Express Cars.....	269	
Postal Cars.....	57	1,577
Company Service Cars:		
Office and Pay Cars.....	23	
Ballast Cars.....	2,384	
Derrick Cars.....	47	
Steam Shovels.....	21	
Wrecking Cars.....	15	
Other Company Service Cars.....	1,615	4,105
Total.....	70,750	

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

42 BROADWAY, NEW YORK

April 5, 1918

Sir:

The Annual Meeting of the Stockholders of this Company will be held at the office of the Company in the City of Milwaukee, Wisconsin, on Saturday the 18th day of May next, at 12 o'clock noon.

At said meeting or any adjournment or adjournments thereof, holders of stock will be requested specifically to authorize or to ratify, as the case may call for, an agreement or agreements with the United States Government pursuant to the Act of Congress approved March 21, 1918, entitled "An Act to Provide for the Operation of Transportation Systems while under Federal Control, for the Just Compensation of their Owners, and for other Purposes;" and to authorize such further acts in the premises as may be deemed advisable, and to transact such other business as may be brought before said meeting.

In case you shall not be able to be present in person, it is important that you should sign and return at an early date the enclosed authority to represent you at such meeting.

H. E. Byram,
Albert J. Earling,
William Rockefeller,
John D. Ryan,
John A. Stewart.

A true copy of the above notice was enclosed with the proxy sent to each stockholder of the Company for said annual meeting.

LB Terry
Vice President.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

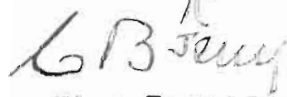
NEW YORK, April 26, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose you herewith a signed copy of notice enclosed with proxies for Annual Meeting of May 18th, which Mr. Hanson requests that you file with the records of said meeting.

Very truly yours,



Vice President.

Enclosure.

R. M. H.

Of all the states in the union, Wisconsin has been singled out for an attack on its loyalty, an accusation as cruel as it is unfounded.

The Chicago, Milwaukee and St. Paul Railway Company is peculiarly a Wisconsin institution, notwithstanding that it traverses the great central west and the golden northwest to the waters of the Pacific. It was chartered by the state of Wisconsin *more than 55 years ago* and its general offices ~~are~~ *have* been ~~situated~~ in the city of Milwaukee *ever since*.

We believe, therefore, that it is our duty as stockholders of this company to reaffirm our unwavering belief in the loyalty of Wisconsin and Milwaukee, its metropolis.

In proof of our declaration we point to Wisconsin's magnificent gifts of men and ~~money~~ *money* to the nation and to its emphatic disapproval at the polls of the attempt to deflect it from its support of the war.

We place this statement on record, feeling confident that in this struggle Wisconsin will make a record of achievement fully as brilliant as the one made during the Civil war.

action of business.

5 The Chairman submitted the Annual Report of the Board of Directors for the year ending December 31, 1917, a copy of which report had been mailed to each stockholder of the Company, as appears from the certificate of the Comptroller.

On motion, duly seconded, the report was adopted and a copy ordered filed in the Secretary's Office.

On motion, duly seconded, it was unanimously

6 RESOLVED, that the stockholders do now proceed, by ballot, to the election of four Directors to hold office for three years, and until their successors are elected and qualified.

Whereupon Mr. Burton Hanson, Mr. Grant Fitch, and Mr. John W. Mariner, the inspectors of election duly chosen, declared the polls open for the reception of votes.

7
+
8 The Chairman stated that since the last annual meeting of the stockholders, the By-Laws of the Company had been amended by the Directors September 27, 1917, and by direction of the Board of Directors a printed copy, in pamphlet form, had been prepared, dated September 27, 1917, embracing all of the By-Laws, as amended, and which amended By-Laws are now presented to this meeting for approval.

Whereupon Mr. Rockefeller offered the following resolution:

✓ RESOLVED, that the By-Laws of the Company, as set forth in a printed pamphlet dated September 27, 1917, and now presented to this meeting, be and the same are hereby adopted as the By-Laws of the Company, and that the same be spread upon the minutes of this meeting.

A stock vote being called for and taken on the adoption of the foregoing resolution, it appeared that the holders of 1,461,120 . shares of the capital stock of the Company had voted in favor of its adoption, and no shares were opposed thereto.

Whereupon the Chairman declared the resolution unanimously a-

dopted; and said By-Laws, as approved, are as follows:

(Copy of By-Laws hereto attached.)

9 On motion, duly seconded, it was

RESOLVED, that the Secretary be directed to read, for the information of the stockholders, the proceedings of the Board of Directors and Executive Committee since the last annual meeting of the Company.

The same having been read, on motion, duly seconded, it was unanimously

10 ✓ RESOLVED, that all the acts and doings of the Board of Directors and Executive Committee since the last annual meeting of the stockholders, as set forth in the record book of the Company, be and are hereby ratified, approved, and confirmed as the acts and doings of this corporation.

At 12:47 o'clock P. M., no votes having been cast for the thirty minutes next preceding, the Inspectors of Election declared the polls closed; and having counted the votes, submitted their certificate of election; and the same having been read to the meeting, on motion, duly seconded, it was adopted and ordered to be entered in full in the minutes of this meeting, and is as follows:

CERTIFICATE OF INSPECTORS OF ELECTION.

WE, the undersigned, duly constituted Inspectors of an Election for four Directors of the CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, held in accordance with the Articles of Association and By-Laws of said Company, at its principal office, in the City of Milwaukee, Wisconsin, on Saturday, the eighteenth day of May, A. D. 1918, DO HEREBY CERTIFY: that 1,463,991 votes were cast at said election for Directors; and that

Donald G. Geddes .. received 1,463,991 votes,
William Rockefeller received 1,463,816 votes,
John A. Stewart ... received 1,463,991 votes,
H. E. Byram received 1,463,991 votes,
Burton Hanson received 175 votes,

being in each case a majority of the whole number of votes cast, except in the case of Burton Hanson, and were severally elected Directors (except Burton Hanson) to serve for three years and until their successors are elected and qualified.

AND WE FURTHER CERTIFY, that the polls of said election were opened at 12 o'clock noon and were closed at 12:47 o'clock P. M. of that day; and that we, Burton Hanson, Grant Fitch, and John W. Mariner, were present at said election, and that said election was held in accordance with law.

BURTON HANSON,
GRANT FITCH,
JOHN W. MARINER,

Inspectors of Election.

And thereupon the Chairman declared Messrs. Donald G. Geddes, William Rockefeller, John A. Stewart, and H. E. Byram, duly elected Directors of this Company, to serve for three years and until their successors are elected and qualified.

The Chairman offered the following resolution:

WHEREAS, at the regular annual meeting of the Board of Directors of this Company, held at the principal office of the Company, in the City of Milwaukee, Wisconsin, on the 18th day of May, 1918, a resolution was unanimously adopted, providing for an organization for conserving and protecting the property, rights and interests of this Company during the period of Federal control, as defined by an Act of Congress, approved March 21, 1918; and

WHEREAS, said resolution, together with the form of the organization therein set forth, was read and submitted to this meeting of the Stockholders:

NOW, THEREFORE,

RESOLVED, that said resolution, as adopted by the Board of Directors of this Company, and the organization therein set forth, be and they are hereby, approved and adopted.

The resolution, so offered, was duly seconded, and a stock vote being taken thereon, it was found and reported that 1,461,120 votes had been cast for the resolution, and that no votes had been cast against it, and the resolution was thereupon declared duly adopted.

The following resolutions were offered:

WHEREAS, on the 28th of December, 1917, the President of the United States took over the possession, use, control, and operation of certain railroad properties, including the railroad of this Company, and the railroads of its subsidiary Companies, to-wit, the Tacoma Eastern Railroad Company, the Bellingham and Northern Railway Company, the Seattle, Port Angeles & Western Railway Company, the Milwaukee Terminal Railway Company, the Puget Sound & Willapa Harbor Railway Company, and the Gallatin Valley Railway Company, all the capital stock of which six last named Companies (except Directors' or Trustees' qualifying shares) is owned and held by this Company, as a transportation system; and

WHEREAS, by Act of Congress, approved March 21, 1918, which Act is now before this meeting, it is provided that the Federal control of the railroads and transportation systems, so taken over, shall continue for and during the period of the war, and for a reasonable time thereafter, which shall not exceed one year and nine months next following the date of the proclamation by the President of the exchange of ratifications of the treaty of peace, unless the President shall, prior to that date, relinquish control of the properties taken over in the manner provided in said Act; and

WHEREAS, by said Act, the President of the United States is au-

thorized to guarantee to any Company whose railroad and system of transportation was so taken over, a certain annual sum, and to agree with said Company concerning the up-keep of the property taken over, the rights and obligations of the parties arising out of Federal control and other matters as in said Act set out; and

✓ WHEREAS, said Act provides that if no such agreement is made, or pending the execution of an agreement, the President may, nevertheless, pay to any such Company, while under Federal control, an annual amount payable in reasonable installments not exceeding ninety (90) per centum of the estimated annual amount of just compensation, remitting such Company, in case no agreement is made, to its legal rights for any balance claimed to the remedies provided in Section 3 of the Act; and

✓ WHEREAS, it will be necessary for this Company and its subsidiary Companies to enter into an agreement pursuant to the terms and provisions of said Act, or, failing to do so, be remitted to the remedies otherwise provided by law; and

WHEREAS, negotiations are pending for an agreement, but the results of such negotiations cannot at this time be definitely foretold, and, therefore, a situation may arise in which, owing to the difficulties of holding a special meeting of the stockholders, the protection of the Company's interests will require the Board of Directors to take definite and final action in respect of accepting such agreement;

THEREFORE, RESOLVED, that the Board of Directors of this Company be, and they are hereby, authorized and empowered to determine, by a majority vote for this Company and its said subsidiary Companies, whether an agreement shall be entered into by this Company and its said subsidiary Companies separately, or together, as a transportation system, with the United States, or whether this Company

had been cast for the resolutions, and that no votes had been cast against them, and the resolutions were thereupon declared duly adopted.

The Chairman stated that it appeared from the certificate of C. B. Ferry, Vice President, that the following notice was mailed to each stockholder of the Company at the time of sending out the proxies for the annual meeting, and on motion, duly seconded, it was ordered that said notice be made a part of the minutes of this meeting:

"CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY CO.
42 Broadway, New York.

April 5, 1918.

Sir:

The Annual Meeting of the Stockholders of this Company will be held at the office of the Company in the City of Milwaukee, Wisconsin, on Saturday the 18th day of May next, at 12 o'clock noon.

At said meeting or any adjournment or adjournments thereof, holders of stock will be requested specifically to authorize or to ratify, as the case may call for, an agreement or agreements with the United States Government pursuant to the Act of Congress approved March 21, 1918, entitled "An Act to Provide for the Operation of Transportation Systems while under Federal Control, for the Just Compensation of their Owners, and for other purposes;" and to authorize such further acts in the premises as may be deemed advisable, and to transact such other business as may be brought before said meeting.

In case you shall not be able to be present in person, it is important that you should sign and return at an early date the enclosed authority to represent you at such meeting.

H. E. Byram.....
Albert J. Earling.....
William Rockefeller.....
John D. Ryan.....
John A. Stewart....."

Mr. John R. Wolf offered the following, which, on motion duly seconded, was unanimously adopted and ordered entered upon the records:

"Of all the states in the Union, Wisconsin has been singled out for an attack on its loyalty, an accusation as cruel as it is unfounded.

"The Chicago, Milwaukee and St. Paul Railway Company is pecu-

liarly a Wisconsin institution, notwithstanding that it traverses the great central west and the golden northwest to the waters of the Pacific. It was chartered by the State of Wisconsin more than fifty-five years ago, and its general offices have been in the City of Milwaukee ever since.

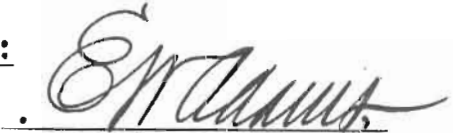
"We believe, therefore, that it is our duty as stockholders of this Company, to reaffirm our unwavering belief in the loyalty of Wisconsin, and Milwaukee, its metropolis. ✓

"In proof of our declaration we point to Wisconsin's magnificent gifts of men and money to the nation and to its emphatic disapproval at the polls of the attempt to deflect it from its support of the war.

"We place this statement on record, feeling confident that in this struggle Wisconsin will make a record of achievement fully as brilliant as the one made during the Civil war."

There being no further business to come before the meeting, on motion duly seconded, the stockholders adjourned until Tuesday, the eighteenth day of June, 1918, at 12 o'clock noon.

Attest:



Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, June 6, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive
Committee at meeting held June 6, 1918.

Very truly yours,

L B Terry
Vice President.

Enclosure.

New York, Thursday, 6 June, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Byram, Earling, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

On motion, duly seconded, it was unanimously

RESOLVED, that in the absence, inability or at the request of the Vice President in charge of the Financial and Transfer Office, Mr. F. B. Simpson, Assistant Secretary, be and he hereby is the officer specially authorized to sign the preferred and common stock certificates of the Company for such Vice President.

The Chairman submitted the following communication which was unanimously approved:

"To the Board of Directors:

The Federal Control Act, under which the railway of this company and its subsidiary companies is now being controlled and operated, provides that if the President of the United States shall find that where recent expenditures for additions or improvements or equipment were not fully reflected in the operating railway income of the three years ended June 30, 1917, or a substantial part thereof, or because of any undeveloped conditions so exceptional as to make the basis of earnings plainly inequitable as a fair measure of just compensation, then he may make an agreement with the company for such amount as just compensation as under the circumstances of the case he shall find just.

Pursuant to these provisions of the Act, the Comptroller of the company has prepared a statement of such expenditures and of the claims of the company and its subsidiary companies arising out of the undeveloped conditions existing in respect of their operations and earnings, and I, as Chairman of the Board, have filed the same with the Interstate Commerce Commission, as required by the rules of procedure of the Railroad Administration.

The claims thus made for additional compensation are as follows:

1. Puget Sound Lines,	\$1,917,588.66
2. New Wood River Line,	16,054.01
3. Okanogan Southwesterly Line,	14,028.54
4. Great Falls Line,	71,404.90
5. Grass Range Line,	22,152.79
6. Seattle & Port Angeles Line,	39,971.47
7. Willapa Harbor Line,	112,367.50
	\$2,193,567.87
	=====

As nearly as it can now be ascertained, the amount of the average annual railway operating revenue of this company and its six subsidiary companies is \$27,618,009.99

Respectfully submitted,
(Signed) A. J. Farling,
Chairman."

June 6, 1918.

There being no further business to come before the meeting, the Committee adjourned.

L B Farley
Assistant Secretary,

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, June 21, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive Committee of June 13th and of the Board of Directors at a special meeting held June 20th.

Very truly yours,

L. B. Shaw
Vice President.

Enc.

New York, Thursday, 13 June, 1918. 2 P.M.
The Executive Committee met. There were present
Messrs. Harkness, P. A. Rockefeller, Wm. Rockefeller and
Stewart.

No formal action was taken.
L B Ferry
Assistant Secretary.

New York, Thursday, 20 June, 1918. 2 P.M.

As provided in Section 3 of Article III of the By-laws
of the Company and pursuant thereto, a Special Meeting of the
Board of Directors was called and held. There were present
Messrs. Bliss, Byram, Earling, Geddes, Harkness, Pettit, P. A.
Rockefeller, Wm. Rockefeller and Stewart.

The Chairman laid before the Board the following com-
munication which was unanimously approved:

terms and provisions of said Federal Control Act, more than
\$13,000,000.

WHEREFORE, said Company respectfully requests that there
be forthwith paid to it as an advance on the amount of the just com-
pensation which it is entitled to receive under the terms and provis-
ions of said Federal Control Act, the sum of \$4,293,665.00 in order

that it, said Company, may have the funds available to meet and pay the amount of interest which becomes due and payable July 1, 1918, on its outstanding bonds and notes, all as stated in the resolutions of its Board of Directors.

DATED, New York, June 20, 1918.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

(Signed) A. J. EARLING.

BY

Chairman of the Board of Directors.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

I, C. B. FERRY, Assistant Secretary of the Chicago, Milwaukee & St. Paul Railway Company, DO HEREBY CERTIFY: That at a meeting of the Board of Directors of said Railway Company, duly and regularly called and held at the office of the Company, in the City of New York, State of New York, on Thursday, the 20th day of June, A. D. 1918, at which meeting a quorum of said Board was present and voting, the following proceeding was, among others, had and taken:

The Chairman laid before the Board of Directors a statement showing the amount of interest coupons that would mature and be payable July 1, 1918, on the outstanding bonds of the Company, as follows:

<u>Description of Bonds</u>	<u>Principal</u>	<u>Interest due July 1, 1918</u>
La Grosse & Davenport Division 5% Bonds,	\$2,500,000.00	\$62,500.00
Dubuque Division 6% Bonds,	4,215,000.00	126,450.00
Wisconsin Valley Division 6% Bonds,	1,705,000.00	51,150.00
Chicago & Pacific Western Division 5% Bonds,	25,340,000.00	633,500.00
Wisconsin & Minnesota Division 5% Bonds,	4,755,000.00	118,875.00
Chicago & Lake Superior Division 5% Bonds,	1,360,000.00	34,000.00
Fargo & Southern Ry. 6% Bonds,	1,250,000.00	37,500.00
Chicago & Missouri River Division 5% Bonds,	3,083,000.00	77,075.00
Twenty-five Year Gold 4% Bonds,	33,369,000.00	667,380.00
C. M. & P. S. Ry. 4% Bonds,	27,175,000.00	543,500.00
General Mortgage 4% Bonds,	49,000,000.00	980,000.00
General Mortgage 3 1/2% Bonds,	8,950,000.00	156,825.00
General Mortgage 4 1/2% Bonds,	42,597,000.00	958,432.50

Total Principal, \$205,299,000.00

Total Interest due July 1, 1918, \$4,446,937.50

Less-Interest on Registered
General Mortgage Bonds.
Due April 1, 1918 *

\$12,288,000 @ 4% - 3 months,	\$122,880.00	
3,165,000 @ 3 1/2% - 3 "	18,943.75	
6,861,000 @ 4 1/2% - 3 "	77,186.25	
		* 219,010.00

Net Amount Payable July 1, 1918, \$4,227,977.50

* Of this amount, \$217,746.25 was paid in April and May, 1918.

The Chairman also laid before the Board of Directors, a statement showing interest payments which mature July 1, 1918, on certain loans made to the Company by certain banks and trust companies in New York City, as follows:

<u>Loans</u>		<u>Rate</u>	<u>Due</u>	<u>Interest to July 1, 1918.</u>
National City Bank, January 2, 1918,	\$1,500,000.00	5 1/2%	Demand	\$41,250.00
National City Bank, February 28, 1918,	500,000.00	6%	"	10,000.00
Farmers' Loan & Trust Co., January 2, 1918,	500,000.00	6%	7/2/18	15,000.00
Union Trust Co. Jan. 2, 1918	500,000.00	6%	7/2/18	15,000.00
Guaranty Trust Co. " 2, "	1,500,000.00	6%	7/2/18	45,000.00
	\$4,500,000.00			\$126,250.00

Less:

Interest paid in April, 1918:

\$1,500,000.00-Jan. 2 to Apr. 1-89 days	5 1/2%	\$20,395.83
500,000.00-Feb. 28 " " 1-32 "	6%	2,668.67
500,000.00-Jan. 2 " " 2-90 "	6%	7,500.00
500,000.00- " 2 " " -90 "	6%	7,500.00
1,500,000.00- " 2 " " 2-90 "	6%	22,500.00
		\$60,562.50

Interest payable July 1, 1918,

\$65,687.50

SUMMARY:

Principal,	\$4,500,000.00
Interest due July 1, 1918,	65,687.50
Total Amount,	\$4,565,687.50

Whereupon, on motion made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Chairman of the Board, or the General Counsel of this Company be, and they are hereby, authorized to forthwith make application to the Director General of Railroads for payment to the Company on account of the just compensation to be received by the Company under the Act of Congress, approved March 21, 1918, entitled, "An Act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes", commonly called the Federal Control Act, of an amount sufficient to enable the Company to fully pay the amount of the interest on the fore-

going described bonds and notes of the Company, which interest is due and payable July 1, 1918.

FURTHER RESOLVED, that the Chairman of the Board, or the General Counsel of the Company, be, and they hereby are, authorized to accept from the United States, or the Director General of Railroads, and to give proper receipts therefor, the amount required for the foregoing interest requirements of the Company, July 1, 1918.

FURTHER RESOLVED, that the Chairman of the Board, or the General Counsel of the Company, be, and they hereby are, authorized to do each, every and all of those things which may be necessary or required in order to obtain such advances, being expressly authorized to make, execute and deliver all such written instruments, documents and certificates as may be necessary, or that may be required, in respect thereof.

AND I FURTHER CERTIFY that the above and foregoing is a full, true and correct copy of said resolutions, and of the whole thereof, as the same appear in the books of the Company in my custody as Assistant Secretary thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Chicago, Milwaukee & St. Paul Railway Company, at the City of New York, New York, this 20th day of June, A. D. 1918.

(Signed) C. B. FERRY
Assistant Secretary of the Chicago,
Milwaukee & St. Paul Railway Company.

On motion, duly seconded, it was unanimously

RESOLVED, that the Vice President be and he hereby is authorized to arrange for the renewal of the following loans of the Company to such time as to him seems advisable, viz:

Guaranty Trust Co.,	\$1,500,000.	@ 6%	due July 1
Union Trust Company,	500,000.	@ 6%	due July 2
Farmers' Loan & Trust Co.,	500,000.	@ 6%	due July 2.

The Vice President presented the following communication from Mr. H. E. Byram:

"To the Board of Directors of the

June 20, 1918.

Chicago, Milwaukee & St. Paul Railway Co.:

I hereby tender my resignation as President, Director and Member of the Executive Committee in order to permit me to qualify for the appointment as Federal Manager of the Chicago, Milwaukee & St. Paul Railway Company, to take effect at the pleasure of the Board.

(Signed) H. E. Byram

President."

Whereupon, on motion duly seconded, it was unanimously
RESOLVED, that the resignation of Mr. Byram as President, Director and Member of the Executive Committee be accepted with regret and that such resignation shall become effective on the date of Mr. Byram's appointment as Federal Manager of the lines of this Company.

There being no further business to come before the meeting, the Board adjourned.

L B Terry

Assistant Secretary.

492-498

New York, Thursday, June 27, 1918, 2 P. M.

Only Messrs. Bliss, Earling, Geddes, Harkness,
Wm. Rockefeller and Stewart were present to attend the stated
Monthly Meeting of the Board of Directors and they adjourned
for want of a quorum.

L B Ferry
Assistant Secretary.

New York, Wednesday, July 3rd. 1918, 2 P.M.

Only Mr. Stewart was present to attend the meeting
of the Executive Committee today.

L B Ferry
Assistant Secretary.

492-498
New York, Thursday, July 11, 1918, 2 P.

The Executive Committee met. Present: Messrs.

Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart. The Chairman of the meeting laid before the Committee the following communication which was unanimously approved:

*HON. WILLIAM G. MCADOO,
DIRECTOR GENERAL OF RAILROADS,
WASHINGTON, D. C.

✓
THE CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY, pursuant to the resolutions of the Executive Committee of said Company, (which Committee under Section 1 of Article IV of the By-Laws of the Company, has, during any recess of the Board of Directors, all the powers of the Board in respect of said resolutions), a certified copy of which is hereto attached and made part hereof, hereby makes application for payment on account of the just compensation which said Company is entitled to receive, under the Act of Congress approved March 21, 1918, commonly called the Federal Control Act, in the sum of Seven Hundred Twenty-Eight Thousand, Five Hundred Thirty-Two Dollars and Fifty Cents (\$728,532.50), which sum is required by the Company to meet its interest payments which mature and become payable August 1, 1918, on Twenty Nine Million, One Hundred Forty-One Thousand, Three Hundred Dollars (\$29,141,300.) of its General and Refunding Mortgage Gold Bonds, Convertible, Series "B", now outstanding, as set forth in said resolutions.

Said Company further represents and states that while the Interstate Commerce Commission has not yet certified to the President of the United States the full amount of the average annual railway operating income of said Company, yet it has heretofore made a tentative or estimated certificate by which it appears that

the amount of said average annual railway operating income when finally certified will exceed \$27,000,000.00.

Said Company further represents and states that it has so far received from the United States under the provisions of said Federal Control Act, and on account of the amount of the just compensation which it is entitled to, under the provisions of said Act, but \$4,000,000.00., which amount was paid to it by the United States on June 28, 1918, and has been used and applied by the Company in payment of its interest requirements which matured July 1, 1918, amounting to \$4,293,665.00.

Said Company further represents and states that it is wholly without funds to pay said amount of interest which matures August 1, 1918, or any part thereof, and that it is wholly unable to obtain said amount or any part thereof by loan or otherwise, and therefore requests that this application be forthwith favorably acted upon.

DATED, New York, July 11, 1918.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

BY

Chairman of the Board
of Directors. "

✓ The Chairman of the Meeting laid before the Executive Committee a statement showing that there would mature and be payable on August 1, 1918, on the Twenty Nine Million, One Hundred Forty-One Thousand, Three Hundred Dollars (\$29,141,300.00), General & Refunding Mortgage Gold Bonds, Convertible, Series "B", of the Company, the sum of Seven Hundred Twenty-Eight Thousand, Five Hundred Thirty-Two Dollars and Fifty Cents, (\$728,532.50), said amount being six months interest on said amount of bonds from February 1st. to August 1st. 1918.

Whereupon, on motion made and seconded, the following resolutions were unanimously adopted:

✓ RESOLVED, that the Chairman of the Board or the Vice President in charge of the Financial and Transfer Office of the Company, in the City of New York, be, and they are hereby authorized forthwith to make application to the Director General of Railroads, for payment to the Company on account of the just compensation to be received by the Company under the act of Congress approved March 21, 1918, commonly called the "Federal Control Act", of an amount sufficient to enable the Company to fully pay the amount of the interest on the aforesaid described bonds due and payable August 1, 1918.

FURTHER RESOLVED, that the Chairman of the Board or Vice President in charge of the Financial and Transfer Office of the Company, or General Counsel of the Company, be, and they hereby are authorized to accept from the United States, or the Director General of Railroads, the aforesaid sum of Seven Hundred Twenty-Eight Thousand, Five Hundred Thirty-Two Dollars and Fifty Cents (\$728,532.50), and to sign or execute proper receipts or other instruments therefor.

✓ FURTHER RESOLVED, that the Chairman of the Board or Vice President in charge of the Financial and Transfer Office of the Company or General Counsel of the Company, be, and they hereby are, authorized to do each, every and all of those things which may be necessary or required in order to obtain the said amount of Seven Hundred Twenty-Eight Thousand, Five Hundred Thirty-Two Dollars, and Fifty Cents (\$728,532.50) as an advance to the Company on account of said just compensation which it is entitled to receive under said Federal Control Act, being expressly authorize to make, execute and deliver all such written instruments documents and certificates as may be necessary or that may be required in respect thereof.

There being no further business to come before
the Meeting the Committee adjourned.

L B Tully
Assistant Secretary.

New York, Thursday, July 18, 1918, 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

The Chairman presented the following preamble and resolutions which were unanimously adopted:

* WHEREAS, This Company has approved of plans for the construction of a new depot in Saint Paul, by the St. Paul Union Depot Company, and the acquisition of additional property, to provide for the enlargement and extension of the terminal facilities, and authorized the execution by the proper officers of the Company, of a joint and several guaranty providing for the payment of the principal and interest of First and Refunding Mortgage Gold Bonds, to the amount of \$11,500,000., and further authorized the execution on behalf of the Company, of an operating agreement with the said Depot Company, and approved the form of guaranty and its execution by the corporation, and

✓ WHEREAS, The Saint Paul Union Depot Company has from time to time borrowed upon its note or notes from Messrs. J. P. Morgan & Company, sums of money for use in carrying out the approved plans for the new depot and enlarged facilities which amounted on May 30, 1918, to approximately \$4,630,000., principal and interest, secured by the deposit of a temporary bond of said Depot Company to the amount of \$6,500,000., bearing the unconditional joint and several guaranty of the nine owning companies, and

WHEREAS, the Saint Paul Union Depot Company desires to renew or extend such notes and to accomplish such renewal or extension, it will be necessary that the new notes shall bear the unconditional joint and several guaranty of the nine stock-holding tenants of the Depot Company, and

WHEREAS, the Saint Paul Union Depot Company may borrow other moneys for improvements, betterments, payment of purchase money and refundment of obligations made therefor,

RESOLVED, That if the Board of Directors of said THE Saint Paul Union Depot Company shall deem it to be for the best interests of that Company to renew or extend said notes by executing new notes for a term not longer than five years, bearing interest at such lawful rate and to be sold upon such terms as the Directors of said Depot Company may determine, the President or any Vice President of this corporation be and he is hereby authorized in its name and upon its behalf to execute the necessary joint and several guaranty upon such notes and upon any other notes renewing or refunding such obligations,

Like authority is given to guarantee the payment of principal and interest of other notes for additional sums of money which may by said Depot Company be hereafter borrowed from said J. P. Morgan & Company or from any other person or corporation or from the Federal Government for improvements and betterments and for payment of purchase money of any portion of lands described in the First and Refunding Mortgage of the Depot Company, or which it has agreed to purchase in aid of the construction of its station and terminals; and for the refundment of any of the obligations of the Depot Company which may bear the guaranty of payment by this corporation authorized hereby. In each and every such case, also the President or any Vice President of the corporation is hereby authorized in its name and on its behalf to join the other stockholding tenants in the execution of a joint and several guaranty of payment of principal and interest of any note or notes given for such borrowed money and of any First and Refunding Mortgage Bonds which the Depot Company may determine to deposit or pledge as collateral security for the payment of such notes or obligations,

AND FURTHER WHEREAS, The Saint Paul Union Depot Company has made due application to the Federal Government and its Director General to loan unto said Depot Company the sum of \$974,000., and

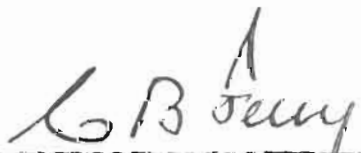
WHEREAS, as a condition of making such loan, the Director General has determined that he will require the First and Refunding Mortgage bonds of said Depot Company, as security for the Company's note or notes aggregating \$974,000.,

such note or notes to run for not **exceeding** two years at the rate of 6% per annum, it being also the requirement of said Director General that said notes and bonds of said Depot Company shall be **unconditionally** guaranteed by the nine stockholding tenants of said Depot Company, and that said bonds shall be deposited dollar for dollar for the amount of the loan and shall bear 6% per annum interest.

RESOLVED, That if the Directors of the Saint Paul Union Depot Company shall deem it to be for the interest of such corporation to make such loan and to issue such note or notes and deposit such bonds as security for the payment thereof, the President or any Vice President of the corporation be, and he hereby is authorized, in the name of this corporation and upon its behalf, to join the other stockholding tenants in the execution of a joint and several guaranty of payment of principal and interest of said notes and bonds. This authority shall also extend to any renewal or refundment of said notes and bonds or either or any of them.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company sell to the Lincoln Creek Lumber Company timber located in section 6, Twp. 14 N. R 3 W, Lewis County, Washington, about seven miles west of Centralia for the sum of Eighty Thousand Dollars (\$80,000.), payable Fifteen Thousand Dollars (\$15,000.) cash, and the balance within two years, deferred payments to bear 6% interest.

There being no further business to come before the meeting,
the Committee adjourned.


Assistant Secretary.

New York, Thursday, July 25th, 1918, 2 P. M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present: Messrs. Bliss, Earling, Geddes, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

✓ A copy of Board Meetings of May 29th, June 20th, and June 27th and Executive Committee Meetings of June 6th, 13, 27th, July 3rd, 11th and 18th was furnished to each of the Directors present and the Secretary of the Meeting read the same at length.

Whereupon on motion, duly seconded, it was

RESOLVED, that said Board of Directors minutes be and hereby are approved and said Executive Committee proceedings are hereby ratified and confirmed.

The Chairman laid before the Meeting the Resolutions adopted by the Executive Committee July 11th, 1918 in respect of making application to the Director General of Railroads for payment to the Company on account of the just Compensation to be received by the Company under the Federal Control Act in the sum of Seven Hundred Twenty-Eight Thousand Five Hundred Thirty-Two Dollars and Fifty Cents (\$728,532.50) to enable the Company to pay interest in that amount which will mature and be payable August 1, 1918, on Twenty Nine Million, One Hundred Forty-One Thousand, Three Hundred Dollars (\$29,141,300.), General and Refunding Mortgage Gold Bonds, Convertible, Series "B" of the Company; together with the communications of the Chairman of the Board to the Director General of Railroads and the Advisory Committee, Finance Section, of the United States Railroad Administration, dated July 11, 1918.

Whereupon, on motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the resolutions as aforesaid

adopted by the Executive Committee July 11, 1918, and the aforesaid communications of the Chairman of the Board, be and they hereby are in all things approved and ratified.

On motion, duly seconded, it was unanimously

RESOLVED, that A. J. Earling be and hereby is authorized to vote the stock of the Chicago Union Station Company, owned by this Company, at any adjournment or adjournments of the Annual Meeting of stockholders of said Chicago Union Station Company which was regularly and duly called to be held on Tuesday, July 9, 1918.

On motion, duly seconded, it was recommended that the Milwaukee Land Company make a lease to a Mr. Pergolios for the right to mine coal on its land located about nine miles N. E. of Centralia, Washington, described as the S. E. $\frac{1}{4}$ and the N. E. $\frac{1}{4}$ of the S. W. $\frac{1}{4}$ of Section 28, on the basis of 15¢ per ton with a minimum of \$1,000. per annum which minimum is payable in advance annually.

Mr. P. A. Rockefeller nominated Mr. Samuel Fisher as a Director of this Company, to fill the vacancy on the Board caused by the resignation of Mr. H. E. Byram.

The nomination being seconded by Mr. Harkness, a vote was called for and taken and it was found that Mr. Fisher had received the unanimous vote of all the directors present, and whereupon the Chairman declared Mr. Fisher duly elected a director of this Company to serve for the unexpired term of Mr. Byram, and until his successor is elected and qualified.

There being no further business to come before the Meeting, the Board adjourned.

L. B. Ferry
Assistant Secretary.

A. J. Earling
L. J. Petit
J. W. Mariner
A. H. Hagensick
W. H. Lodsworth

} Present

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Adjourned Meeting of Stockholders.

MILWAUKEE, WISCONSIN, June 18, 1918.

Pursuant to adjournment, the stockholders of this Company met at the office of the Company in the City of Milwaukee, Wisconsin, at twelve o'clock noon of this day.

The Chairman of the Board of Directors having taken the chair, the Secretary of the Company acted as secretary of the meeting.

The Secretary laid before the meeting a certified list of the stockholders of the Company, and of the number of shares held by them and each of them, respectively; and a list of the stockholders represented in person and by proxy; from which it appeared that the whole number of shares of the capital stock now outstanding is 2,336,862, consisting of

Common Stock, ... 1,174,113 shares,
Preferred Stock, .. 1,162,749 shares,
Total, 2,336,862 shares.

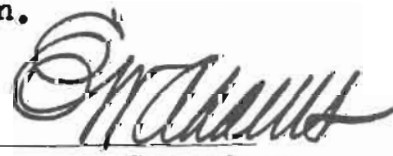
And there were present, in person or by proxy, stockholders owning 705,043 shares of Common Stock, and 755,199 shares of Preferred Stock.

Whereupon the Chairman declared the meeting open for the transaction of business.

The Chairman of the meeting stated that the agreement between the Railway Company and the United States, under the so-called Federal Control Act of March 21, 1918, had not as yet been completed and was not ready for ratification at this adjourned meeting.

Thereupon, on motion duly seconded, the stockholders adjourned until Friday, July 12, 1918, at twelve o'clock noon.

Attest:


Secretary.

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Adjourned Meeting of Stockholders.

MILWAUKEE, WISCONSIN, July 12, 1918.

Pursuant to adjournment, the stockholders of this Company met at the office of the Company in the City of Milwaukee, Wisconsin, at twelve o'clock noon of this day.

The Chairman of the Board of Directors having taken the chair, the Secretary of the Company acted as secretary of the meeting.

The Secretary laid before the meeting a certified list of the stockholders of the Company, and of the number of shares held by them and each of them, respectively; and a list of the stockholders represented in person and by proxy; from which it appeared that the whole number of shares of the capital stock now outstanding is 2,336,862, consisting of

Common Stock, .. 1,174,113 shares,
Preferred Stock, 1,162,749 shares,
Total, 2,336,862 shares.

And there were present, in person or by proxy, stockholders owning 705,043 shares of Common Stock, and 755,199 shares of Preferred Stock.

Whereupon the Chairman declared the meeting open for the transaction of business.

The Chairman of the meeting stated that the agreement between the Railway Company and the United States, under the so-called Federal Control Act of March 21, 1918, had not as yet been completed, and was not ready for ratification at this adjourned meeting.

Thereupon, on motion duly seconded, the stockholders adjourned until Tuesday, July 30, 1918, at twelve o'clock noon.

Attest:


Secretary.

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Adjourned Meeting of Stockholders.

MILWAUKEE, WISCONSIN, July 30, 1918.

Pursuant to adjournment, the stockholders of this Company met at the office of the Company in the City of Milwaukee, Wisconsin, at twelve o'clock noon of this day.

The Chairman of the Board of Directors having taken the chair, the Secretary of the Company acted as secretary of the meeting.

The Secretary laid before the meeting a certified list of the stockholders of the Company, and of the number of shares held by them and each of them, respectively; and a list of the stockholders represented in person and by proxy; from which it appeared that the whole number of shares of the capital stock now outstanding is 2,336,862, consisting of

Common Stock, .. 1,174,113 shares,
Preferred Stock, 1,162,749 shares,
Total, 2,336,862 shares.

And there were present, in person or by proxy, stockholders owning 705,043 shares of Common Stock, and 755,199 shares of Preferred Stock.

Whereupon the Chairman declared the meeting open for the transaction of business.

The Chairman of the meeting stated that the agreement between the Railway Company and the United States, under the so-called Federal Control Act of March 21, 1918, had not as yet been completed, and was not ready for ratification at this adjourned meeting.

Thereupon, on motion duly seconded, the stockholders adjourned until Thursday, August 15, 1918, at twelve o'clock noon.

Attest:


Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, August 16, 1918.

Mr. E. W. Adams, Secretary,
C. M. & St. P. Railway Company,
Majestic Building,
Milwaukee, Wis.

Dear Sir:

As requested in your favor of the 14th inst., I enclose you herewith signed statement of proxies received, and stock transferred from May 20, 1918 to August 15, 1918, inclusive, showing amount of stock transferred to the inclusive later date which was the date of the adjourned meeting.

You will note that the only other change from statement sent you on August 12th is the addition of 10 shares of Preferred Stock in the "N. P." column covered by proxy sent you on August 13th.

Very truly yours,

L B Searcy

CBF:CS.

Vice President.

Separate file for proxies

Preferred

Common

Proxies (marked "P") represent stock which has been transferred to the present registered owners since the holding of the annual meeting out of stock represented at the annual meeting by proxy,

4,093

1,844

Proxies (marked "N. P.") represent stock which has been transferred to the present registered owners since the holding of the annual meeting out of stock which was not represented at the annual meeting by proxy, . . .

1,749

1,946

In addition to the above the following proxies represent stock which has been transferred to the present registered owners since the holding of the annual meeting out of stock part of which (marked "P") was represented and part of which (marked "N.P.") was not represented at the annual meeting by proxy as follows:

Represented by Proxy (marked "P"). 507
Not represented by Proxy (marked "N.P.") . . . 413

301
294

Total amount of Stock voted at the Annual Meeting. 1,461,120

Total amount of Stock Transferred from May 20, 1918, to August 15, 1918, inclusive:

Preferred, 66,685 Common, 67,629 134,314

Balance. 1,326,806

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

GB Terry
Vice President.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, August 12, 1918.

Mr. E. W. Adams, Secretary,
C M & St P Railway Company,
Milwaukee, Wis.

Dear Sir:

I enclose you herewith a statement of the proxies which we have received from the opening of the books on the 20th of May, 1918, to the 10th of August, 1918 for use at the adjourned meeting of stockholders should it be considered necessary to use it.

The statement also shows the total amount of stock transferred which if deducted from the total amount originally voted at the meeting still leaves a majority of the outstanding capital stock.

If the proxies are voted at the meeting, you will please remember that a 10¢ Internal Revenue stamp must be affixed to each proxy.

Very truly yours,

A
E B Terry
Vice President.

CBF:CS.
ENC.

CHICAGO, MILWAUKEE & ST. PAUL RY. CO.

Preferred

Common

Proxies (marked "P") represent stock which has been transferred to the present registered owners since the holding of the annual meeting out of stock represented at the annual meeting by proxy,

⁵⁰⁷
4,093 ✓

³⁰¹
1,844 ✓

X Proxies (marked "N.P.") represent stock which has been transferred to the present registered owners since the holding of the annual meeting out of stock which was not represented at the annual meeting by proxy,

⁴¹³
1,739 ✓

²⁹⁴
1,946 ✓

In addition to the above the following proxies represent stock which has been transferred to the present registered owners since the holding of the annual meeting out of stock part of which (marked "P") was represented and part of which (marked "N.P.") was not represented at the annual meeting by proxy as follows:

Represented by Proxy (marked "P").

⁵⁰⁷ ✓

³⁰¹ ✓

X Not represented by proxy (marked "N.P.").

⁴¹³ ✓

²⁹⁴ ✓

6,452 ✓

4,385 ✓

Total Amount of Stock voted at the

Annual Meeting. 1,461,120

Total Amount of Stock Transferred from

May 20, 1918, to August 10, 1918.

Preferred, 63,113 Common 63,633 126,746

Balance. 1,334,374

B B Tamm
Vice President

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, August 21, 1918.

Mr. E. W. Adams, Secretary,
C. M. & St. P. Railway Company,
Majestic Building,
Milwaukee, Wis.

Dear Sir:

In accordance with the request of Mr. Burton Hanson, General Counsel, I enclose you herewith a signed statement showing the number of shares of both preferred and common stock transferred out of the voted stock at the Annual Meeting, May 18, 1918, from the opening of the transfer books on May 20, 1918, to noon of August 15th, 1918.

For your information I am also enclosing you a copy of Mr. Hanson's written request in this respect.

Very truly yours,

L B Terry
Vice President.

CBF:CS.

ENCS.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS, that I, C. B. Ferry, Vice President in charge of the Financial and Transfer Office of the above named Railway Company, in the City of New York, DO HEREBY CERTIFY that following the annual meeting of the stockholders, in the City of Milwaukee, Wisconsin, May 18, 1918, the stock transfer books were opened on May 20, 1918; that between said last mentioned date and noon of the 15th day of August, 1918, at which time the adjourned annual meeting of the stockholders was held, at said City of Milwaukee, there were transferred on said transfer books out of stock, both preferred and common, which was represented at said meeting of May 18, 1918, and which was voted thereat, 29,280 shares of preferred stock, and 24,674 shares of common stock of said Railway Company.

IN WITNESS WHEREOF, I have hereunto set my hand and the corporate seal of the Company, at the City of New York, this 15th day of August, 1918.

C B Ferry

Vice President in charge of the
Financial and Transfer Office.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

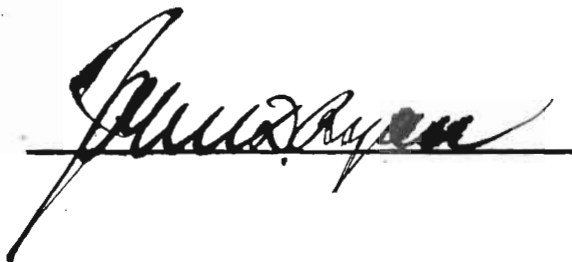
SUBSTITUTION UNDER PROXY.

The undersigned, having been appointed a proxy to attend and vote at the annual meeting of the Chicago, Milwaukee & St. Paul Railway Company, to be held on the 18th day of May, 1918, and at any adjournment or adjournments thereof in accordance with the form of proxy hereto attached executed by various stockholders of the Company, with full power of substitution as therein appears, this instrument WITNESSETH:

That the undersigned, pursuant to said power of substitution, hereby substitutes Messrs. P. A. Rockefeller, E. D. Sewall and Burton Hanson, or either of them, to attend and vote at the adjournment of the above mentioned meeting to be held on the 15th day of August, 1918, with all the powers given to me under the proxies in which I am named.

IN WITNESS WHEREOF, I hereunto set my hand this

____ day of August, 1918.

 (L.S.)

PROXY.

HEREBY constitute and appoint ALBERT J. EARLING, H. E. BYRAM, JOHN A. STEWART, WILLIAM ROCKEFELLER and JOHN D. RYAN, or either of them, attorneys to vote as proxy, according to the number of votes should be entitled to vote if personally present, at the Annual Meeting of the Stockholders of the CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, to be held at the office of said Company, in Milwaukee, on the 18th day of May, 1918, and at any adjournment or adjournments thereof and hereby authorize and empower said attorneys or either of them to vote for and in name, place and stead for Directors; and to vote and act on any other business which may be brought before the said annual meeting, or at any adjournment or adjournments thereof, and generally in name and stead, to vote and act in the premises as completely and effectually as could do if personally present, and hereby authorize said attorneys to appoint a substitute or substitutes which substitute or substitutes shall have all the power above given to said ALBERT J. EARLING, H. E. BYRAM, JOHN A. STEWART, WILLIAM ROCKEFELLER and JOHN D. RYAN. Hereby revoking any proxy heretofore given.

In Witness Whereof

have hereunto set

hand this

day of

1918.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

SUBSTITUTION UNDER PROXY.

The undersigned, having been appointed a proxy to attend and vote at the annual meeting of the Chicago, Milwaukee & St. Paul Railway Company, to be held on the 13th day of May, 1918, and at any adjournment or adjournments thereof in accordance with the form of proxy hereto attached executed by various stockholders of the Company, with full power of substitution as therein appears, this instrument WITNESSETH:

That the undersigned, pursuant to said power of substitution, hereby substitutes Messrs. P. A. Rockefeller, E. D. Sewall and Burton Hanson, or either of them, to attend and vote at the adjournment of the above mentioned meeting to be held on the 15th day of August, 1918, with all the powers given to me under the proxies in which I am named.

IN WITNESS WHEREOF, I hereunto set my hand this 13 day of August, 1918.

John A. Stewart (L.S.)

PROXY.

HEREBY constitute and appoint ALBERT J. EARLING, H. E. BYRAM, JOHN A. STEWART, WILLIAM ROCKEFELLER and JOHN D. RYAN, or either of them, attorneys to vote as proxy, according to the number of votes should be entitled to vote if personally present, at the Annual Meeting of the Stockholders of the CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, to be held at the office of said Company, in Milwaukee, on the 18th day of May, 1918, and at any adjournment or adjournments thereof and hereby authorize and empower said attorneys or either of them to vote for and in name, place and stead for Directors; and to vote and act on any other business which may be brought before the said annual meeting, or at any adjournment or adjournments thereof, and generally in name and stead, to vote and act in the premises as completely and effectually as could do if personally present, and hereby authorize said attorneys to appoint a substitute or substitutes which substitute or substitutes shall have all the power above given to said ALBERT J. EARLING, H. E. BYRAM, JOHN A. STEWART, WILLIAM ROCKEFELLER and JOHN D. RYAN. Hereby revoking any proxy heretofore given.

In Witness Whereof

have hereunto set

hand this

day of

1918.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

SUBSTITUTION UNDER PROXY.

The undersigned, having been appointed a proxy to attend and vote at the annual meeting of the Chicago, Milwaukee & St. Paul Railway Company, to be held on the 18th day of May, 1918, and at any adjournment or adjournments thereof in accordance with the form of proxy hereto attached executed by various stockholders of the Company, with full power of substitution as therein appears, this instrument WITNESSETH:

That the undersigned, pursuant to said power of substitution, hereby substitutes Messrs. P. A. Rockefeller, E. D. Sewall and Burton Hanson, or either of them, to attend and vote at the adjournment of the above mentioned meeting to be held on the 15th day of August, 1918, with all the powers given to me under the proxies in which I am named.

IN WITNESS WHEREOF, I hereunto set my hand this

12 day of August, 1918.

P. A. Rockefeller (L.S.)

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

PROXY.

HEREBY constitute and appoint ALBERT J. EARLING, H. E. BYRAM, JOHN A. STEWART, WILLIAM ROCKEFELLER and JOHN D. RYAN, or either of them, attorneys to vote as proxy, according to the number of votes should be entitled to vote if personally present, at the Annual Meeting of the Stockholders of the CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, to be held at the office of said Company, in Milwaukee, on the 18th day of May, 1918, and at any adjournment or adjournments thereof and hereby authorize and empower said attorneys or either of them to vote for and in name, place and stead for Directors; and to vote and act on any other business which may be brought before the said annual meeting, or at any adjournment or adjournments thereof, and generally in name and stead, to vote and act in the premises as completely and effectually as could do if personally present, and hereby authorize said attorneys to appoint a substitute or substitutes which substitute or substitutes shall have all the power above given to said ALBERT J. EARLING, H. E. BYRAM, JOHN A. STEWART, WILLIAM ROCKEFELLER and JOHN D. RYAN. Hereby revoking any proxy heretofore given.

In Witness Whereof

day of

1918.

have hereunto set

hand this

Wm Rockefeller

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Adjourned Meeting of Stockholders.

MILWAUKEE, WISCONSIN, August 15, 1918.

Pursuant to adjournment, the stockholders of this Company met at the office of the Company in the City of Milwaukee, Wisconsin, at twelve o'clock noon of this day.

The Chairman of the Board of Directors having taken the chair, the Secretary of the Company acted as secretary of the meeting.

The Secretary laid before the meeting a certified list of the stockholders of the Company, and of the number of shares held by them and each of them, respectively; and a list of the stockholders represented in person and by proxy; from which it appeared that the whole number of shares of the capital stock now outstanding is 2,336,862, consisting of

Common Stock, ... 1,174,113 shares,

Preferred Stock, .. 1,162,749 shares,

Total, ... 2,336,862 shares.

And there were present, in person or by proxy, stockholders owning 705,043 shares of Common Stock, and 755,199 shares of Preferred Stock.

The stockholders attending this adjourned meeting in person were: Albert J. Earling, P.A. Rockefeller, John W. Mariner, A. C. Hagensick, W. H. Dodsworth.

An Instrument of Substitution was filed with the secretary, J.D. Ryan executed by William Rockefeller and John A. Stewart, appointing P.A. Rockefeller, E.D. Sewall and Burton Hanson, or either of them, as their substitutes, to attend at this meeting and vote and act for them as fully as they could do if personally present

at this adjourned meeting, and P.A. Rockefeller and Burton Hanson were present at this meeting and acted as such substitutes.

Whereupon the Chairman declared the meeting open for the transaction of business.

The Chairman presented to the meeting a tentative draft of standard clauses for the agreements between the Government and the railroads taken over by the President's Proclamation of December 28, 1917. This tentative draft, which bears the following endorsement:

STANDARD CLAUSES FOR THE CONTRACTS
BETWEEN THE GOVERNMENT AND
THE RAILROADS
(FOR USE IN THE ORDINARY CASE)

Tentative draft subject to the
Government's reserved right to
insist on different provisions
in cases imperatively requiring
a different treatment.

AUGUST 7, 1918.

was read to the meeting and is filed with the record thereof.

The Chairman stated that this tentative draft represents the present state of negotiations which have been pending for some months past between the Director General of Railroads and the railway companies whose railroads have been taken over as aforesaid, but that there may be further changes hereafter made therein.

The Chairman presented to the meeting the following resolutions:

RESOLVED, that the Board of Directors of this Company be and is hereby authorized to make and enter into an agreement with the Director General of Railroads, for and on behalf of this Company and its six following subsidiary lines, or on behalf of this Company and any one or more of such subsidiaries, namely:

Tacoma Eastern Railroad Company,
Bellingham & Northern Railway Company,
Seattle, Port Angeles & Western Railway Company,
Milwaukee Terminal Railway Company,
Puget Sound & Willapa Harbor Railway Company,
Gallatin Valley Railway Company,

either jointly or separately, or jointly and severally, as the Board shall determine, such agreement to be based on and embody, in substance, the standard clauses as set out in the said tentative draft of August 7, 1918, and to be for such amount of compensation as the Board shall think it best to accept; provided, however, that if in the judgment of the Board of Directors, it is wise, under circumstances then confronting the Board, to agree to changes, additions or modifications of such standard clauses, or any of them, the Board is hereby authorized to do so, and to make and enter into an agreement with the Director General for and on behalf of the Company, and of its said subsidiary lines, all or any of them, either jointly or separately, or jointly and severally, as the Board may deem best, based on and embodying such standard clauses as thus changed, added to or modified, whether such changes, additions or modifications be of substance or of form only, or of both; it being the purpose of these resolutions to confer upon the Board the full power and authority of the stockholders in the premises, and to confirm and ratify in advance any action the Board of Directors may think it wise to take in the matter of a contract and agreement with the Director General in relation to the subject matter mentioned and referred to in said standard clauses.

RESOLVED, that the foregoing resolution shall be treated as supplementary to the resolutions adopted at the Annual Meeting of the stockholders of May 18, 1918, and in no wise as withdrawing, or taking from, or modifying, the full authority, judgment and discretion conferred therein.

On motion, duly seconded, a stock vote was taken and the vote canvassed; whereupon, the Chairman announced that the stockholders present, in person or by proxy, owning 705,043 shares of the 1,174,113 shares of the common stock of the Company, and 755,199 shares of the 1,162,749 shares of the preferred stock of the Company, being a majority in interest of each class of stockholders,

voted in favor of the adoption of said resolutions, no votes being cast against the same, and, thereupon, the Chairman declared the said resolutions duly adopted.

There were also present, by proxy, holders of preferred stock representing 4600 shares, and holders of common stock representing 2145 shares, who voted in favor of the adoption of the last above resolutions, such shares of both preferred and common stock having been acquired or transferred on the stock transfer books of the Company since the opening of said transfer books following the annual meeting of May 18, 1918, and which said shares of both preferred and common stock were acquired or transferred out of shares of the preferred and common stock of the Company which were voted at said meeting of May 18, 1918.

There were also present, by proxy, holders of preferred stock representing 2162 shares, and holders of common stock representing 2240 shares, who voted in favor of the adoption of the last above resolutions such shares of both preferred and common stock having been acquired or transferred on the stock transfer books of the Company since the opening of said transfer books following the annual meeting of May 18, 1918, but which said shares of both preferred and common stock were not represented at said meeting of May 18, 1918, and were not voted thereat either by person or proxy.

The Chairman presented to the meeting a certificate signed by C.B. Ferry, Vice President, showing the number of shares of both preferred and common stock transferred on the books of the Company from May 20, 1918, up to noon of August 15, 1918, out of stock, both preferred and common, which was represented at the annual meeting held May 18, 1918, and on motion duly seconded it was unanimously resolved that said certificate be entered as a part of the minutes of this meeting, and is as follows, to-wit:

"KNOW ALL MEN BY THESE PRESENTS, that I, C.B. Ferry, Vice President in charge of the Financial and Transfer Office of the above named Railway Company, in the City of New York, DO HEREBY CERTIFY that following the annual meeting of the stockholders, in the City of Milwaukee, Wisconsin, May 18, 1918, the stock transfer books were opened on May 20, 1918; that between said last mentioned date and noon of the 15th day of August, 1918, at which time the adjourned annual meeting of the stockholders was held, at said City of Milwaukee, there were transferred on said transfer books out of stock, both preferred and common, which was represented at said meeting of May 18, 1918, and which was voted thereat, 29,280 shares of preferred stock, and 24,674 shares of common stock of said Railway Company.

IN WITNESS WHEREOF, I have hereunto set my hand and the corporate seal of the Company, at the City of New York, this 15th day of August, 1918.

(S E A L)

(Signed)

C. B. FERRY

Vice President in charge of the
Financial and Transfer Office. "

There being no further business to come before the meeting, on motion, duly seconded, the stockholders adjourned sine die.



SECRETARY.

STANDARD CLAUSES FOR THE CONTRACTS BETWEEN THE GOVERNMENT AND THE RAILROADS

(FOR USE IN THE ORDINARY CASE)

Tentative draft subject to the Government's reserved right to insist on different provisions in cases imperatively requiring a different treatment.

AUGUST 7, 1918.

74247-18-1

*Tentative draft presented
and read to adjourned meeting
of the stockholders of the Chicago
Milwaukee and St Paul Railway
Company held at the company's
office in the City of Milwaukee
Wisconsin August 15, 1918*

*E. W. Adams
Secretary*

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PREAMBLE AND RECITALS.

This Agreement, made this day of, 1918, between William G. McAdoo, Director General of Railroads, hereinafter called the Director General, acting on behalf of the United States and the President, under the powers conferred on him by the proclamations of the President hereinafter referred to, and the

..... Company,
a corporation duly organized under the laws of the State(s) of
..... hereinafter called the Company:

Witnesseth that—

(a) WHEREAS by a proclamation dated December 26, 1917, the President, acting under the powers conferred on him by the Constitution and laws of the United States, by the joint resolutions of the Senate and House of Representatives bearing date April 6 and December 7, 1917, respectively, and particularly under the powers conferred by section 1 of the act of Congress approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," took possession and assumed control at 12 o'clock noon on December 28, 1917, of certain railroads and systems of transportation, including the railroad and transportation system of the Company and the appurtenances thereof, and directed that the possession, control, operation, and utilization of the transportation systems thus taken should be exercised by and through William G. McAdoo, appointed Director General of Railroads; and

(b) WHEREAS the Congress of the United States, by an act approved March 21, 1918, hereinafter called the Federal control act, has authorized the President to enter into agreements with the companies owning the railroads and systems thus taken over for the maintenance and upkeep of the same during the period of Federal control, for the determination of the rights and obligations of the parties to the agreement arising from or out of Federal control, including the compensation to be received or guaranteed, and for other purposes, as in said act more fully set out, and authorized the President to exercise any of the powers by said act or theretofore granted him with relation to Federal control through such agencies as he might determine; and

(c) WHEREAS by a proclamation dated March 29, 1918, the President, acting under the Federal control act and all other powers him thereto enabling, authorized the Director General, either personally or through such divisions, agencies, or persons as he may appoint, and in his own name or in the name of such divisions, agencies, or persons, or in the name of the President, to agree with the carriers, or any of them, or with any other person in interest, upon the amount of compensation to be paid pursuant to law, and to sign, seal, and deliver in his own name or in the name of the President or in the name of the United States such agreements as may be necessary and expedient with the several carriers or other persons in interest respecting compensation, or any other matter concerning which it may be necessary or expedient to deal, and to make any and all contracts, agreements, or obligations necessary or expedient and to issue any and all orders which may in any way be found necessary and expedient in

connection with the Federal control of systems of transportation, railroads, and inland waterways as fully in all respects as the President is authorized to do, and generally to do and perform all and singular the acts and things and to exercise all and singular the powers and duties which in and by the said act, or any other act in relation to the subject hereof, the President is authorized to do and perform; and

(d) WHEREAS the Interstate Commerce Commission has certified to the President that the amount of the average annual railway operating income of the Company, computed in the manner provided in section 1 of the Federal control act, is.....

..... dollars, subject to such changes and corrections as the Commission may hereafter determine and certify to be requisite in order that the accounts and reports of the Company used by the Commission as the basis of computing said average annual railway operating income may be brought into conformity with the accounting rules or regulations of the Commission in force at the time of such accounting, or in order to correct computations based on such accounts or reports.

Now, Therefore, the parties hereto, each in consideration of the agreements of the other herein contained, do hereby covenant and agree to and with each other as follows:

SECTION 1.—PRIVITY, ALTERATIONS, DEFINITIONS, ETC.

SECTION 1. (a) This agreement shall be binding upon the United States, the Director General and his successors, and upon the Company, its successors, and assigns.

This agreement shall not be construed as creating any right, claim, privilege, or benefit against either party hereto in favor of any State or any subdivision thereof, or of any individual or corporation other than the parties hereto.

(b) The provisions of this agreement may be altered, amended, or added to by and only by mutual consent signified by instruments in writing signed by the Director General and by some officer of the Company thereto duly authorized by the Board of Directors of the Company.

(c) Wherever in this agreement the word "Commission" is used it shall be understood as referring to the Interstate Commerce Commission, acting by divisions or otherwise as authorized by law.*

(d) Wherever in this agreement the words "Federal control" are used to indicate a period of time, they shall be understood as meaning the period from 12 o'clock midnight of December 31, 1917, to and including the day and hour on which said control shall cease.

(e) Wherever in this agreement the words "test period" are used, they shall be understood as meaning the period between July 1, 1914, and June 30, 1917, both inclusive.

(f) Wherever in this agreement the words "standard return" are used, they shall be understood as meaning the average annual railway operating income of the Company, computed in the manner provided in section 1 of the Federal control act, and ascertained and certified by the Commission.

(g) Wherever in this agreement the words "Director General" are used, they shall be understood as designating William G. McAdoo, or such other person as the President may from time to time appoint to exercise the powers conferred on him by law with relation to Federal control, or such agents or agencies as the Director General may from time to time appoint for the purpose; and wherever by this agreement any notice is to be given by the Director General, the same may be given in his name by any subordinate thereto duly authorized.

(h) The descriptive words at the heads of the several sections of this agreement and the table of contents are inserted for convenience merely, and are not to be used in the construction of the agreement.

* The following may be added as a part of paragraph (c) by any Company desiring to do so:

; and, in addition to the powers in this agreement specifically given to the Commission, it is hereby further provided that if in respect to any question of fact arising under any provision of any section of this agreement, except sections 1 and 3, the parties after the matter has been duly presented to the Director General are unable to agree, the matter shall then be referred, upon application either of the Director General or the Company, to the Commission, whose decision, after notice and hearing, shall be final, leaving either party free to take any question of law arising out of the facts thus found to the courts if it so desires.

SECTION 2.—PROPERTY TAKEN OVER.

SEC. 2. (a) The Company's railroad and system of transportation of which the President has taken over possession, use, control, and operation shall be considered as including the following roads and properties:

.....
[Here insert list of roads, noting names, principal termini, etc.]
.....
.....
.....

together with all branches, tracks, trackage, bridge, and terminal rights, and lines of railroad owned or leased by the Company as a part of its system of transportation, and all other property, with the appurtenances thereof, whether included in the foregoing list or not, the revenues of which were used, or which, if the property had been then revenue bearing, would have been used, in computing the Company's standard return.
.....
.....

.....
[Here insert such reservations and provisions respecting industrial leases and other matters as may be agreed on.]
.....
.....
.....

(b) All materials and supplies on hand at midnight December 31, 1917.
.....
.....

[This item to be supported by an inventory, which, however, is not to be incorporated in the contract except by reference.]
.....
.....
.....

SECTION 3.—ACCEPTANCE.

SEC. 3. (a) The Company accepts all the terms and conditions of the Federal control act and any regulation or order made by or through the President under authority of said act or of that portion of the act approved August 29, 1916, referred to in paragraph (a) of the preamble to this agreement which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation; and the Company further and expressly accepts the covenants and obligations of the Director General in this agreement set out and the rights arising thereunder in full adjustment, settlement, satisfaction, and discharge of any and all claims and rights, at law or in equity, which it now has or hereafter can have, otherwise than under this agreement, against the United States, the President, the Director General, or any agent or agency thereof, for compensation under the Constitution and laws of the United States for the taking possession of its property, and for the use, control, and operation thereof during Federal control, and for any and all loss and damage to its business or traffic by reason of the diversion thereof or otherwise which has been or may be caused by said taking or by said possession, use, control, and operation.

No claim is made by the Company for compensation for the period between noon of December 28 and midnight of December 31, 1917; and the revenues of said period shall belong to the Company, and the expenses thereof shall be paid by the Company, allocated in both cases as provided in paragraph (b) of section 4 hereof.

(b) The Company, on its own initiative or upon the request of the Director General, shall take all appropriate and necessary corporate action to carry out the obligations assumed by it in this agreement or lawfully imposed upon it by or pursuant to the proclamation of December 26, 1917, or by the Federal control act.

(c) The Federal control act being in section 16 thereof expressly declared to be emergency legislation enacted to meet conditions growing out of war, nothing in this agreement shall be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of the Company, or the method or basis of the capitalization thereof, and the recitals or provisions of this agreement shall not be used, as evidence or otherwise, by either party hereto in any pending or future proceeding which involves the acquisition or valuation of the Company's property or any part thereof; but nothing in this paragraph shall be taken or construed as affecting the settlement and discharge contained in paragraph (a) of this section nor as limiting or qualifying any of the provisions of said paragraph for the purposes thereof.

(c) All balances in the account or accounts representing the total of "Net balance receivable from agents and conductors" as of midnight December 31, 1917;

(d)dollars*
in cash in addition to the foregoing items, which last-mentioned amount is taken over as a cash working capital, the use of which the Director General is to have during Federal control without interest; and

(e)

.....
.....
[Here insert list of such other operating assets and of any deposits or funds as may be agreed on in each case.]
.....
.....
.....

[* Roughly speaking, the amount of this item should be about one month's operating expense, modified by such consideration as should properly be given to materials and supplies and other operating assets taken over.]

SECTION 4.—OPERATION AND ACCOUNTING DURING FEDERAL CONTROL.

SEC. 4. (a) All amounts received by the Director General under paragraphs (c), (d), and (e) of section 2 hereof and all other amounts collected or realized upon by him from current operating assets belonging to the Company or arising from railway operation prior to midnight of December 31, 1917, shall be credited by him to the Company.

Unless objected to by the Company the Director General may in any case, and in cases where the current assets including materials and supplies taken over by him under the provisions of this agreement are in his judgment clearly in excess of the current liabilities of the Company paid or assumed by him, shall pay and charge to the Company all expenses arising out of railway operation prior to January 1, 1918, including reparation and other claims.

Balances of the above accounts, except the cash taken over as working capital, shall be struck quarterly on the last days of March, June, September, and December of each year, and the balance found on such adjustments to be due either party shall be then payable, and if not paid, shall bear interest at the rate of 5 per cent per annum unless the parties shall agree upon a different rate; but in cases where the current assets taken over clearly exceed the current liabilities of the Company as hereinbefore provided the payment of the amount due by the Company may at its option be postponed until the end of Federal control, bearing interest in the meantime.

(b) Railway operating expenses, reparation and other claims, hire of equipment and joint facility rents shall be allocated with reference to the time when incurred as between the period prior and subsequent to midnight of December 31, 1917, and as between the period of Federal control and the period subsequent thereto. Railway operating revenues shall be allocated, as between the period prior and subsequent to midnight of December 31, 1917, in accordance with the established accrual practices of the Company; and a like method of allocating railway operating revenues shall be made at the end of Federal control.

(c) All expenditures made by the Director General during Federal control for additions, betterments or extensions begun prior to January 1, 1918, shall be charged to the Company, and if the completion of any such addition, betterment, or extension is approved or ordered by the Director General, the Company shall be entitled under the provisions of paragraph (d) of section 7 hereof to interest on the cost thereof from the completion of the work; but no interest (except to the extent that the same may be allowed and included in the compensation provided for in paragraph (a) of section 7 hereof) shall be due the Company upon any such expenditures for work done prior to January 1, 1918. Payments for all equipment ordered or under construction by the Company prior to January 1, 1918, but delivered on or after that date, shall also be considered as expenditures made by order or approval of the Director General under paragraph (d) of section 7 hereof. Interest during construction payable under this paragraph, and also interest during construction on the cost of any additions, betterments, and extensions made by the Company or at its expense to the company's property during Federal control, shall be included in the cost of the work.

(d) Cash receipts or disbursements and other items arising out of transactions which do not enter into or form a part of those used in determining the Company's standard return shall not be received or paid by the Director General unless such transactions are negotiated or conducted by his order for account of the Company and with its consent. When moneys are so received or paid by the Director General in connection with such corporate transactions they shall be credited or charged to the Company. There shall be an accounting of the amounts due by one party or the other under this paragraph at the end of each quarter year of Federal control, and the amount found due either party shall be then payable and if not paid shall bear interest as provided in paragraph (a) of this section.

(e) Any funds taken over as provided in paragraph (e) of section 2 hereof shall be maintained by payments and charges to appropriate operating expense accounts and used by the Director General during Federal control substantially in the same manner as prior to January 1, 1918. All sums paid by the Director General to maintain pension funds or pension obligations or practices, and all contributions to Young Men's Christian Associations of employees, employees' savings funds, relief funds or associations, reading rooms, or death benefits for employees, shall be treated as a part of railway operating expenses during Federal control.

(f) All salaries and expenditures incurred by the Company during Federal control for purposes which relate to the existence and maintenance of the corporation, or to the properties of the Company not taken over by the President, or to negotiations, contracts, valuations, or any business controversy with the Government or any branch thereof, and which are not specially authorized by the Director General, shall be borne by the Company; except that the expenses of valuation now being made by the Commission to the extent that they are in the opinion of the Director General necessary to comply with the valuation orders and other requirements of the Commission, and to the cooperation of the Company in the making of such valuation, shall be paid by the Director General as a part of railway operating expenses. If the Company is dissatisfied with the ruling of the Director General it may appeal to the Commission, whose decision shall be final.

(g) The Director General shall furnish for additions, betterments and extensions to the Company's property approved or ordered by him any of the materials and supplies taken over under paragraph (b) of section 2 hereof, or purchased by him and held for use in connection with the Company's property, in so far as, in his judgment, he can do so with due regard to his own requirements. Materials and supplies so furnished shall be charged to the Company at cost.

(h) The Director General shall at his option be substituted for the period of Federal control in the place of the Company in respect of the benefits and obligations of contracts relating to operation in force January 1, 1918 (including contracts made by subsidiaries for the use and benefit of the Company and the right to abrogate or change and make new contracts with express companies for the period of Federal control), except as to contracts between the Company and subsidiary companies which shall be considered and treated as arrangements or practices; and the Director General shall in like manner at his option be substituted for such period in respect of the benefits and obligations of arrangements and practices in force during the test period in regard to fuel, materials, and supplies for the operation of the property described in paragraph (a) of section 2 hereof and of any additions and extensions thereto, obtained from any mine, oil field, or other source of supply owned or controlled by the Company, it being understood that under such arrangements or practices, if availed of by the Director General, he shall, to the extent necessary to offset any increase in the standard return growing out of the furnishing by the Company or of its subsidiaries, during the test period, of fuel, materials, and supplies under an arrangement or practice at less than the then cost or the then market value thereof for railroad purposes, be charged for such fuel, materials, and supplies a price expressed in dollars or cents per unit below or above the then cost or the then market value thereof for railroad purposes (as the practice of the Company may have been) in the same amount that the prices charged the Company during the test period were below or above the then cost or the then market value thereof for railroad purposes: * *Provided, however, That a source of supply which the Company had acquired to safeguard its own operations shall not be depleted or reduced for use on other transportation systems, except in cases of emergency to be determined by the Director General, in which event the quantity so used on other transportation systems shall be accounted for to the Company at the fair value thereof: And provided further, That materials and supplies secured under contracts which the Company*

* In view of the differing situations of the various carriers, a uniform standard clause covering the subject matter of paragraph (h) will not be insisted upon, the same being left open for such separate treatment as may be agreed on in each case.

had made for its own operations shall, so far as practicable, be used on the Company's property, and that, if used on any other transportation system, materials and supplies of like character shall be furnished by the Director General for use in making such additions, betterments, and extensions as shall be chargeable to the Company, and shall be charged at cost under such contracts.

(i) The Director General shall, except as provided in paragraph (b) of section 5 hereof, pay, or save the Company harmless from, all expenses incident to or growing out of the possession, operation, and use of the property taken over during Federal control, and all rents called in the monthly reports to the Commission equipment rents or joint-facility rents, and all judgments or decrees that may be recovered or issued against, and all fines and penalties that may be imposed upon, the Company by reason of any cause of action arising out of Federal control, or of anything done or omitted in the possession, operation, use, or control of the Company's property during Federal control.

(j) The Director General shall save the company harmless from any and all liability, loss, or expense resulting from or incident to anything done or omitted during Federal control in connection with, or incident to, operation or existing contracts relating to operation; and shall do and perform, so far as is requisite under Federal control for the protection of the Company, all and singular the things, of which he may have notice, necessary and appropriate to prevent, by reason of anything done or omitted under Federal control, the forfeiture or loss by the Company of any of its property rights, ordinance rights, or franchises, or of its trackage, lease, terminal, or other contracts involving a facility of operation; but nothing herein contained shall be construed to require the Director General to make any capital expenditure necessary to preserve a franchise or ordinance right not heretofore availed of by the Company. The Director General shall also save the Company harmless from any and all claims for breach of covenant heretofore entered into by the Company in any mortgage or other instrument in respect to insurance against losses by fire.

Nothing in this or in the preceding paragraph shall be construed to be an assumption by the Director General of, or to make him liable on, any obligation of the Company to pay a debt secured by a mortgage or any rent under a lease, except rents which during the test period were called in the monthly reports to the Commission equipment rents and joint facility rents and rents which under the accounting rules of the Commission in force during the test period were classified as operating expenses.

(k) In carrying out the provisions of paragraphs (a), (b), (c), and (d) of this section and the provisions of section 6 hereof the Director General shall not settle any claim by or against the Company against the objection in writing of the president or of any other duly authorized officer of the Company. The conduct of all litigation before any court or commission arising out of such disputed claims shall be in charge of the Director General's legal force and the expense thereof shall be paid by the Director General; but the Company may, at its own expense, employ special counsel in connection with any such litigation.

(l) Nothing in this agreement shall be construed as inconsistent with the provision in section 10 of the Federal control act that no process, mesne or final, shall be levied against any property under Federal control, nor as a waiver by the United States of any claim that might otherwise be made by it that the rights of any State or subdivision thereof or of any individual or corporation have been abrogated or suspended by the taking over of the Company's property or by Federal control.

(m) The Company shall have the right at all reasonable times to inspect the books and accounts kept by the Director General relating to the property of the Company, or to the operation thereof, and the Director General shall during Federal control furnish the Company with a copy of the operating reports relating to its property, and as soon as practicable after the end of each fiscal year shall furnish to the Company a complete list of its equipment as of the end of such fiscal year.

SECTION 5.—UPKEEP.

SEC. 5. (a) During the period of Federal control the Director General shall, annually, as nearly as practicable, expend and charge to railway operating expenses, either in payments for labor and materials or by payments into funds, such sums for the maintenance, repair, renewal, retirement, and depreciation of the property described in paragraph (a) of section 2 hereof as may be requisite in order that such property may be returned to the Company at the end of Federal control in substantially as good repair and in substantially as complete equipment as it was on January 1, 1918: *Provided, however,* That the annual expenditure and charges for such purposes during the period of Federal control on such property and the fair distribution thereof over the same, or the payment into funds of an amount equal in the aggregate (subject to the adjustments provided in paragraph (c) and to the provisions of paragraph (e) of this section) to the average annual expenditure and charges for such purposes included under the accounting rules of the Commission in railway operating expenses during the test period shall be taken as a full compliance with the foregoing covenant.

(b) The Director General may expend such sums, if any, in addition to those expended and charged under paragraph (a) of this section (subject to the adjustments provided in paragraph (c) of this section) as may be requisite for the safe operation of the property described in paragraph (a) of section 2 hereof, assuming a use similar to the use during the test period and not substantially enhancing the cost of maintenance over the normal standard of maintenance of railroads of like character and business during said period; and the amount, if any, of such excess expenditures during Federal control shall be made good by the Company as provided in paragraph (b) of section 7 hereof.

(c) In comparing the amounts expended and charged under the provisions of paragraphs (a) and (b) of this section with the amounts expended and charged during the test period, due allowance shall be made for any difference that may exist between the cost of labor and materials and between the amount of property taken over and the average for the test period, and, as to paragraph (a), for any difference in use between that of the test period and during Federal control which in the opinion of the Commission is substantial enough to be considered, so that the result shall be, as nearly as practicable, the same relative amount, character, and durability of physical reparation.

(d) At the request of either party there shall be an accounting of the amounts due by one party or the other under paragraphs (a) and (b) of this section at the end of each year of Federal control and at the end of Federal control.

(e) If during Federal control any of the property described in paragraph (a) of section 2 hereof or any replacement thereof or addition or extension thereto is destroyed or damaged otherwise than by fire or public enemies, and is not restored or replaced by the Director General, he shall reimburse the Company the value of the property destroyed or the amount of the damage at the time of the loss; and the cost of restoration or replacement, or said value or damage, as the case may be, shall be charged to annual railway operating expenses: *Provided, however,* That if the Commission, on application of either party and after giving due consideration to the practice of the Company during the test period in respect to such matters and to any other pertinent facts and circumstances, determines that it is just and reasonable that the said cost or value shall be apportioned or extended over a period of more than one year, this shall be done, and so

much of said cost or value as may be apportioned by the Commission over the period subsequent to Federal control, shall be charged to the Company in the final accounting at the end of Federal control and shall be paid by it.

If, during Federal control, any of the property described in paragraph (a) of section 2 hereof or any replacement thereof or addition or extension thereto is destroyed or damaged by fire, and is not restored or replaced by the Director General, he shall reimburse the Company the value of the property destroyed or the amount of the damage at the time of the fire, and the cost of restoration or replacement or said value or damage, as the case may be, shall be charged to annual railway operating expenses.

The foregoing parts of this paragraph are subject to the proviso that in case of loss or damage any additions and betterments made in connection with or as a part of the restoration or replacement of property damaged or destroyed and chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, shall be charged to and paid by the Company.

The Director General shall not be liable to the Company for any loss or damage due to the acts of public enemies.

(f) If any additions, betterments, or extensions are made to the property taken over or any equipment is added at the expense of the Company and with the approval or by order of the Director General during Federal control, he shall expend and charge to railway operating expenses such sums either in payments for labor and materials or by payments into funds, as may be requisite for the proper maintenance, repair, renewal, retirement, and depreciation of such property until the end of Federal control.

(g) The Company shall have the right to inspect its property at all reasonable times during Federal control, and the Director General shall provide reasonable facilities for such inspection.

(h) If any question shall arise, either during or at the end of Federal control, as to whether the covenants or provisions in this section contained are being or have been observed, the matter in dispute shall, on the application of either party, be referred to the Commission which, after hearing, shall make such findings and order as justice and right may require, which shall be final as to the questions submitted and shall be binding on and observed by both parties hereto, except that either party may take any question of law to the courts, if it so desires.

SECTION 6.—TAXES.

SEC. 6. (a) All taxes assessed under Federal or any other governmental authority for the period prior to January 1, 1918, including a proportionate part of any such tax assessed after December 31, 1917, for a period which includes any part of 1917 or preceding years, and unpaid on that date, all taxes commonly called war taxes which have been or may be assessed against the Company under the act of Congress entitled "An act to provide revenue to defray war expenses and for other purposes," approved October 3, 1917, or under any act in addition thereto or in amendment thereof, and all taxes which have been or may be assessed on property under construction, and all assessments which have been or may be made for public improvements, chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, shall be paid by the Company; but upon the amount thus chargeable to investment interest shall be paid to the Company during Federal control at the rate provided in paragraph (d) of section 7 hereof. Taxes assessed during construction on additions, betterments, and extensions made by the Company with the approval or by order of the Director General during Federal control, shall be considered a part of the cost of such additions, betterments, and extensions and shall, under the provisions of paragraph (d) of section 7 hereof, bear interest as a part of such cost from the date of the completion of such additions, betterments, or extensions. Assessments for public improvements which do not become a part of the property taken over shall bear interest from the date of the payment of such assessment.

(b) If any tax or assessment which under this agreement is to be paid by the Company is not paid by it when due, the same may be paid by the Director General and deducted from the next installment of compensation due under section 7 hereof. If any taxes properly chargeable to the Director General have been or shall be paid by the Company, it shall be duly reimbursed therefor.

(c) The Director General shall either pay out of revenues derived from railway operation during the period of Federal control or shall save the Company harmless from all taxes, and the expense of suits in respect thereof, lawfully assessed under Federal or any other governmental authority for any part of said period on the property under such control, or on the right to operate as a carrier, or on the revenues derived from operation, and all other taxes which under the accounting rules of the Commission in force December 31, 1917, are properly chargeable to "railway tax accruals," except the taxes and assessments for which provision is made in paragraph (a) of this section.

(d) If any such tax is for a period which began before January 1, 1918, or continues beyond the period of Federal control, such portion of such tax as may be apportionable to the period of Federal control shall be paid by the Director General, and the remainder shall be paid by the Company.

(e) Whenever a period for which a tax is assessed can not be definitely determined, so much of such tax as is payable in any calendar year shall be treated as assessed for such year.

(f) In the event of a change by Congress in the system of taxation whereby the present distinction between war taxes and other taxes is altered or abrogated, the Director General shall continue to pay such part of the taxes imposed under such changed system, by whatever name they may be called, as will bear a fair relation to the taxes which under the Federal control act he is required to pay out of revenues derived from railway operations while under Federal control.

SECTION 7.—COMPENSATION.

SEC. 7. (a) The annual compensation guaranteed to the Company under section 1 of the Federal control act shall be the sum of -----

----- dollars during each year and pro rata for each fractional part of a year of Federal control, subject, however, to any increase or decrease in the standard return hereafter made by the Commission as provided in paragraph (d) of the preamble of this agreement.

(b) The said compensation shall be paid to the Company quarterly on the last days of March, June, September, and December of each year for the quarter ending therewith, except that the first two installments shall be due as of March 31, 1918, and June 30, 1918, respectively, but shall be paid upon the execution of this agreement; but from each installment there may be deducted any amount then due by the Company under paragraphs (a) and (d) of section 4 hereof, under paragraph (b) of section 5 hereof, and under paragraph (b) of section 6 hereof, and all amounts required to reimburse the United States for the cost of additions and betterments made to the property of the Company not justly chargeable to the United States, unless such matters are financed or otherwise taken care of by the Company to the satisfaction of the Director General, and the Director General may apportion any such amounts to two or more subsequent installments: *Provided, however,* That said power to deduct the cost of additions and betterments not justly chargeable to the United States shall not be so exercised as to prevent the Company from paying out the sums required to support its corporate organization, to keep up sinking funds for the Company's debts required by contracts in force December 31, 1917, to pay its taxes, to pay rents and other amounts properly payable by the Company for leased, operated, or controlled roads and properties, to pay interest which has heretofore been regularly paid by the Company, and interest on loans issued during Federal control and approved by the Director General; nor shall such deduction be made in respect of additions and betterments which are for war purposes and not for the normal development of the Company, nor in respect of road extensions, nor in respect of amounts due under paragraphs (a) and (d) of section 4 hereof, in cases where the current assets of the Company taken over by the Director General under the provisions of this agreement clearly exceed the current liabilities of the Company paid or assumed by the Director General under said section. In the event of a difference as to the fact whether additions and betterments are for war purposes and not for the normal development of the Company, or as to whether an addition is a road extension, the question may be referred to and determined by the Commission.

The power provided in this paragraph to deduct the amount due by the Company for the cost of additions and betterments not justly chargeable to the United States is further declared to be an emergency power, to be used by the Director General only when he finds that no other reasonable means is provided by the Company to reimburse the United States, and, as contemplated by the President's proclamation and by the Federal control act, it will be the policy of the Director General to so use such power of deduction as not to interrupt unnecessarily the regular payment of dividends as made by the Company during the test period.

Overdue installments of compensation, or balances thereof, provided for in this section shall bear interest from maturity at the rate of five per cent per annum, except that if the Director General shall, prior to the execution of this contract, have loaned the Company any

money, the installments of compensation overdue at the date of the execution hereof shall bear interest from maturity at the same rate as that charged to the Company on such loans.

(c) During Federal control the Company shall not, without the prior approval of the Director General, issue any bonds, notes, equipment trust certificates, stock, or other securities, or enter into any contracts (except in respect of corporate affairs and property not taken under Federal control), or agree to pay interest on its debt at a higher rate, or for rent of leased roads and properties a larger amount, than the rates and amounts payable as of, or required by contracts in force on, December 31, 1917. The Company may, however, procure the authentication and delivery to it under any mortgage or trust deed or agreement in force December 31, 1917, of bonds or notes issuable thereunder in respect of additions, betterments, extensions, and equipment, or for refunding purposes.

(d) Upon the cost of additions and betterments, less retirements in connection therewith, and upon the cost of road extensions, made to the property of the Company during Federal control, the Director General shall, from the completion of the work, pay the Company a reasonable rate of interest, to be fixed by him. In fixing such rate he shall take into account not merely the value of money but all pertinent facts and circumstances, whether the money used was derived from loans or otherwise.

(e) From its compensation so received by it or from other income, if adequate for the purpose, the Company shall make all payments of interest, rents and other sums necessary to prevent a default under any mortgage or lease of any of the property described in paragraph (a) of section 2 hereof; and if at any time during Federal control the Company, by virtue of any change in the right of possession (subject to the rights of the United States) to any of said property or otherwise, shall no longer be entitled as between itself and any other person or corporation to receive the entire compensation herein provided, such compensation shall be apportioned and paid, as between the parties entitled thereto, as justice and right may require.

SECTION 8.—CLAIMS FOR LOSSES ON ADDITIONS, ETC.

(a) Prompt notice in writing, except as provided in paragraph (d) of this section, shall be given the Company of the making or ordering of any additions, betterments, road extensions, terminals, motive power, cars, or other equipment to or for the property of the Company costing more than one thousand dollars, with an estimate of the cost thereof. Such notice shall be given before the beginning of the work or the acquisition of the property whenever in the judgment of the Director General it is practicable to do so. There shall be furnished the Company, as soon as practicable after the end of each month, a written statement of all expenditures estimated to cost one thousand dollars or less chargeable to investment in road and equipment authorized during the month, with a brief description of the work to be done or of the property to be acquired. Within a reasonable time after the completion of such additions, betterments, road extensions, and terminals or the acquisition of such motive power, cars, or other equipment, a written statement of the final cost thereof shall be given the Company. The notices provided in this paragraph may be given to the president of the Company unless the Company designates some other officer to receive the same, in which event the notice shall be given to such other officer.

(b) Any claim of the Company for loss accruing to it by reason of expenditures for additions and betterments made to the property of the Company during Federal control in connection with or as a part of the work of maintaining, repairing, and renewing the Company's property and chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, except such expenditures as are incurred in connection with the replacement of buildings and structures in new locations, may be determined by agreement between the Director General and the Company, or, failing such agreement as to the fact or amount of such loss, the questions at issue may be referred by either party to the Commission, whose determination thereof, after hearing, shall be final and conclusive: *Provided, however,* That no loss shall be claimed by the Company and no money shall be due to it in respect of such additions and betterments upon the ground that the actual cost thereof at the time of construction was greater than under other market and commercial conditions; and for the purpose of determining such controversy the amount paid for any addition or betterment shall be deemed the fair and reasonable cost thereof and shall be taken as the basis for such determination; nor unless the Company, within sixty days of notice to it that the work will be done, shall give the Director General notice of objection thereto and shall make its claim within sixty days after notice of the completion of the work.

(c) Any claim of the Company for loss accruing to it by reason of any additions and betterments which are not made in connection with or as a part of the work of maintaining, repairing, and renewing the Company's property, or by reason of road extensions, terminals, motive power, cars, or other equipment, or which are incurred in connection with maintenance in the replacement of buildings and structures in new locations, made to or provided for the property of the Company during Federal control, may be determined by agreement between the Director General and the Company, or, failing such agreement as to the fact or amount of such loss, may, by proceedings instituted not later than six months after the end of Federal control, be ascertained in the manner provided in section 3 of the Federal control act: *Provided, however,* That no loss shall be claimed by the Company and no money shall be due to it in respect of such additions, betterments, road extensions, terminals, motive power, cars, or other equipment mentioned in this paragraph upon the ground that the actual cost thereof at the time of construction or acquisition was greater than under other market and commercial conditions; and for the purpose of determining such controversy the amount paid for any additions, betterments, road extensions, terminals, motive power, cars, or other equipment shall be deemed the fair and

reasonable cost thereof and shall be taken as the basis for such determination; nor unless within sixty days after notice to the Company of such construction or acquisition written notice is given to the Director General by the Company that it will claim a loss in respect thereof. With and as a part of such notice the Company shall state its objections to such construction or acquisition as far as reasonably practicable at the time.

(d) Where additions, betterments, or road extensions have been made to, or terminals, motive power, or other equipment provided for, the property of the Company during Federal control but prior to the execution of this agreement, the Director General shall not be required to give the notice thereof provided for in paragraph (a) of this section and notice by the Company of any claim of loss in respect thereto may be given the Director General within ninety days after the execution hereof; and such claims shall thereafter be proceeded with in the manner provided in paragraph (b) or paragraph (e) of this section, as the case may be.

(e) The Director General shall reimburse the Company for the amount of loss ascertained under this section with a proper adjustment of interest thereon.

(f) The Director General shall not acquire any motive power, cars or other equipment at the expense, or on the credit, of the Company in excess of what in his judgment is necessary, in addition to its then existing equipment, to provide for the traffic requirements of its own system of transportation; but this provision shall not prevent the Director General, after the acquisition of such equipment, from using the same, or any part thereof, on the line of any other Company.

SECTION 9.—FINAL ACCOUNTING.

SEC. 9. (a) At the end of Federal control all the property described in paragraph (a) of section 2 hereof shall be returned to the Company, together with all repairs, renewals, additions, betterments, replacements, and extensions thereto which have been made during Federal control, except as any part thereof may have been destroyed or retired and not replaced, in which case the provisions of section 5 hereof shall govern and except that the Director General shall not be obliged to restore or replace property destroyed or damaged by the acts of public enemies.

(b) At the end of Federal control the Director General shall return to the Company materials and supplies equal in quantity, quality and relative usefulness to that of the materials and supplies which he received and to the extent that the Director General does not return such materials and supplies he shall account for the same at prices prevailing at the end of Federal control. To the extent that the Company receives materials and supplies in excess of those delivered by it to the Director General it shall account for the same at the prices prevailing at the end of Federal control, and the balance shall be adjusted in cash.

(c) The total amount of the account "Net balance receivable from agents and conductors" at the end of Federal control may be turned over by the Director General to the Company. He may also turn over all assets which have accrued out of operation; and the Company shall to the extent of the cash received or realized from such assets, pay and charge to the Director General all expenses arising out of railway operations during Federal control including reparation and other claims, and may, unless objection is made by the Director General, pay and charge to him any such expenses including reparation and other claims in excess of the cash so received or realized. On the first day of the third month following the termination of Federal control an accounting between the parties shall be had, and so on the first of each third month thereafter. Any balance found due either party shall be payable as of the date on which the account is stated and shall bear interest until paid.

(d) At the end of Federal control there shall be paid to the Company without interest an amount of money equal to the cash working capital received by the Director General from the Company, and also an amount equal to the other cash and special deposits received from the Company at the beginning of Federal control, together with any unpaid interest which may have accrued upon the said other cash and deposits under this agreement. There shall also be paid to the Company all special funds which were taken over by the Director General as enumerated in section 2 hereof, and any funds created under the provisions of this agreement, except to the extent that such funds may have been properly used under this agreement.

(e) Wherever under any provision of this section there is to be an adjustment of interest, it shall be at the rate of five per cent per annum unless the parties shall in any case agree on a different rate.

(f) After Federal control no claim by or against the Director General shall be settled by the Company against the written objection of the Director General or the Attorney General of the United States. The conduct of all litigation before any court or commission arising out of such disputed claims shall be in charge of the Company's legal force and the expense thereof shall be paid by the Company; but the Director General or the Attorney General may, at the expense of the United States employ special counsel in connection with any such litigation.

EXECUTION.

In witness whereof these presents have on the day and year first above written been duly signed, sealed, and delivered by William G. McAdoo, Director General of Railroads, and duly signed, sealed, and delivered by the

Company by its
thereto duly authorized by a vote of the directors of the Company at a meeting duly called and held on, 1918, ratified by vote of the stockholders of the Company at a meeting duly called and held in on the day of, 1918, certificates of which meetings, duly attested by the Company's clerk, are hereto attached.

(SEAL OF DIRECTOR
GENERAL.)

(COMPANY'S SEAL.)

DIRECTOR GENERAL OF RAILROADS.

The Railroad,

By

[N. B.—This and the two following pages indicate the manner in which the Government would prefer to have the contracts executed. If in any case a special stockholders' meeting is impracticable, some other mode of execution, if deemed equally valid, will be accepted.]

CALL FOR THE STOCKHOLDERS' MEETING.

Notice is hereby given to the stockholders of the
 Company that a
 special meeting of said stockholders will be held at
 in at o'clock
 1918, to consider the expediency of ratifying a certain agreement with the Director General of
 Railroads relating to operation, compensation, and other matters connected with or growing
 out of the taking over by the President of the Company's railroad and system of transporta-
 tion and any other business that may properly come before the meeting.

.....
Clerk.

CERTIFICATE OF STOCKHOLDERS' VOTE.

At a meeting of the stockholders of the
 company, duly called and held at
, in, at
 o'clock,, 1918, the foregoing agreement between
 the Director General of Railroads and the company relating to operation, compensation, and
 other matters connected with or growing out of the taking over by the President of the com-
 pany's railroad and system of transportation was read; and it was thereupon voted that the
 same be, and hereby is, accepted, ratified, and approved as the contract of this corporation;
 that the of
 the company be, and hereby is, authorized to sign the same or a duplicate thereof in the name
 and behalf of the company, to affix its corporate seal thereto, and to deliver the same to the
 Director General upon receipt of a similar instrument duly executed by the Director General
 or by his duly authorized agent; and that the board of directors may at any time and
 from time to time alter, amend, or add to the terms and provisions of said agreement by a
 majority vote and an instrument in writing signed by the Director General, or his duly author-
 ized agent, and by some officer of the company thereto authorized by said board.

A true record.

Attest:

.....
 Clerk.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK,

August 23, 1918.

E. W. Adams, Secretary,
Chicago, Milwaukee & St. Paul Railway Co.,
Milwaukee, Wis.

Dear Sir:

I enclose you herewith proceedings of Executive
Committee at meetings held on the 1st, 8th, 15th and 22nd
of August 1918.

Very truly yours,

L B Tracy

Vice President.

New York, Thursday August 1st, 1918. 2PM.

The Executive Committee met. There were present Messrs.
Harkness, P.A. Rockefeller, Wm. Rockefeller and Stewart.

No formal action was taken.

L B Terry

Assistant Secretary.

New York, Thursday August 8, 1918. 2PM.

Only Messrs. P.A. Rockefeller and John A. Stewart were
present to attend the Executive Committee meeting today.

L B Terry

Assistant Secretary.

New York, Thursday August 15, 1918. 2PM.

The Executive Committee met. There were present Messrs.
Harkness, Wm. Rockefeller and Stewart.

No formal action was taken.

L B Terry

Assistant Secretary.

New York, Thursday August 22, 1918. 2 PM.

The Executive Committee met. There were present Messrs. Harkness
P.A. Rockefeller, Wm. Rockefeller and J.A. Stewart.

The Vice President submitted Division of Capital Expenditures
forms 4 Nos. 11 to 17 inclusive and

forms 3 " 61 to 73 "

" 75 to 122 " in accordance with supplement No. 1 to
D.C.E. circular No. 1 issued by R.S. Lovett, Director Division of Capital
Expenditures June 22, 1918 all of said forms having been signed by the
Federal Manager and endorsed by the Chairman of the Board. The Vice
President further submitted an abstract of said D.C.E. forms in detail
showing the total amount of such Capital Expenditures to be \$3,841,947
which is annexed hereto and made a part of these proceedings, whereupon
on motion duly seconded it was

RESOLVED that the aforesaid Capital Expenditures be and hereby
are approved by the Executive Committee of the Board of Directors.

auto. abstract of D.C.E. forms hereto
On motion duly seconded the Vice President was authorized to
extend for 60 days if necessary the following loans of the Company.

Guaranty Trust Company	for \$1,500,000. @ 6% falling due 31st. Aug.
Farmers Loan & Trust Co.,	" 500,000. @ 6% " " 30th Aug.
Union Trust Company	" 500,000. @ 6% " " 30th Aug.

There being no further business to come before the meeting,
the Committee adjourned.

L B Jew
Assistant Secretary.

ABSTRACT OF DCE FORMS SUBMITTED TO THE
BOARD OF DIRECTORS

August 13, 1918.

DCE Form No.	Location	Description of Work	Amount
* 4-#11	System	Equipping 399 locomotives with finger gates	\$ 34,894.00
* 12	"	Improvements on 1550 box cars	335,916.00
* 13	Galewood, Ills.	Additional Shop machinery and tools-	26,060.00
* 14	Horison, Wis.	Additional yard tracks	34,217.00
* 15	Aberdeen, S.D.	2-150 ton steam derricks	76,800.00
	Deer Lodge, Mont.		
16	System	4-15 ton coaling cranes	66,000.00
17	"	50 locomotives 2-8-2 Mikado	2,940,000.00
(Approved by the Board of Directors at a meeting held in New York Thursday, Feb. 28th, 1918)			
* 3-#61	Java Jct. SD	Extension of passing track	4,265.00
* 62	New Lisbon, Wis.	Track Changes	1,019.00
63	Kansas City, Mo.	Assessment levied for condemning certain property for enlarging approaches to Union Passenger Station-	5,128.00
* 64	Elk Point, S.D.	Construction passing track	12,627.00
* 65	Janesville, Wis.	Changes in track lay-out	1,142.00
* 66	LaCrosse, Wis.	Install machinery and tools	3,450.00
67	System	Equip 31 switch engines with electric headlights	4,765.00
68	Portage, Wis.	Remodel Depot and hotel building	6,070.00
69	Franklin Park, Ills.	Install controlled signal	1,285.00
* 70	Watertown, Wis.	Extension passing track	6,868.00
71	Milwaukee, Wis.	Shop Improvements	1,798.00
* 72	System	Apply Franklin Grease Collars to 220 locomotives	8,273.00
* 73	Gault, Mo.	Construct passing track,	7,056.00
75	Austin, Minn.	Shop Improvements	8,040.00
76	Western Ave. Chgo.,	Purchase new shop machinery	1,181.00
* 77	Green Bay, Wis.	Shop Machinery and Tools	10,200.00
* 78	Perry, Iowa,	" " " "	10,480.00
* 79	System,	Equip 150 locomotives with improved system of airbrake piping,	5,226.00
* 80	Ladd, Ills.	Install new boiler and shaper	3,409.00
81	Miles City, Mont.	Install motor generator sets and additional telegraph equipment	1,680.00
* 82	Thorp, Wash.,	Rip-rap along Yakima River,	14,320.00
83	Austin, Minn.	Steam heating plant in remodeled freight house,	2,355.00
84	Western Ave. Chgo.,	Build new 70,000 gal. reservoir pipe connections, etc.,	7,195.00
85	White Butte, S.D.	Construct side track, station house, platform, etc.,	6,676.00
* 86	Reeder, N.D.	Construct Class B-4 Depot,	7,825.00
Carried forward-			\$ 3,656,220.00

BOARD OF DIRECTORS
 VERIFICATION OF DCE WORKS SUBMITTED TO THE

DCE Form No.	Location	Description of Work	Amount
87	Austin, Minn.	Construct Brick Toilet Bldg.,	\$ 1,210.00
88	System	Apply safety appliances to	
		139 freight cars-	2,196.00
89	"	Apply safety appliances to	
		63 freight cars-	1,034.00
3- #90	Bellingham, Wash.	Construct pile trestle for	
		log dump	24,450.00
91	Minneapolis, Minn.	Install boiler feed pump	1,550.00
* 92	Milw Term. Ry. Co.	Repairs to car barge No. 2	1,665.00
93	B & N Ry. Co.	Telephone line between Goshen	
		& Kulshan, Wash.	3,200.00
94	Lines East	Purchase 2 K & W rail laying	
		machines-	7,000.00
95	Mitchell, SD	Assessment for improving of	
		Main Street-	2,726.00
96	Aberdeen, S D	Changes in yard tracks-	2,387.00
* 97	Milwaukee Shops	Improvements to locomotives	22,579.00
✓ * 98	Aberdeen, S D	Relay one mile of track with	
		90# rail, replacing 85# rail	1,186.00
99	Clive, Ia.	Rip-rap embankment of Walnut	
		Creek-	1,086.00
* 100	Lines West	Erecting 72" heating boiler	2,454.00
* 101	Canton, S. Dak.	Additional storage tracks	14,301.00
* 102	Between Cologne &		
	Farlington, Minn.	Apply 5000 anti-rail creepers	1,105.00
* 103	Between Aberdeen		
	& Mobridge,	Extension 32 pipe culverts	1,874.00
* 104	Selby, S. Dak.	Extension passing tracks	3,140.00
105	Channing, Mich.	Extension to run around track,	1,070.00
106	Piedmont, Mont.,	Construction spur track	2,394.00
107	System	Equipment for 218 baggage cars	1,413.00
* 108	"	Equipping 15 steel sleepers	
		with additional radiation-	2,088.00
* 109	Milwaukee Shops,	Additional machinery-	1,200.00
110	Missoula, Mont.	Improvements to warehouse leased	
		by Swift & Co.,	10,897.00
* 111	Milwaukee Shops,	Improvements to equipment-	3,200.00
* 112	"	" " "	8,892.00
* 113	No. McGregor, Ia.,	Track Changes-	18,474.00
* 114	R & S Div.	Application 20,000 tie plates-	4,400.00
* 115	Milwaukee Shops,	Application of Hancock double	
		boiler checks to 100 locomotives	6,481.00
116		Safety appliances to 34 freight	
		cars-	1,240.00
117	Milwaukee, Wis.	Install 2 oil supply tanks-	1,696.00
* 118	Minneapolis, Minn.	Construct sanitary sewer-	3,142.00
* 119	Ewan, Wash.,	Construct 6 room frame section	
		house-	1,512.00
120	Scranton, N D	Construct class B-4 depot-	7,825.00
* 121	Mitchell, S D	Construct 2 repair tracks-	12,106.00
122		Steel underframe to business	
		car Snoqualmie	2,554.00
(Note: *Approved in 1918 Budget)			
		Carried forward - - - -	3,656,220.00
		Total	\$3,841,947.00

Aug 29 1918
Subd
Pgs 5 to 8 incl

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE - PRESIDENT,
FORTY-TWO BROADWAY,

(1)

NEW YORK, September 10, 1918.

Mr. E. W. Adams, Secretary,
C. M. & St. P. Railway Company,
Milwaukee, Wis.

Dear Sir:

Referring to your favor of 5th inst., in respect to resolution passed by Directors at the Meeting held August 29th, covering salaries to be paid certain corporate officials of the Company effective August 1st. 1918:

Said Resolution was unanimously passed by the Board at above meeting and the reason it was not included in the minutes of that meeting sent you was that Mr. Earling was uncertain as to the amount to be paid to the "cashier" at the time.

I therefore arranged with Mr. Earling that he should make the proper correction on his return to Chicago and to send one corrected copy of the Resolution to you and return one to me that the record should be made accordingly.

You will please therefore make the "cashier's salary in your record to read "\$2100.00 per annum which will correspond with the record here.

Very truly yours,

E B Seely
Vice President.

At the stated meeting of the Board of Directors held at the office of the Company, 42 Broadway, New York, on 29th August 1918, the following resolution was adopted:

On motion duly seconded it was

RESOLVED that the Corporate Officials of this Company specified below shall receive salaries effective August 1, 1918, as follows:

General Counsel	\$25,000.	per annum
Vice President E.D. Sewell	15,000.	" "
Corporate Engineer	7,500.	" "
Accountant	3,600.	" "
Cashier	2,500. 2,100.	" "

L B Jew
Assistant Secretary.

The Adm.

*Correction Cashier's Salary
made by me -*

*A. J. G. G. G.
Chairman*

9/3/18

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE - PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, Sept. 10, 1918.

Mr. E. W. Adams, Secretary,
C. M. & St. P. Railway Company,
Majestic Building,
Milwaukee, Wis.

Dear Sir:

Below you will find two corrections which you will kindly make in your minutes of Board Meeting of August 29th, last, as follows:

- (1) The Resolution to lease to Nichols & Olson changed to read:

✓
AHC
"On motion duly seconded it was unanimously resolved that this Company make a lease for ten years from April 1, 1918, to Nichols & Olson, etc.,"

- (2) To be the last minute of said Meeting which was entirely omitted, and which will read as follows:

⊕
AHC
✓
"On motion duly seconded it was recommended that the Milwaukee Land Company make a lease to Mr. Damascus for the right to mine coal on its land located about nine miles N.E. of Centralia, Washington, described as the S.E. $\frac{1}{4}$ of the S. W. $\frac{1}{4}$ of Section 28, Twp. 15 N R1 W on the basis of 15¢ per ton royalty for the coal mined with a minimum of \$200.00 per annum, which minimum is payable in advance."

With apologies for putting you to this trouble, I beg to remain

Very truly yours,

A
L B Terry

Vice President.

CBF:CS.

New York, Thursday, August 29, 1918, 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present: Messrs. Bliss, Earling, Fisher, Geddes, Harkness, P. A. Rockefeller, Wm. Rockefeller, Ryan and Stewart.

A copy of ^{minutes} Board Meeting of July 25, and Executive Committee Meetings of August 1-8-15 and 22 was furnished to each of the Directors present and the Secretary of the Meeting read the same at length.

Whereupon on motion, duly seconded, it was

RESOLVED, that said Board of Directors minutes be and hereby are approved and said Executive Committee proceedings are hereby ratified and confirmed.

The Vice President submitted Division of Capital Expenditures form 4 No. 18
form 3 Nos. 123 to 172 both inclusive, in accordance with supplement No. 1 to D.C.E. circular No. 1 issued by R.S. Lovett, Director Division of Capital Expenditures June 22, 1918, all of said forms having been signed by the Federal Manager and endorsed by the Chairman of the Board. The Vice President further submitted an abstract of said D.C.E. forms in detail showing the total amount of such Capital Expenditures

<u>DCE FORM NO.</u>	<u>LOCATION</u>	<u>DESCRIPTION OF WORK</u>	<u>AMOUNT</u>
		Amount Forward	188,153.
* 146	Soudan, Mont.	Extend passing track	3,773.
* 147	Haskell, "	" " "	5,569.
* 148	New Dorsey, Mont.	" " "	1,937.
* 149	Hamen, Mont.	" " "	2,001.
* 150	Superior, Mont.	" " "	5,492.
* 151	Primrose, "	" " "	4,388.
* 152	Garcia, Wash.	" " "	3,710.
153	Milwaukee Shops	Purchase 5 ton electric hoist	2,400.
154	Chicago Terminals	Instal automatic block signals	11,070.
* 155	Moyns, Mont.	Extend passing track	1,937.
156	Whitewater, Wis.	Payment special assessment for paving	2,146.
* 157	Loweth, Mont.	Construct 6 room section house	1,500.
* 158	Cyr, Mont.	Extend passing track	3,720.
* 159	Ringling, Mont.	" " "	1,472.
* 160	Bandera, Wash.	" " "	3,634.
* 161	Green Bay, Wis.	Install new scale	8,391.
* 162	Rockdale, Wash.	Extend passing track	4,195.
163	Chicago Terminals	Build sidewalks between tracks	2,110.
		TOTAL	\$ 257,508.

(Note. * Approved in 1918 Budget)

Resolved

this company
On motion duly seconded it was unanimously ~~recommended~~
that ~~the Milwaukee Land Co.~~, make a lease for 10 years from April 1st,
1918, to Nichols & Olson, of Great Falls, Montana, covering lots
Nos. 13 and 14, and an irregular tract adjoining totalling 95,000
sq. feet all in Block 418 of the original town site of Great Falls;
rental for the first 5 years \$200 per annum payable in advance;
rental for second 5 years payable annually in advance shall be an amount
equal to 6% of the valuation of said lands, exclusive of improvements,
as determined by agreement of the parties or by award of appraisal.

On motion duly seconded the sale of the timber on the
N.E. $\frac{1}{4}$ of Sec. 28, Twp. 15 N.R. 5W. in the Grays Harbor District by the
Milwaukee Land Company to Wilson Bros. & Co., of Aberdeen for \$18,500
cash is hereby approved, and further the sale of the timber in Sec.
24, Twp. 15 N.R. 4E by the Milwaukee Land Co. to Gustaf Lindberg of
Tacoma for \$60000 at terms of \$15,000 down and \$5000 every 3 months
thereafter with interest on deferred payments at 6% is hereby approved.

The recommendation of E.R. Williams that the Milwaukee
Land Co. sell the surface of its cut over lands at satisfactory prices
was approved.

Mr. P.A. Rockefeller nominated Mr. Samuel H. Fisher, as member
of the Executive Committee, in the place of H.E. Byram, resigned, the
nomination having been seconded, a vote was taken, and it was found
that Mr. Fisher had received the unanimous vote of the Directors present,
and the Chairman thereupon declared Mr. Fisher duly elected a member
of the Executive Committee. *✓ salaries*

(X) see (2) letter attached and enter minute.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, September 6th, 1918.

Mr. E. W. Adams, Secretary,
Chicago, Milwaukee & St. Paul Ry. Co.,
Milwaukee, Wis.

Dear Sir: _

I enclose you herewith proceedings of the
Executive Committee at meeting held September 5, 1918.

Very truly yours,



Vice President.

Enc.

New York, Thursday September 5, 1918, 2 P.M.

The Executive Committee met. There were present Messrs. Harkness, P. A. Rockefeller, William Rockefeller and Stewart.

The resignation of Mr. A. G. Loomis as Treasurer of this Company was presented and accepted, he having been appointed Federal Treasurer. Whereupon, on motion duly seconded Mr. C. B. Perry was unanimously elected Corporate Treasurer of the Company to fill the vacancy caused by the resignation of Mr. Loomis.

On motion duly seconded it was unanimously

RESOLVED that the compensation to be paid to Mr. A.J. Earling as Chairman of the Board of Directors of this Company shall be at the rate of \$24,000 per annum, *effective August 1st. 1919.*

There being no further business to come before the meeting, the Committee adjourned.

C B Perry
Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,

FORTY-TWO BROADWAY,

September

16,

NEW YORK,

1918.

Conrad

Mr. E. W. Adams, Secretary,
C. M. & St. P. Railway Company,
Majestic Building,
Milwaukee, Wis.

Dear Sir:

2/12

Mr. Earling has requested that his salary as
Chairman of the Board shall be "effective August 1st. 1918",
so will you kindly add these words to the resolution in
your record of meeting of Executive Committee September 5th,
last.

Very truly yours,

C B Terry

CBF:CS.

Vice President.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,

FORTY-TWO BROADWAY,

NEW YORK, September 13, 1918.

Mr. E. W. Adams, Sec'y.,
C. M. & St. P. Railway Company,
Majestic Building,
Milw. Wis.

Dear Sir:

I enclose you herewith the proceedings of the
Executive Committee at meeting held September 12, 1918.

Very truly yours,

L B Perry

Vice President.

CBF:CS.

ENC.

New York, Thursday, Sept. 12, 1918, 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Harkness and Stewart.

The Chairman presented the following communications which were unanimously approved and made part of the proceedings of this meeting:

"September 12, 1918.

Advisory Committee, Finance Section,
United States Railroad Administration,
Washington, D. C.

Gentlemen:-

I hand you herewith certified copy of Resolutions of the Executive Committee of this Company, together with formal application by the Chairman of the Board of Directors for the advance of One Million, Two Hundred Thousand, Four Hundred and Sixty Dollars (\$1,200,460.00) on account of just compensation which this Company is entitled to receive under the so-called Federal Control Act of March 21, 1918. This amount will be required by this Company to meet its interest maturities October 1, 1918, on its outstanding mortgage bonds as stated in the Resolutions of the Executive Committee.

As is stated in the formal application of the Chairman, the Company is wholly without funds to pay this interest and is unable to obtain the necessary funds from any other source than on account of the compensation which it is entitled to receive from the United States under the provisions of the Federal Control Act. It is hoped that this application will be given immediate consideration and that the full amount requested will be advanced in ample time for the Company to make the necessary arrangements to meet its interest requirements on October 1, next.

On our previous applications the entire amounts asked for have not been granted. This has somewhat embarrassed the Company in getting the necessary funds to pay the entire amounts of interest due July first and August first, and we, therefore, respectfully urge upon your Committee to allow the full amount requested in this application, viz: One Million, Two Hundred Thousand, Four Hundred and Sixty Dollars (\$1,200,460.00).

Page Two.

Respectfully submitted,

(Signed)

Burton Hanson

General Counsel. "

"HONORABLE WILLIAM G. McADOO,
DIRECTOR GENERAL OF RAILROADS,
WASHINGTON, D. C.

The Chicago, Milwaukee & St. Paul Railway Company, pursuant to the Resolutions of the Executive Committee of said Company, (which Committee, under Section 1 of Article IV of the By-Laws of the Company, has, during any recess of the Board of Directors, all powers of the Board in respect of said Resolutions) a certified copy of which Resolutions is hereto attached and made a part hereof, hereby makes application for payment on account of the just compensation which said Company is entitled to receive under the Act of Congress approved March 21, 1918, commonly called The Federal Control Act, in the sum of One Million, Two Hundred Thousand, Four Hundred and Sixty Dollars (\$1,200,460.00), which sum is required by the Company to meet its interest payments which mature and become payable October 1, 1918, as shown in detail in said Resolutions.

Said Company further represents and states that while the Interstate Commerce Commission has not yet certified to the President of the United States the full amount of the average annual railway operating income of said Company for the three years ended June 30, 1917, yet it has heretofore made a tentative or estimated certificate by which it appears that the amount of said average annual railway operating income when finally certified will exceed Twenty-seven Million Dollars (\$27,000,000.00).

Said Company further represents and states that it has so far received from the United States under the provisions of said Federal Control Act, on account of the amount of just compensation which it is entitled to under the provisions of said Act, but Four Million, Seven Hundred and Twenty-five Thousand Dollars, (\$4,725,000.00) Four Million Dollars of which was paid to it on June 28, 1918, and the balance of Seven Hundred and Twenty-five Thousand Dollars was paid to it on or about July 30, 1918; the total of these

Page Three.

amounts has been used and applied by the Company in payment of its interest requirements which matured July 1, 1918, and August 1, 1918.

Said Company further represents and states that it is without funds to pay the amount of interest on its outstanding bonds which matures and becomes payable October 1, 1918; that the total amount of the Company's cash on hand is approximately One Hundred and Eighty-seven Thousand Dollars (\$187,000.00) and this amount is required by the Company to meet its current corporate purposes and no part of it is available or can be used towards the payment of its interest maturities of October 1, 1918;

And said Company further represents and states that it is wholly unable to obtain the amount necessary to meet its interest requirements of October 1, 1918, by loan or otherwise, and, therefore requests that this application be forthwith favorably acted upon.

Said Company further represents and states that in conformity with Public Service & Accounting Circular No.18, issued by Hon. C. A. Prouty, Director of the Division of Public Service & Accounting, H. E. Byram, Federal Manager of this Company's lines, has reported to the Director General and filed such report with the Director of Public Service & Accounting, a statement showing, among other things, the amounts of money collected for and the amounts of money paid on behalf of the Chicago, Milwaukee & St. Paul Railway Company since January 1, 1918, together with a balance sheet of the Federal operations, including the balances due to and from the Chicago, Milwaukee & St. Paul Railway Company to or from the Director General, to which report reference is hereby made. It will be seen from the general balance sheet attached to said report that there is due to the Director General by the Chicago, Milwaukee & St. Paul Railway Company the following sums as of June 30, 1918:

For additions and betterments, approximately. . . .	\$4,407,707.54
For liabilities accrued prior to Dec. 31, 1917, subsequently paid by the Director General,	16,187,853.07
For account C.M. & St.P.Ry.Co.-revenue prior to January 1, 1918,	9,574.39
Total,	\$20,605,135.00

and that there was due the Chicago, Milwaukee & St. Paul Railway Company as of June 30, 1918, the following amounts:

Cash on Hand January 1, 1917, taken over	
by the Director General,	\$3,842,418.36
Agents' and Conductors' balances, Dec. 31, 1917, . . .	3,801,912.27
Corporate Income transactions,	486,165.73
Equipment retirements,	649,019.99
Assets as of Dec. 31, 1917, collected	
by the Director General subsequent	
thereto,	4,630,681.37
Expenses (credits) prior to Dec. 31, 1917, . . .	133,665.04
Total,	\$13,543,862.76

Leaving a balance due the Director General by the Chicago, Milwaukee & St. Paul Railway Company as of June 30, 1918, of \$7,061,272.24.

On or about August 23, 1918, the Chicago, Milwaukee & St. Paul Railway Company paid to the Director General, through A. G. Loomis, Federal Treasurer of the Chicago, Milwaukee & St. Paul Railway Company, the sum of One Million Dollars (\$1,000,000.00) for account of additions and betterments, leaving the balance due the Director General by the Chicago, Milwaukee & St. Paul Railway Company, as of June 30, 1918, in the sum of \$6,061,272.24.

It will be seen from the above statement that the amount due to the Director General by the Chicago, Milwaukee & St. Paul Railway Company, as of June 30, 1918, on account of expenditures for additions and betterments, less the amount paid by the Company on or about August 23, 1918, was \$3,407,707.54, and that the balance of \$2,653,564.70 represents the amount of liabilities of the Company paid by the Director General since January 1, 1918, in excess of the assets collected and the cash turned over.

Said Company further represents and states that the statement as of June 30, 1918, showing the amounts due to or from the Director General to or from the Chicago, Milwaukee & St. Paul Railway Company is the latest date for which the figures are available at this time; that the balances as of July 31, 1918, will not be available until the latter part of the present month of September.

In the foregoing statement no account is taken of the materials and supplies taken over as of December 31, 1917, which on that date were of a book value of \$14,688,584.99.

Said Company further represents and states that on October 1, 1918, the said Company will be entitled to receive, under the provisions of the Federal Control Act, on the basis of ninety

Page Five.

per cent (90%) of the amount of its compensation tentatively certified by the Interstate Commerce Commission, approximate Eighteen Million Dollars, (\$18,000,000.00) less the amount which shall have been advanced by that date on account of such compensation and less such amounts as the Director General might deem it proper to deduct therefrom on account of expenditures hereinbefore stated in respect of additions and betterments and excess of liabilities paid over assets collected, and if an agreement shall be reached between the Director General and said Company as is proposed by the final draft of Standard Clauses for such an agreement, under date of September 5, 1918, it will be entitled to receive on said date, under the provisions of the agreement, approximately Twenty Million Dollars, (\$20,000,000.00) less the amount which shall have been advanced by that date on account of such compensation and less such amounts as may be deducted from said compensation under the provisions of Paragraph (b) of Section 7 of said proposed agreement.

Dated New York, September 12, 1918.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

BY

(Signed)

A. J. Earling
Chairman, Board of Director

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

I, F. B. SIMPSON, Assistant Secretary of the Chicago, Milwaukee & St. Paul Railway Company, DO HEREBY CERTIFY: That at a regular meeting of the Executive Committee of said Railway Company, duly and regularly called and held pursuant to the By-Laws of said Railway Company, at the offices of said Company, in the City of New York, State of New York, on Thursday the 12th day of September, 1918, at which meeting a quorum was present and voting, the following proceeding was, among others, had and taken:

The Chairman laid before the Executive Committee a statement showing the amount of interest coupons that would mature and be payable October 1, 1918, on the outstanding bonds of the Company, as follows:

<u>Description of Bonds</u>	<u>Prin- cipal</u>	<u>Interest due Oct. 1, 1918.</u>
General & Refunding, Series "A" 4½%	\$43,089,000.00	\$ 969,502.50
General Mortgage 3½%	2,232,000.00	19,530.00
General Mortgage 4%	12,298,000.00	122,980.00
General Mortgage 4½%	7,862,000.00	88,447.50
Total Principal	<u>\$68,481,000.00</u>	
Total Interest due October 1, 1918		<u>\$1,200,460.00</u>

Whereupon, on motion made and seconded, the following resolutions were unanimously adopted:

Page Seven.

RESOLVED, that the Chairman of the Board or the Vice President in charge of the Financial and Transfer Office of the Company, in the City of New York, be, and they are hereby authorized forthwith to make application to the Director General of Railroads, for payment to the Company on account of the just compensation to be received by the Company under the Act of Congress approved March 21, 1918, commonly called the "Federal Control Act", of an amount sufficient to enable the Company to fully pay the amount of interest on the aforesaid described bonds due and payable October 1, 1918.

FURTHER RESOLVED, That the Chairman of the Board or Vice President in charge of the Financial and Transfer Office of the Company, or General Counsel of the Company, be, and they hereby are authorized to accept from the United States, or the Director General of Railroads, the aforesaid sum of One Million, Two Hundred Thousand, Four Hundred and Sixty Dollars (\$1,200,460.00) and to sign or execute proper receipts or other instruments therefor.

FURTHER RESOLVED, That the Chairman of the Board or Vice President in charge of the Financial and Transfer Office of the Company or General Counsel of the Company be, and they hereby are, authorized to do each, every and all of those things which may be necessary or required in order to obtain the said amount of One Million, Two Hundred Thousand, Four Hundred and Sixty Dollars (\$1,200,460.00) as an advance to the Company on account of said just compensation which it is entitled to receive under said "Federal Control Act", being expressly authorized to make, execute and deliver all such written instruments, documents and certificates as may be necessary or that may be required in respect thereof.

✓ AND I FURTHER CERTIFY that the above and foregoing is a full, true and correct copy of said resolutions, and of the whole thereof, as the same appear in the books of the Company in my custody as Assistant Secretary thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Chicago, Milwaukee & St. Paul

Page Eight.

Railway Company, at the City of New York, New York, this 12th
day of September A. D. 1918.

(Signed)

(SEAL)

F. B. Simpson,
Assistant Secretary of the Chicago,
Milwaukee & St. Paul Railway Company

On motion duly seconded the Committee adjourned to
meet again on Friday, September 13, 1918, at 2 P. M.

G B Seay
Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE - PRESIDENT,

FORTY-TWO BROADWAY,

NEW YORK,

September

16,

1918.

Mr. E. W. Adams, Secretary,
C. M. & St. P. Railway Company,
Majestic Building,
Milwaukee, Wis.

Dear Sir:

I enclose you herewith the proceedings of the
Adjourned Executive Committee at meeting held September
13, 1918.

Very truly yours,



Vice President.

Enc.

New York, Friday, Sept. 13, 1918, 2 P. M.

The Adjourned Meeting of the Executive Committee was held pursuant to notice duly given.

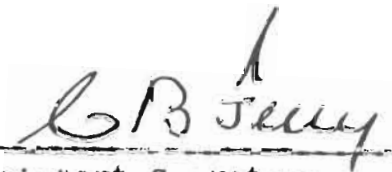
There were present Messrs. Earling, Harkness, P. A. Rockefeller, Wm. Rockefeller ~~and Edward~~

On motion duly seconded, it was unanimously

RESOLVED, that the proper officers of this Company be and hereby are empowered to close with the Special Committee of the Government appointed to determine and fix the additional Compensation to be paid on account Lines of Road of this Company which were not in operation during the test period, also for such Lines of Road of this Company as were operated for part of the time during the test period for such an amount of additional Compensation as can be obtained by said officers.

On motion duly seconded, it was the unanimous opinion of the Committee that this Company should employ such assistants as are necessary to check the Federal valuation of its property.

There being no further business to come before the Meeting, the Committee adjourned.


Assistant Secretary.

V
New York, Thursday, Sept. 19th, 1914
2 P. M.

The Executive Committee met. There were present
Messrs. Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

The Vice President presented the resignation of Mr.
H. B. Earling as Vice President of this Company on account of his
appointment as Federal General Manager under the United States
Railroad Administration.

WHEREUPON, on motion duly seconded, the resignation of
Mr. Earling as such Vice President was accepted. The Vice Presi-
dent further presented the resignation of Mr. G. J. Bunting, as
Comptroller of this Company on account of his appointment as Fed-
eral Auditor under the United States Railroad Administration.

WHEREUPON, on motion duly seconded, the resignation of
Mr. Bunting as Comptroller of this Company was accepted.

There being no further business to come before the
meeting, the Committee adjourned.

E. B. Tamm

Assistant Secretary.

New York, Thursday, 26 September, 1918. 2 P.M.

Only Messrs. Bliss, Harkness, P. A. Rockefeller, Wm.

Rockefeller and Stewart were present to attend the stated meeting of the Board of Directors and they adjourned for want of a quorum.

LB Ferry
Assistant Secretary.

17 1019

New York, Thursday, 3 October, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Fisher, Harkness, T. A. Rockefeller, Wm. Rockefeller and Stewart.

On motion, duly seconded, Mr. E. D. Sewall was duly nominated as the official of this Company to represent it as a Director on the Board of Directors of the Minnesota Transfer Company.

On motion duly seconded it was unanimously

RESOLVED, that the proper officers be and they are hereby authorized to issue and the United States Trust Company, as Trustee, to certify, one General Mortgage, Series "A", Four Per Cent Bond of this Company of the par value of \$1,000.00 with proper interest coupons attached thereto to replace bond numbered 13568 with coupon No. 59 payable January 1, 1919 and subsequent thereto attached, which has been surrendered to this Company in such mutilated condition as to make the same not negotiable.

The Vice President submitted Division of Capital Expenditures

Form 4 - 19
" 3 - 183 to 188 inclusive
190
192 to 195 inclusive
197 - 199 - 200
202 to 205 inclusive
173 to 182

in accordance with supplement No. 1 to DCE Circular No. 1 issued by R. S. Lovett, Director Division of Capital Expenditures June 22, 1918, all of said forms having been signed by the Federal Manager and endorsed by the Chairman of the Board. The Vice President further submitted an abstract of said DCE forms in detail showing the total amount of such Capital Expenditures to be \$145,776.00 which is annexed hereto and made a part of these proceedings, whereupon on motion duly seconded it was

RESOLVED, that the aforesaid Capital Expenditures be and hereby are approved by the Executive Committee of the Board of Directors, and that the Standard Protest made on DCE form 3 - 183 - 195 and 204 be filed with the Director Division of Capital Expenditures.

<u>Form No.</u>	<u>Location</u>	<u>Description of Work</u>	<u>Amount</u>
3-173	Waukon Jct. Ia.	Construct flowing well and water tank on pile foundation	\$5,291
174	Portage, Wis.	Additional Yard tracks	2,000
* 175	Waterville, Ia.	Repairs and additions to bridge K 1398	1,160
* 176	Iowa Division	Application of 21,952 anti-rail creepers	4,064
* 177		Equip 10 L-2/s engines with Smith Adjustable Hub plates	1,124
* 178	Portage, Wis.	Build new oil house	2,320
* 179	Rockland, Wis.	Construct frame freight and passenger station	4,040
180	Savanna, Ill.	Improvements and changes to ice conveyor	1,948
* 181	Spaulding, Ill.	Install new track scale in concrete pit	7,538
182	Bass Lake Yards, Minn.	Erect yard and grain sampler's office	1,273

(NOTE: *Approved in 1918 Budget)

* 4- 19	Missoula Divn.	Apply 143,000 additional tie plates	46,572
* 3-183	Elgin, Ill.	New frame shelter on Eastbound platform	4,737
* 3-184	Musselshell Div.	Replay 31,680 ft. 85# rail with 90# rail	6,543
* 3-185	Coast Divn.	Apply 12,000 90# tie plates	5,178
* 3-186	Nahant, Ia.	Construct pump house	2,575
* 3-187	Illinois Divn.	Apply 15,000 tie plates 100#	1,660
3-188	Chehalis, Wash.	Construct PS&WH portion of connection track with N P RR	1,893
* 3-190	Columbia Divn.	Apply 50,000 85/90 tie plates	8,091
3-192	Harlowton, Mont.	Install electric lights in roundhouse and turntable	1,755
* 3-193	Isabel, S.D.	Labor and material to put down dug well, etc.	4,500
* 3-194	Mossman, S.D.	Labor and material to put down dug well, etc.	4,500
* 3-195	Tacoma, Wash.	Repairs to bridge WF 324	2,355
3-197	Columbia Divn.	Widening cuts and fills	3,693
* 3-199	Mobridge Line	Apply 30,700 85# rail anchors	6,057
* 3-200	Bet. Woonsocket and Alpena S.D.	Apply 3500 rail anchors	1,132
3-202	Freeport, Ill.	Amount to be paid to Standard Oil Co. as difference between value of certain tracks of land necessary for improvement of right of way	2,000
* 3-203	Eagle Point, Ia.	Re-lay 26,200 ft. SH 90# rail	2,998
* 3-204	Coburg, Mo.	Install 2 SH 60" boilers and 250 ft. air compressor in power house	4,995
* 3-205	New Lebanon, Ill.	Extend westbound passing track	3,236

(NOTE: *Included in 1918 Budget)

Total - \$145,776

There being no further business to come before the meeting, the Committee adjourned.

L B Jany
Assistant Secretary.

19 to 21
New York, Thursday, 10 October, 1913. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Fisher, Harkness, P. A. Rockefeller and Stewart.

On motion, duly seconded, it was recommended that the Milwaukee Land Company accept from the Government a minimum price of \$3.75 per thousand feet for its spruce timber on the Olympic Peninsular provided that a better price cannot be obtained.

On motion, duly seconded, it was

RESOLVED, that Mr. L. J. Tracy, Accountant, be, and is hereby designated as the officer of this Company having sole authority to authorize the destruction of old records of this Company, as required by the rules of the Interstate Commerce Commission; and be it further

RESOLVED, that a copy of this resolution be filed with the Interstate Commerce Commission.

On motion, duly seconded, it was recommended that the Milwaukee Land Company convey to Matt Hadaller 57 acres of its land situated about eleven miles west of Morton, Lewis County, Wash., for \$1000.00, payable \$400.00 cash and the balance at the rate of \$200.00 per annum at 6% interest, and the conveyance to said Company by said Hadaller of his 40 acres with the timber thereon adjoining; and it was further recommended that the Milwaukee Land Company accept the offer of David Evans of Forest, Wash., to purchase at \$30.00 per acre on payments of \$500.00 cash and \$125.00 per annum until paid, the NE 1/4 of the SE 1/4 of Section 34, Township 13N, Range 1 W. W. N., said purchase to cover the land only, the Company to reserve the timber thereon and have unlimited time to remove the same.

The Chairman submitted a statement to the Committee of additional compensation and it was ordered that the same be filed in this office for such reference as might at any time be desired.

There being no further business to come before the meeting, the Committee adjourned.

E B Terry

Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, October 18, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive
Committee at meeting held October 17th.

Very truly yours,

E. B. Tamm
Vice President.

ENC

NEW YORK, October 23, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

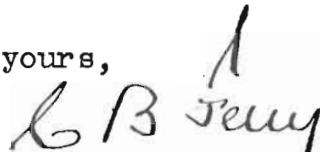
Dear Sir:-

Mr. Earling requests that the following resolutions,
as part of proceedings of Executive Committee of October 17th,
be made to read as follows:


✓
"RESOLVED, that the General Counsel is authorized
to employ such assistants as he may deem necessary to
assist him in protecting the interests of the Company
and properly conducting the business of that Department."


"On motion, duly seconded, it was recommended that
the Milwaukee Land Company accept \$4.00 per M (which
is the price that Lacey & Co. have accepted) for such
of its spruce timber on the Olympic Peninsula as the
Government may select for use in airplane production."

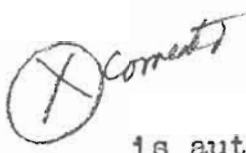
Very truly yours,


Vice President.

New York, Thursday, 17 October, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Fisher, Harkness, P. A. Rockefeller and Stewart.

On motion, duly seconded, it was

 RESOLVED, that General Counsel Burton Hanson be and he hereby is authorized to employ such assistant counsel as he deems necessary to help him protect the interests of this Company in respect to the pending suits against the Company prior to December 31, 1917.

On motion, duly seconded, it was

RESOLVED, that the construction of 5000 freight cars at the Company's shops is approved, and that the Chairman be and he hereby is instructed to proceed with and conclude the negotiations with the Director General for financing the same, in accordance with a certain letter dated October 15, 1918, from John Skelton Williams, Director of Finance, a copy of which letter is on file in this office.

On motion, duly seconded, it was

RESOLVED, that the purchase of 50 Mikado type locomotives from the Government for delivery in 1919 is approved, provided satisfactory arrangements can be made with the Government for financing the same.

 On motion, duly seconded, it was recommended that the Milwaukee Land Company close with Lacy & Co., at a price not less than \$4.00 per 1000 ft, for its selective spruce timber on the Olympic Peninsula to be used for airplanes for the Government.

The Chairman read a telegram from E. D. Sewall relative to the \$10,000,000. short term notes of the Kansas City Terminal Company to be issued and secured by mortgage bonds of said Company, and that said notes could not be financed unless the principal and interest of the same are guaranteed by the participating companies. After the matter had been discussed, it was

✓ RESOLVED, that this Company will guarantee the payment of the principal and interest of said notes of the Kansas City Terminal Company in the amount of the aforesaid issue only and provided that all the other companies of interest in said Kansas City Terminal Company

execute a like guarantee.

On motion, duly seconded, it was

RESOLVED, that the Chairman be and he hereby is authorized to lease this Company's Evanston Branch to the Chicago, North Shore & Milwaukee Railroad and to negotiate for said lease on the basis of 5% interest per annum on an arbitrary value of not less than \$1,000,000. as the cost of said line north of Wilson Avenue and to include the elevation from the south up to and including Ainslee Avenue.

There being no further business to come before the meeting, the Committee adjourned.

L B Ferry

Assistant Secretary.

~~and Railway Co.,~~
OFFICE OF THE VICE - PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, October 25, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive
Committee at meeting held October 24th.

Very truly yours,

G. B. Brown

Vice President.

ENC.

New York, Thursday, 24 October, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Fisher, P. A. Rockefeller and Stewart.

On motion, duly seconded, it was

RESOLVED, that C. B. Ferry, Vice President, be and he hereby is authorized to extend the payment of the following loans of the Company for such time as seems to him necessary:

Guaranty Trust Company for \$1,500,000. due Oct. 30, 1918

Central Union Trust Co. " 500,000. " " 31, "

Farmers' Loan & Trust Co." 500,000. " " 31, "

There being no further business to come before the meeting the Committee adjourned.

C B Ferry

Assistant Secretary.

New York, Thursday, 31 October, 1918. 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice duly given. There were present Messrs. Bliss, Earling, Field, Fisher, Geddes, Harkness, P. A. Rockefeller and Stewart.

A copy of minutes of Board meetings of August 29 and Sept. 26 and of Executive Committee meetings of Sept. 5 - 12 - 13 - 19 Oct. 3 - 10 - 17 and 24 was furnished to each of the Directors present and the Secretary of the meeting read the same at length.

Whereupon, on motion, duly seconded, it was

RESOLVED, that said Board of Directors' minutes be and they hereby are approved and said Executive Committee proceedings are hereby ratified and confirmed.

The Chairman presented the written resignation of Mr. Samuel McRoberts as a Director of this Company. Whereupon on motion, duly seconded, the resignation of Mr. McRoberts as a Director of this Company was accepted with regret.

Mr. P. A. Rockefeller then nominated Mr. R. M. Calkins as a Director to succeed Mr. McRoberts. A vote being called for and taken it was found that Mr. Calkins had received the unanimous vote of all the Directors present and thereupon the Chairman declared him duly elected a member of this Board to fill the vacancy caused by the resignation of Mr. McRoberts.

Mr. Calkins was duly nominated and unanimously elected President of the Company.

Mr. Calkins then appeared and took part in the proceedings of the meeting.

The Chairman called the attention of the meeting to the organization which was created by the action of the Board and of the stockholders at their annual meeting held in the City of Milwaukee, May 18, 1918, which organization was supplemental to the organization provided by the By-Laws of the Company, and stated that when this organization was created it was not supposed that by the Federal control of the railway system of the Company, under the so-called Federal Control Act of March 21, 1918, there would be an entire and complete separation of

the officers of the Company who would be connected with such Federal control and the corporate affairs of the Company; that since said organization was created, such a separation has been made in compliance with orders issued by the Director General of Railroads, which separation renders the organization so as aforesaid created unnecessary, and for this reason he recommended to the Board that such organization be dissolved and discontinued, calling to the attention of the Board that Article V of said organization provides that such organization might be dissolved and discontinued by the consent of a majority of the Board of Directors at any of its stated meetings or at any regular annual meeting;

Whereupon, on motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Organization for conserving and protecting the property rights and interests of the Company during the period of Federal control, and for other purposes, created by the action of this Board and of the stockholders at their annual meeting held in the City of Milwaukee, Wisconsin, May 18, 1918, be, and the same is hereby dissolved and discontinued.

The Chairman stated to the meeting that certain changes were necessary to be made in the corporate organization of the Company because of the changes which had been brought about by orders of the Director General under the Federal Control Act in respect of such organization and the method of conducting the business of the Company, and that on account of such changes it would be necessary to make certain alterations of, and additions to, the existing By-Laws of the Company;

Whereupon, on motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the By-Laws of this Company, of September 27, 1917, be, and the same are, hereby altered and added to as follows, to wit:

(1) Strike out the word "nine" in Section 2 of Article II, and insert in lieu thereof the word "five".

(2) Add to the end of Section 3 of Article II, after the word "proxy", the following: "The transfer books shall be closed thirty days next preceding any such meeting".

(2a) Strike out the words "earnings" and "traffic" in Section 8 of Article II, and insert in lieu thereof the words "income" and "affairs".

(3) Strike out the word "four" in Section 4 of Article III, and insert in lieu thereof the word "five".

Also strike out of said Section 4 the following words: "a General Auditor", "a General Solicitor, a General Manager".

(4) Strike out the word "three" in Section 1 of Article IV, and insert in lieu thereof the word "four".

(5) Strike out Section 8 of Article V, and insert in lieu thereof the following:

"Section 8. The Treasurer shall safely keep and account for all moneys, funds or other property of the Company which may come into his hands, and shall deposit the same in such banks and places of deposit as the Board of Directors or the Executive Committee may authorize. He or the Assistant Treasurer in the Financial and Transfer Office of the Company shall sign all checks drawn on such banks or other depositories in the City of New York, but such checks shall not be valid unless countersigned by the Vice President in charge of such Financial and Transfer Office, or some other officer duly authorized by the Executive Committee. The Assistant Treasurer in the Company's office in the City of Chicago shall sign all checks drawn on banks or other depositories in said city, but such checks shall not be valid unless countersigned by the President or some other officer duly authorized by him. Moneys or funds deposited either in the City of New York or the City of Chicago shall not be drawn or paid out except by checks or drafts signed and countersigned as herein provided. All vouchers and warrants shall be approved by the officer in charge of the department in which they originate, and no voucher or warrant shall be paid by the Treasurer or any Assistant Treasurer unless the same shall have been approved by the President or such Vice President or by some officer authorized by either the President or such Vice President so to approve.

The Treasurer and the Assistant Treasurers shall each give bond in such amount as the Board of Directors or the Executive Committee may require for the faithful performance of their duties. The Assistant Treasurer in such Financial and Transfer Office shall perform such duties as are assigned to him by the Treasurer, and in the absence or disability of the Treasurer he shall perform all of the duties of the Treasurer under the direction of the Executive Committee. The Assistant Treasurer in the Company's office in the City of Chicago shall perform such duties as are assigned to him by the President or the Executive Committee.

A Cashier in the Company's office in the City of Chicago may be appointed by the Assistant Treasurer at that place, with the approval of the President. He shall perform such duties as are assigned to him by such Assistant Treasurer, and in the absence of such Assistant Treasurer, such Cashier is authorized to sign checks "Cashier for Assistant Treasurer", but such checks shall not be valid unless countersigned as hereinbefore provided. He shall also give bond in such amount as the President shall require."

(6) Strike out the following words in Section 9 of Article V:

"weekly estimates of earnings and expenses, and".

Strike out also from said Section 9 the following words:
"he shall also furnish to each of said officers".

(7) Strike out all of Sections 10 and 12 of Article V.

(8) Strike out the word and figure "Section 11", and the word and figure "Section 13" of Article V, and insert in lieu thereof the words and figures "Section 10" and "Section 11", respectively.

(9) Strike out of said new Section 10 all which follows the word "litigation", and insert in lieu thereof the following:

"and, subject to the approval of the Executive Committee or Board of Directors, he may appoint one or more assistants and such employees as may be required to properly conduct the business of his office, and may prescribe their duties and fix their salaries."

(10) Alter said new Section 11 so as to read as follows:

Section 11. The Chief Engineer shall perform such duties as may from time to time be assigned to him by the President or the Executive Committee."

(11) Strike out the words "at least" in Section 5 of Article VII.

Mr. F. A. Rockefeller thereupon offered the following resolution:

RESOLVED that, in conformity with the foregoing resolution, the following be, and the same are hereby adopted and declared to be the By-Laws of this Company, effective at once, and that all By-Laws heretofore adopted be, and the same are hereby repealed:

BY - LAWS

OF THE

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

October 31, 1918.

ARTICLE I.

Section 1. The "Principal Office" of the Company shall be in the City of Milwaukee, and shall be kept open during business hours every day, except Sundays and legal holidays.

The "General Office" of the Company shall be in the City of

Chicago, and such business shall be transacted thereat as the Board of Directors may from time to time direct.

The "Financial and Transfer Office" of the Company shall be in the City of New York, and at this office interest coupons (unless therein otherwise expressly provided) and dividends shall be paid, and the Transfer Books and Stock Ledgers shall be kept.

ARTICLE II.

Section 1. The Annual meeting of the Stockholders, for the election of Directors, and for the transaction of other business, shall be held at the Principal Office of the Company, in the City of Milwaukee, at 12 o'clock noon of such day in the month of May, of each year, as the Board of Directors may designate. Notice of the time for holding such meeting shall be given by publication not less than twice in each week of the five consecutive weeks next preceding the day appointed therefor in at least one newspaper of general circulation, published in each of the Cities of New York and Milwaukee. Said meeting may be adjourned from time to time, as the majority of the Stockholders participating therein may direct; provided, that all adjourned meetings shall be held within ninety days next after the day fixed for the Annual meeting.

Section 2. Special meetings of the Stockholders may be held at the same place whenever ordered by the Board of Directors, or requested by the Stockholders owning at least one-fourth in amount of the Common and Preferred Capital Stock of the Company, then outstanding. Notice of the time for holding such meeting shall be given by publication not less than twice in each week of the five consecutive weeks next preceding the day appointed therefor in at least one newspaper of general circulation, published in each of the Cities of New York and Milwaukee. Such notice shall expressly state the object of the meeting and the business to be transacted thereat, and no business other than that specified in the notice shall be brought before, or considered by, a Special Meeting.

Section 3. At every Annual or Special meeting, a list of the Stockholders of the Company, certified by the Secretary or an Assistant Secretary thereof to be full, true and correct, shall be presented. Each share of stock shall be entitled to one vote, and the holder there-

of record at the time of closing the transfer books for such meeting as evidenced by the list of stockholders above mentioned, and not otherwise, may cast such vote either in person or by lawful proxy. The transfer books shall be closed thirty days next preceding any such meeting.

Section 4. The Chairman of the Board of Directors or the President shall preside at all meetings of the Stockholders, and in case of their absence or disability, the Stockholders present may select one of their own number to preside. The Secretary of the Company shall be ex-officio Secretary of the meeting, ^{but} and in his absence some other person shall be chosen by the meeting to act as Secretary thereof, and an accurate record of the proceedings of the meeting shall be placed in the record books of the Company.

Section 5. All elections shall be by ballot, and shall be held under the supervision of the Board of Directors, or of such of them as may be present; and the Stockholders at any Annual election may appoint inspectors of election for the ensuing year. In case the Stockholders fail to appoint, or the inspectors appointed by them be absent or unable to serve, the Board of Directors shall appoint such inspectors; and in case the Board of Directors fail to appoint, or the inspectors appointed be absent or unable to serve, the Chairman of the Board of Directors, or the President, in the absence of the Chairman, shall make such appointment. The inspectors of election shall open and close the polls at the hours designated, and shall take control and charge of the ballots, poll lists and proxies used thereat, and shall decide all questions touching the qualification of voters, the lawfulness of proxies, or the acceptance or rejection of votes. On closing the polls, the inspectors shall immediately proceed to count the votes cast, and shall certify to the meeting the result of the election; and thereupon, the presiding officer shall announce such result, and the certificate of the inspectors shall be entered in full in the minutes of the meeting.

Section 6. The election of Directors shall be proceeded with on the day appointed for the Annual meeting, or on the day to which said meeting may adjourn. The polls shall be open on the day of election from 12M. until 3 o'clock P.M., unless meanwhile thirty minutes shall

have elapsed without any votes being cast, in which case the polls may be closed, and the persons duly qualified, who shall have received a majority of all the votes cast at such election, shall be Directors of the Company, and shall continue in office until their successors are elected and qualified.

✓ Section 7. Except as above specified, and as may be otherwise provided in the Articles of Association of the Company or the laws of the State of Wisconsin, a majority of the votes cast by the Stockholders at any Annual or Special meeting shall be necessary and sufficient to decide all questions; and unless a vote by shares be called for, the organization of the meeting and other matters of business, as to which the Articles of Association, or the laws of said State, may not require the number of shares voted and the specific majority to be stated, may be decided by a majority of those present voting viva voce, or otherwise; but if in any such case any Stockholder shall call for a vote by shares, the same shall be so taken.

✓ Section 8. The fiscal year of the Company shall end on the 31st day of December of each year, and the Annual Report of the Board of Directors to the Stockholders shall be submitted at their Annual meeting in May next following, and at least ten days prior thereto a printed copy of said report shall be sent to each Stockholder whose address is shown on the Company's books. Such Annual Report shall contain a full account of the business of the Company, for the fiscal year, and of its condition at the close thereof, and shall also show its gross income and whence derived, its expenditures and on what accounts made, and its net income during said fiscal year, and shall be accompanied by such statistics relating to the affairs of the Company as may from time to time be deemed necessary. The Stockholders may, at their Annual meeting, appoint a committee with power to examine the account books and vouchers of the Company and to satisfy itself as to the correctness of the accounts rendered in the Annual Report presented at such meeting; and the report of such committee shall be published in the next Annual Report of the Company. At each Annual meeting, the Secretary shall read at length to the Stockholders the records of the meetings held by the Stockholders and

Directors, respectively, since the last preceding Annual meeting.

ARTICLE III.

Section 1. The entire government and control of the Company is vested in the Board of Directors.

Section 2. The regular Annual meeting of the Board of Directors is appointed to be held at the Principal Office of the Company in the City of Milwaukee, at 10 o'clock in the forenoon of the day of the Annual meeting of Stockholders, or on the day to which said meeting shall be adjourned, and immediately after the election of Directors, the new Board shall meet for the purpose of organization and for the transaction of such other business as may come before it.

Section 3. Stated meetings of the Board of Directors shall be held at the Financial and Transfer Office of the Company, in the City of New York, on the last Thursday of each month. Special meetings may be called by three members of the Executive Committee, and it shall be their duty to call such meetings whenever four Directors, not members of said Committee, shall so request in writing. Notice of any Special meeting, stating the time and place thereof, shall be given to each Director by depositing such notice, signed by the Secretary, or one of the Assistant Secretaries, in the post office in the City of New York, at least seventy-two hours before the time of such meeting, addressed to each Director at his usual post office address, or by telegraphing or telephoning each Director at his residence or place of business at least thirty-six hours before the time of such meeting. At any regular or special meeting, seven Directors shall constitute a quorum for the transaction of business, but at any Special meeting, at least seven affirmative votes shall be required to adopt any measure.

Section 4. At the first meeting of the Board of Directors after the annual election of Directors, the minutes of the Stockholders' meeting, and the result of the election, shall be read. The Board of Directors shall then proceed to elect from their own number a Chairman of the Board of Directors, a President and an Executive Committee to consist of the Chairman of the Board of Directors, the President and five members of the Board of Directors. They shall also elect a Vice President, who shall have charge of the Financial and Transfer Office of the Company;

✓ so one or more other Vice Presidents, a Secretary, who shall reside in the City of Milwaukee, Wisconsin, and one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers, a Comptroller, a General Counsel, and a Chief Engineer.

Section 5. If such officers, or any of them, shall not be elected at said first meeting of the Board of Directors, they may be elected at any stated or special meeting of the Board of Directors; and any vacancy caused by death, resignation or removal from office may be filled by the Board of Directors at any stated or special meeting.

Section 6. The Chairman of the Board, and in his absence the President, shall preside at all meetings of the Board of Directors, and in the absence of both of these officers, the Vice President in charge of the Financial and Transfer Office of the Company may preside.

ARTICLE IV.

Section 1. The Executive Committee shall have, and may exercise, during any adjournment or recess of the Board of Directors, all the powers which are, or may be, conferred upon the Board of Directors, except that it shall not have the power to add to, or alter, the By-Laws of the Company, or to mortgage, encumber, sell or lease any portion of the railway of this Company, or to enter into any contract or agreement for constructing or otherwise acquiring or controlling the railroad of any other company, unless the matter shall have first been brought to the attention of the Board of Directors and said Committee shall have been, by a vote of a majority of said Board of Directors, specially authorized so to do. Four members of the Committee shall constitute a quorum for the transaction of business; and the Secretary, or an Assistant Secretary, shall act as clerk of the Committee, and keep a record of all its acts and doings. Such record shall be submitted to the Board of Directors at their next succeeding meeting, and the fact of such submission recorded as part of the minutes of such meeting, and all authorized acts and doings of the Committee shall have the same legal effect as the acts and doings of the Board of Directors.

Section 2. Regular meetings of the Executive Committee shall be held in the City of New York, on Thursday of each week, except the weeks designated for regular meetings of the Board of Directors, and Special

meetings of the Committee may be held at such other times and places as the Committee shall designate. Notice of any special meeting, stating the time and place thereof, shall be given to each member of the Committee, by the Secretary, or one of the Assistant Secretaries, telegraphing or telephoning each member of the Committee at his residence, or place of business, at least thirty-six hours before the time of such meeting.

Section 3. The Chairman of the Board, and in his absence the President, shall preside at all meetings of the Executive Committee. In the absence of both of these officers, the Vice President in charge of the Financial and Transfer Office of the Company may preside.

ARTICLE V.

Section 1. The Chairman of the Board shall be vested with advisory powers, and shall perform such duties as the Board of Directors may from time to time prescribe. When present he shall preside at all meetings of the Stockholders, of the Board of Directors and of the Executive Committee.

Section 2. The President shall, subject to the Board of Directors, have and exercise general supervision over and management of the entire property, business and affairs of the Company, and all officers and agents of the Company shall be responsible to him for the prompt and faithful discharge of their duties. When present, he shall preside at all meetings of the Stockholders, of the Board of Directors and of the Executive Committee, in the absence of the Chairman of the Board, and shall be ex-officio a member of all committees; and shall perform such other duties as are usually required of a president, or that may be prescribed by the Board of Directors. He shall have power, subject to the approval of, and removal by, the Board of Directors, to appoint, or cause to be appointed, such other general officers and agents as are not elected by the Board of Directors, as the interests of the Company require, and prescribe their duties and fix their compensation.

Section 3. The President shall execute, in the name of the Company, all contracts, agreements and leases that shall be negotiated for a longer period than three years; also all deeds or other instruments, prepared or approved by the Law Department, for the conveyance of any

real estate which has, with the approval of the Board of Directors, been sold, leased, or exchanged for other property, and the Secretary, or an Assistant Secretary, shall affix the corporate seal and attest the same. The officers so executing and attesting are authorized to acknowledge such deeds and other instruments as the free act of this Company, and to deliver the same. Copies of all such deeds, contracts, agreements and leases, when executed, shall be sent to the New York office, if so required. Appeal and other bonds which the Company may be required to give in the course of its regular business, may be executed in the name of the Company by a Vice President.

V Section 4. The Vice President in charge of the Financial and Transfer Office of the Company shall preside at all meetings of the Board of Directors, and of the Executive Committee, in the absence of the Chairman of the Board, and the President. He shall, under the direction of the Board of Directors, be the custodian of such certificates of stock, bonds and securities belonging to the Company as are kept in the City of New York. He shall also perform such other duties as may from time to time be assigned to him by the Board of Directors, or the Executive Committee.

Section 5. Each of the other Vice Presidents shall perform such duties as may from time to time be assigned to him by the President or the Board of Directors.

Section 6. The Secretary shall keep the records of the proceedings of the Stockholders and of the Board of Directors; shall have charge and custody of the seal of the Company, and of all books, records, title deeds and papers of the Company relating to its organization and history, or to the ownership of its property, and of the records of all subordinate organizations belonging to, or controlled by, the Company, and shall perform such other duties as the President may from time to time assign to him. In the absence of the Secretary, the Assistant Secretary, at Milwaukee, shall exercise all his powers and perform all his duties.

Section 7. The Assistant Secretaries in New York shall have custody of the duplicate seal of the Company and of all records and papers in its financial and Transfer Office. They shall keep the minutes of the proceedings of the Board of Directors and of the Executive Committee at

meetings held in the City of New York, and transmit, promptly, copies of such minutes to the Chairman of the Board of Directors, the President and the Secretary. They shall also act as Transfer Agents, and shall keep the Stock Ledgers and Registers of Bonds, and perform such other duties as may be required of them by the Vice President in charge of the Financial and Transfer Office of the Company, or the Executive Committee.

Section 8. The Treasurer shall safely keep and account for all moneys, funds or other property of the Company which may come into his hands, and shall deposit the same in such banks and places of deposit as the Board of Directors or the Executive Committee may authorize. He or the Assistant Treasurer in the Financial and Transfer Office of the Company shall sign all checks drawn on such banks or other depositories in the City of New York, but such checks shall not be valid unless countersigned by the Vice President in charge of such Financial and Transfer Office, or some other officer duly authorized by the Executive Committee. The Assistant Treasurer in the Company's office in the City of Chicago shall sign all checks drawn on banks or other depositories in said city, but such checks shall not be valid unless countersigned by the President or some other officer duly authorized by him. Moneys or funds deposited either in the City of New York or the City of Chicago shall not be drawn or paid out except by checks or drafts signed and countersigned as herein provided. All vouchers and warrants shall be approved by the officer in charge of the department in which they originate, and no voucher or warrant shall be paid by the Treasurer or any Assistant Treasurer unless the same shall have been approved by the President or such Vice President or by some officer authorized by either the President or such Vice President so to approve.

The Treasurer and the Assistant Treasurers shall each give bond in such amount as the Board of Directors or the Executive Committee may require for the faithful performance of their duties. The Assistant Treasurer in such Financial and Transfer Office shall perform such duties as are assigned to him by the Treasurer, and in the absence or disability of the Treasurer he shall perform all of the duties of the Treasurer.

under the direction of the Executive Committee. The Assistant Treasurer in the Company's office in the City of Chicago shall perform such duties as are assigned to him by the President or the Executive Committee.

A Cashier in the Company's office in the City of Chicago may be appointed by the Assistant Treasurer at that place, with the approval of the President. He shall perform such duties as are assigned to him by such Assistant Treasurer, and in the absence of such Assistant Treasurer, such Cashier is authorized to sign checks "Cashier for Assistant Treasurer", but such checks shall not be valid unless countersigned as hereinbefore provided. He shall also give bond in such amount as the President shall require.

Section 9. The Comptroller shall have charge of the accounting and the books of account of the Company. He shall see that the accounting and books of account are kept in conformity with lawful requirements; that suitable vouchers and other documents are returned for all disbursements made, and that they are properly filed and preserved, in conformity with lawful requirements; that prompt and regular reports and remittances are made by the officers and agents of the Company; and that any delinquencies therein are promptly reported to the President. He shall make such fiscal, corporate and operating reports as are required by lawful authority, and shall also furnish the Chairman of the Board, the President and the Vice President in charge of the Financial and Transfer Office of the Company, on or about the 27th day of each month, a detailed statement of the earnings and expenses of the preceding month. He shall also prepare and furnish such other reports and statements as may from time to time be prescribed by the Board of Directors, or the Executive Committee.

Section 10. The General Counsel shall be the head of the Law Department and the legal adviser of the Company. He shall, whenever requested, furnish written opinions to the Board of Directors, the Chairman of the Board of Directors, the President and Vice Presidents. He shall have charge of all questions of corporate law relating to the organization and powers of the Company, and all questions affecting its stock and securities; shall have general oversight and supervision of its legal business and litigation; and, subject to the approval of the

~~Executive Committee~~ or Board of Directors, he may appoint one or more assistants and such employees as may be required to properly conduct the business of his office, and may prescribe their duties and fix their salaries.

Section 11. The Chief Engineer shall perform such duties as may from time to time be assigned to him by the President or the Executive Committee.

ARTICLE VI.

Section 1. All negotiable bonds, coupons, guaranties or other instruments for the payment of money, running for a longer period than five years, and all indentures, mortgages, deeds of trust or other instruments, under which any such obligations may be issued, or by which the same may be secured, shall be executed in the corporate name of this Company by such officer or officers of the Company as the law requires, and as may from time to time be designated for the purpose by the Board of Directors; and such officer, or officers, so designated shall have and possess the powers so conferred, and also the power to affix to any such obligation or instrument the corporate seal of the Company, attested by the signature of the Secretary, or any Assistant Secretary; and any such negotiable bond coupon, guaranty or other instrument for the payment of money may be so executed, in whole or in part, by engraving, lithographing or printing the facsimile signature thereto of any such officer or officers of the Company so authorized.

ARTICLE VII.

Section 1. The issuance of certificates of stock shall be in conformity with law, and the terms and conditions of the Articles of Association and By-Laws of the Company. No new certificates shall be issued except on surrender and cancellation of the old certificates. All certificates shall be signed by the Chairman of the Board, the President, or the Vice President in charge of the Financial and Transfer Office of the Company, or by such other officer specially authorized by the Board of Directors, or the Executive Committee, and shall be countersigned by a Transfer Agent and by the Registrar or Registrars appointed by the Board of Directors.

Section 2. No certificate or check shall be signed in blank by any one. Cancelled certificates shall be preserved and filed away.

Section 3. Full stock transfer certificates shall invariably be made out.

Section 4. The hours of transfer shall be from 10 A. M. to 2:15 P.M., on all business days, except on the days appointed for the closing of the books prior to an Annual or Special meeting of the Stockholders, or for the payment of a dividend, and on such days transfers may be made until the close of bank hours.

Section 5. The transfer books shall be closed, and no transfers of stock shall be made for thirty days next preceding the day appointed for any Annual or Special meeting of the Stockholders, and said books shall be re-opened within fifteen days after the day so appointed.

Section 6. Reasonable notice of the time of closing the transfer books shall be given in at least one newspaper of general circulation published in the City of New York.

ARTICLE VIII.

Section 1. Every person claiming a stock certificate in lieu of one lost or destroyed, shall give notice at the New York Stock Exchange of such loss or destruction, and shall advertise it in New York twice a week for eight weeks. He shall also make affidavit as to his ownership of the stock represented by the certificate, and of the facts which go to prove its loss or destruction. After the lapse of a year from the date on which written notice of such loss shall have been given to the Company, he shall give the Company a bond of indemnity, in form to be approved by counsel, with one or more sureties to be approved by the Board of Directors, or the Executive Committee, in twice the par value of the certificate lost or destroyed, together with such agreements and undertakings in respect thereof as the Board of Directors, or the Executive Committee, may require, against all loss, cost and damage to the Company which may arise from issuing such new certificate. The officers of the Company, if satisfied from the proof that the certificate is lost or destroyed, may then issue to him a new certificate of the same tenor as the one lost or destroyed.

Section 2. Every person claiming a bond in lieu of one believed

to have been destroyed, shall give notice at the New York Stock Exchange of the supposed destruction, and shall advertise it in New York twice a week for eight weeks. He shall also make affidavit of the ownership of the bond and of the facts which go to prove its destruction. After the lapse of a year, he shall give the Company a bond of indemnity, in form to be approved by counsel, with two or more sureties, to be approved by the Board of Directors, or the Executive Committee, in double the face value of the bond believed to have been destroyed, against all loss, cost and damage which may arise from the issuing of an obligation in place of the bond believed to have been destroyed. The President, or the Vice President in charge of the Financial and Transfer Office of the Company, and an Assistant Secretary, if satisfied from the proof that in all probability the bond was destroyed, and that the claimant was its owner, may then, unless otherwise ordered by the Board of Directors, or the Executive Committee, and except as otherwise provided in Article XVIII of the General Mortgage, or of any provision of the General and Refunding Mortgage, issue to the claimant an obligation under the seal of the Company, promising to pay the claimant the same amount of principal as was stated in the destroyed bond, and at the same time and place, and to pay semi-annual interest thereon on the order or receipt of the obligee at the same rate per cent as was stated in the destroyed bond; which obligation shall recite that it is issued because of the destruction or supposed destruction of a bond of the Company (describing it), and shall contain a provision that the said obligation shall become void in case the supposed destroyed bond, or any of its coupons, be presented at the office of the Company. Anything in this section contained to the contrary notwithstanding, the Company may, by order of its Board of Directors, or the Executive Committee, enter into any agreement, and comply with any requirement of any stock exchange or other authority, in respect to the replacing of bonds which have been lost or destroyed, or which, because of mutilation or other physical condition, have ceased to be a good delivery.

ARTICLE IX.

Section 1. All expenses of Officers, Agents and Directors shall

be rendered for the fiscal year in which they were incurred, and previous to the first day of February next thereafter.

ARTICLE X.

Section 1. No alteration of, or addition to, these By-Laws shall be made except by unanimous consent of the members present at any meeting of the Board of Directors, unless presented at a previous meeting, in which event a majority of those present shall be sufficient; and all By-Laws heretofore adopted by this Company are hereby repealed.

A vote was taken upon the adoption of said resolution, and each director present consented to, and voted in favor of, the adoption of said resolution; whereupon the Chairman of the meeting declared that said resolution had been adopted by the unanimous consent of the members of the Board present, and that the By-Laws thus adopted are the By-Laws of this Company, effective at once.

On motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the Secretary of the Company have these By-Laws forthwith printed and cause them to be distributed among the proper officers of the Company.

Mr. R. H. Calkins was duly nominated and unanimously elected a member of the Executive Committee of the Board of Directors.

The Vice President presented the written resignation of the following officers of the Company:

D. L. Bush, Vice President,
C. F. Lowth, Chief Engineer,
H. H. Field, General Solicitor, and
J. T. Gillick, General Manager,

they having accepted positions under the United States Railroad Administration. Whereupon, on motion duly seconded, the resignations of the above named officials of the Company were accepted.

On motion, duly seconded, the following were unanimously elected to the various offices of the Company as provided in the By-Laws:

F. B. Simpson, New York,	Treasurer,
R. J. Marony, "	Ass't Treasurer,
J. A. Peterson, Chicago,	Ass't Treasurer,
M. H. McEwen, "	Cashier
L. J. Tracy, "	Comptroller
W. W. K. Sparrow, "	Chief Engineer.

On motion, duly seconded, it was

RESOLVED that the Assistant Treasurer and Cashier in Chicago give guaranty bonds each in the sum of \$10,000.

The Vice President submitted Division of Capital Expenditures

X
DCE Form 4 - 20 to 24 Inc.
26 to 28 Inc.
" Form 3 - 156 - 174 - 191 - 196 - 198
209 to 212 Inc.
215 to 233 Inc.
235 to 252 Inc.
254 to 261 Inc.
263 to 292 Inc.
294 - 5 - 7 to 302 Inc.
305 to 310 Inc.,

in accordance with Supplement No. 1 to DCE Circular No. 1 issued by R. S. Lovett, Director Division of Capital Expenditures, June 22, 1918, all of said forms having been signed by the Federal Manager and endorsed by the Chairman of the Board. The Vice President further submitted an abstract of said DCE forms in detail showing the total amount of such Capital Expenditures to be \$3,734,055. which is annexed hereto and made a part of these proceedings; whereupon on motion duly seconded it was

RESOLVED, that the aforesaid Capital Expenditures be and hereby are approved by the Board of Directors, and that the Standard Protest made on DCE Form 4 - 21 - 23 - 26; Form 3 - 209 - 210 - 232 - 236 - 242 - 244 - 248 - 250 - 251 - 255 - 279 - 280 - 281 - 282 - 283 - 285 - 286 - 294 - 302 be filed with the Director Division of Capital Expenditures.

BOARD OF DIRECTORS

October 31, 1918.

DCE Form No.	Location	Description of Work	Amount
4-20	Blackfoot Jet to Blanchard Creek Mont.	Construct 20.87 miles RR	211,145.
#* 4-21	Atkins, Ia.	Completion new engine Terminal & Yard	363,677.
4-22	Miles City, Mont	Purchase 2.75 acres of land, construct 12,535'	
#4-23		of new track-	67,170.
#4-23		Apply automatic stokers to 15 locomotives-	36,020.
4-24	Grant City, Ia.	Relay 21.5 miles of 75# rail with new 90#	46,220.
#*4-26	McIntosh, SD to Hettinger, ND	Install automatic semaphore signals	94,135.
*4-27		Purchase 12 new baggage cars	227,376.
*4-28	Milwaukee Shops	Construct 1000 box cars	2,300,000.
3-156	Whitewater, Wis	Payment paving assessment	2,146.
3-174	Portage, Wis	Additional yard tracks	2,000.
3-191	New Leipzig, ND	Track connection with Northern Pacific	1,046.
# *3-209	Bardwell, Wis	Replace bridge A-474	1,327.
#*3-210	Idaho Division	Place 4800 ties and 9600 90# tie plates	5,947.
3-211		Rebuild express refrigerator cars 3302 and 3342	5,004.
*3-212	Austin, Minn.	Impts. to roundhouse	1,000.
*3-216	Harlowton Line	Construct 240 pane's portable snow fence	1,200.
*3-218	Trail City, SD	Construct 2 stall engine house	8,000.
3-219	No LaCrosse, Wis	Erect addition to ice house	7,835.
*3-220	Melstone, Mont	Apply 10,000 additional tie plates	3,572.
*3-221	Mobridge, SD	Apply 47,340 rail anchors	9,820.
3-222	Mobridge, SD	Relay 4440 ft. of 75# with 90# rail	1,244.
*3-223	Huson, Mont	Extend passing track	5,314.
*3-224	Dawson, Mont	" " "	1,280.
*3-225	Rye, Wash.	" " "	2,822.
3-226	Groton, S D	Construct shelter shed and house on eastbound platform	1,853.
*3-227	Hartland, Wis	Construct new station	14,414.
*3-228	Bet. Wauwatosa & Brookfield		
	Bet. Watertown & Portage, Wis	Apply 6000 anti rail creepers	1,308.
*3-229	Tarkio, Mont	Extend passing track	5,490.
*3-230	Bet. Camp Douglas & Salem, Wis	Apply 13,500 90# and 300-100# rail anchors	2,565.
3-231	Great Falls Line	Apply 10,000 anti rail creepers	3,198.
#3-232	Savanna, Ills.	Construct 18 loading chutes & receiving pens at stock yards	4,198.

	Location	Description of Work	Amount
		Forwarded- -	\$3,438,926.
*3-233	Lines East	Equip 200 engines with automatic bell ringers	3,592.
#*3-236	North Lake, Wis	Renew water tank	1,350.
3-237	Minneapolis Shops	Re-construct & remodel drop table	4,336.
3-238	Moreau Jct, SD	Channel change of Grand River	2,000.
* 3-239	Nor.Mont.Divn	Rip-rapping bridges, etc.	3,186.
*3-240	Madrid, Ia.	Raise and enlarge dam stage reserv.	7,530.
3-241	System	Safety Appliance parts on 139 freight cars	2,196.
#3-242	"	Safety Appliance parts on 63 freight cars	1,034.
3-243	Three Forks, Mont	Install automatic highway crossing signal	1,050.
#3-244	Milwaukee Shops	Install pneumatic hoist & truck for driver removal pit	1,039.
*3-245	Bet. Iron Ridge & Mayville, Wis	Apply 1500 75# and 4000 85# steel tie plates	1,037.
*3-247	Saltese, Mont	Extend passing track	2,008.
#*3-248	System	Equip 50 switch engines with electric headlights	8,608.
3-249	"	Fit up 25 box cars as cabooses	1,869.
# 3-250	Yankton, SD	Install 2nd. hand turntable	2,596.
#*3-251	Savoy, Wis	Construct pile trestle bridge	1,132.
*3-252	Roscoe, S D	Drill 8" well	3,260.
*3-254	Ashmore, Mont	Extend passing track	6,952.
#*3-255	From Mobridge to Wakpala	Install automatic Semaphore signals	22,704.
3-256	Minneapolis, Minn	Construct cross over, Marshall Ave.	1,357.
*3-257	Hibbard, Mont	Extend passing track	3,720.
*3-258	Ahles, Mont	" " "	2,906.
*3-259	Shawmut, Mont	" " "	2,850.
*3-260	Musselshell, Mont	" " "	2,930.
*3-261	Ingomar, Mont	" " "	2,750.
* 3-263	Vananda, Mont	" " "	2,762.
* 3-264	Waldheim, Mont	" " "	2,742.
* 3-265	Lavina, Mont	" " "	2,078.
* 3-266	Galbraith, Mont	" " "	2,646.
* 3-267	Antwerp, Mont	" " "	2,674.
* 3-268	Cohasset, Wash	" " "	1,559.
* 3-269	Gale, Mont	" " "	2,530.
* 3-270	Bonfield, Mont	Construct industry track	2,802.
* 3-271	Elco, Mont	Extend passing track	2,354.
* 3-272	Orinoco, Mont	" " "	2,870.
* 3-273	Judith Gap, Mont	" " "	4,343.
* 3-274	Thurlow, Mont	" " "	2,742.
* 3-275	Winnecock, Mont	" " "	2,746.
* 3-276	Ryegate, Mont	" " "	2,350.
* 3-277	Kyle, MINN Idaho.	" " "	3,147.
*3-278	Bet. Cologne & Glencoe, Minn	Apply 15,360 90# anti-rail creepers	3,123.
#*3-279	Racine, Wis.	Install track scale	2,322.
#*3-280	Wells, Minn.	Construct mechanical coaling plant	9,157.
#*3-281	Rockwell City, Ia.	" " " "	9,202.
#* 3-282	Jackson, Minn	" " " "	10,250.
#*3-283	Horicon, Wis	" " " "	13,540.
3-284	Dubuque, Ia.	Fit up shops for handling tank work	2,448.
		Forwarded- - - - -	\$3,623,305.

DCE FORM NO.	Location	Description of Work	Amount
		Forwarded - - -	\$3,623,305.
#*3-285	System	Convert engine to super-heated locomotive	1,187.
#*3-286	Milwaukee, Wis	Impvts. at Roundhouse No. 1.	5,090.
*3-287	Hobridge, SD	Apply 40,000 tie plates	7,291.
*3-288	New Lisbon, Wis	" 50,000 " "	1,285.
*3-289	Iowa Divn	" 4,512 anti-rail creepers	1,414.
*3-290	Roundup, Mont	Erect two stall engine house	9,209.
*3-291	Bet. Trail City & Faith, SD	Construct snow fence	4,510.
*3-292	Bet. Marmarth, ND & Lemmon, SD	" " "	2,917.
#*3-294	Milwaukee, Wis	Construct track scale	6,700.
3-295	Jefferson, Ia.	Paving assessment	1,768.
3-297	Milwaukee, Wis.	Impvts. to stairway, Milw shops-	1,170.
3-298	Wausau, Wis	Build frame addition to roundhouse-	5,905.
*3-299	Bet. Lombard & Three Forks,	Riprap bank of Mo River	4,685.
*3-300	Three Forks to Piedmont, Mont	" " " Jefferson River	1,565.
*3-301	Prairie du Chien Divn	Apply steel tie plates	2,072.
#*3-302	Sequim, Wash.	Impvts. to Bridge PA-130	8,805.
3-305	Manilla, Ia.	Construct new water station	5,017.
3-306	Sioux City, Ia.	New track connection	16,533.
3-307	Aberdeen, S D	Sewer Assessment	1,105.
*3-308	Winnett, Mont	Construct six room section dwelling-	1,600.
*3-309	Aberdeen, S D	Drive four 3" wells	3,740.
3-310	Mason City, Ia.	Paving assessment	3,658.
*3-196	Geneva, Mont	Construct six room section dwelling	1,933.
*3-198	Piper, Mont.	" " " "	1,600.
3-215	Aberdeen, S D	Install additional boiler in passenger station-	1,120.
3-217		Increase height on 62 Hart Convertible Cars-	1,595.
*3-235	Ills. Divn.	Strengthen and repair 28 bridges-	1,635.
3-246	East Moline, Ills.	Construct new track, Deere & Co.	5,641.
Total- - - - -			\$3,734,055.

(NOTE) * Included in 1918 Budget
Standard Protest

The Chairman presented the following communications which were unanimously approved and made part of the proceedings of this meeting:

"November 1, 1918.

Advisory Committee Finance Section,
United States Railroad Administration,
Washington, D.C.

Gentlemen:

I hand you herewith certified copy of Resolutions of the Board of Directors of this Company, together with a formal application by the Chairman of the Board for an advance of \$2,341,938.68 on account of the just compensation which this Company is entitled to receive under the so-called "Federal Control Act" of March 21, 1918. This amount will be required by this Company to meet its interest maturities November 16, 1918, November 30, 1918, and December 1, 1918, on its outstanding mortgage bonds and the notes given by the Company to the United States, as stated in said resolutions.

While \$261,928.02 - the amount of the interest on the European or French loan of 1910 - is not due until December 1, 1918, it is payable, under the terms of the mortgage, in Paris, France, on that date, and in order to make the payment on that date it is necessary for the Company to have that amount in hand not later than November 20, 1918, in order that it may be remitted in time to reach Paris by December 1, 1918.

It is hoped, therefore, that this application will be given immediate consideration, and that the full amount requested will be advanced in ample time for the Company to make the necessary arrangements to meet its interest requirements as follows:

	\$15,000.00 - November 16, 1918.
	\$261,928.02 - November 20, 1918.
	\$75,000.00 - November 30, 1918.
	\$1,990,060.66 - December 1, 1918.
Total,	\$2,341,938.68

As stated in the formal application of the Chairman of the Board, the Company is wholly without sufficient funds to pay this interest as it becomes due and payable, and is unable to obtain the necessary funds from any other source than on account of the compensation which it is entitled to receive from the United States under the Provisions of the Federal Control Act.

Respectfully submitted,

(Signed) Burton Hanson,
General Counsel."

"November 1, 1918.

To the Hon. William G. McAdoo,
Director General of Railroads,
Washington, D.C.

Dear Sir:

The Chicago, Milwaukee & St. Paul Railway Company, pursuant to the resolutions of its Board of Directors of October 31, 1918, a certified copy of which is hereto attached and made part hereof, hereby makes application for payment on account of the just compensation which said Company is entitled to receive under the Act of Congress approved March 21, 1918, commonly called the "Federal Control Act", in the sum of

\$2,341,988.68, which sum is required by the Company to meet its interest payments which mature and become payable November 16, 1918, November 30, 1918, and December 1, 1918, as shown in detail in said resolutions.

Said Company further represents and states that heretofore the Interstate Commerce Commission, pursuant to the provisions of said Federal Control Act, has certified to the President of the United States the amount of the average annual railway operating income of the Company to be \$27,506,771.45.

This Company has pending before the Director General claims for additional allowance on account of recent expenditures for branch lines and extensions, additions and betterments, new equipment, new terminals, and the installation of electrical operation on 440 miles of its lines of railway, amounting in the aggregate to \$2,349,707.40.

Said Company further represents and states that it has so far received from the United States, under the provisions of said Federal Control Act, on account of the amount of the just compensation which it is entitled to under the provisions of said Act, \$5,925,000., which amount has been used and applied by the Company in payment of its interest requirements which matured July 1, 1918, August 1, 1918, and Oct. 1, 1918.

Said Company further represents and states that it is without sufficient funds to pay the amount of interest on its outstanding bonds and notes which matures and becomes payable November 16, 1918, November 30, 1918, and December 1, 1918, amounting, as aforesaid, to \$2,341,988.68 that the total amount of the Company's cash on hand is approximately \$250,000., and this amount is required by the Company from time to time to meet its current corporate obligations, no part of which is available or should be used toward the payment of its interest maturities above stated.

Said Company further represents and states that it is wholly unable to obtain the amount necessary to meet its interest requirements as above stated, by loan or otherwise, and therefore requests that this application be forthwith favorably acted upon in its entirety.

Said Company further represents and states that the corporate books of account of this Company, and likewise the Federal books of account, as of August 31, 1918, which is the latest date for which the figures are available at this time, show amounts due from this Company to the Director General and amounts due from the Director General to this Company, as follows:

DUE TO DIRECTOR GENERAL;

For Additions and Betterments approximately -	\$6,496,410.20
For Liabilities accrued prior to December 31, 1917, subsequently paid by the Director General -	18,997,179.85
For Account C.M. & St.P. Ry Co., - Expenses prior to January 1, 1918, -	4,068,581.48
Total -	<u>\$29,562,171.53</u>

DUE FROM DIRECTOR GENERAL:

Cash on hand January 1, 1918, taken over by Director General -	\$ 3,842,418.36
Agents and Conductors balances, Dec. 31, 1917 -	3,801,912.27
Corporate Income Transactions -	445,173.76
Equipment Retirement -	868,745.35
Assets as of December 31, 1917, collected by the Director General subsequent thereto -	6,275,942.62
Revenues prior to January 1, 1918 -	1,434,008.93
Total -	<u>\$16,668,201.34</u>

BALANCE DUE DIRECTOR GENERAL BY THE C.M. & ST.P. RY \$12,893,970.19

In the foregoing statement no account is taken of the materials and supplies of the Company taken over by the Director General as of December 31, 1917, which on that date were of a book value of \$14,688,584.99, which exceeds the balance due from the Company to the Director General as of August 31, 1918, as shown by the above statement, by approximately \$2,000,000.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
BY

(Signed) A. J. Earling,
Chairman of the Board."

"I, F. . Simpson, Assistant Secretary of the Chicago, Milwaukee & St. Paul Railway Company, DO HEREBY CERTIFY: That at a regular monthly meeting of the Board of Directors of said Railway Company, duly and regularly called and held pursuant to the By-Laws of said Railway Company, at the offices of said Company in the City of New York, State of New York, on Thursday, the 31st day of October, 1918, at which meeting a quorum was present and voting, the following proceeding was, among others, had and taken:

The Chairman laid before the Board a statement showing the amount of interest that would mature and be payable December 1, 1918, on outstanding bonds of the Company, as follows:

<u>Description of Bonds</u>	<u>Principal</u>	<u>Interest due December 1, 1918.</u>
European Loan of 1910 - 4%,	213,078,496.42	\$ 261,928.02
Four per cent Gold of 1925 - 4%,	35,100,158.24	702,003.18
Convertible Gold - 4 1/2%,	50,000,000.00	1,125,000.00
* Milwaukee and Northern R.R. Co. First Mortgage 4 1/2% -	2,155,000.00	48,487.50
* Milwaukee and Northern R.R. Co. - Consolidated - 4 1/2%,	5,092,000.00	114,570.00
Total Principal,	\$105,423,654.66	
Total Interest due December 1, 1918,		\$2,251,988.68

(* The railway of this Company was purchased by said St. Paul Company in the year 1890, and as part of the purchase price that Company assumed the payment of the principal and interest of these bonds.)

The Chairman also stated to the Board that on November 16, 1918, there would become due and payable on the note given by the Company to the Secretary of the Treasury of the United States, dated August 16, 1918, in the principal sum of \$1,000,000., bearing interest at the rate of 6% per annum, payable quarterly, the sum of \$15,000.

The Chairman also stated to the Board that on November 30, 1918, there would become due and payable on the note given by the Company to the Secretary of the Treasury of the United States, dated May 31, 1918, in the principal sum of \$5,000,000., bearing interest at the rate of 6% per annum, payable quarterly, the sum of \$75,000.

Whereupon, on motion made and seconded, the following resolutions were unanimously adopted:

RESOLVED, That the Chairman of the Board or the President or the Vice President in charge of the Financial and Transfer Office of the Company, be, and they hereby are authorized forthwith to make application to the Director General of Railroads for payment to the Company on account of the just compensation to be received by the Company under the Act of Congress approved March 21, 1918, commonly called the "Federal Control Act", of an amount sufficient to enable the Company to fully pay the amount of interest on the aforesaid described bonds and notes and payable at the dates above stated.

FURTHER RESOLVED, That the Chairman of the Board or the President or such Vice President or General Counsel of the Company be, and they are hereby, authorized to accept from the United States or the Director General of Railroads the sum of \$2,341,988.68, the total amount of the interest due as aforesaid, and to sign or execute proper receipts or other instruments therefor.

FURTHER RESOLVED, That the Chairman of the Board or the President or such Vice President or General Counsel of the Company be, and they are hereby authorized to do each and every and all things which may be necessary or required in order to obtain the said amount of \$2,341,988.68 as an advance to the Company on account of said just compensation which it is entitled to receive under said Federal Control Act, being expressly authorized to make, execute and deliver all such written instruments, documents and certificates as may be necessary or that may be required in respect thereof.

AND I FURTHER CERTIFY that the above and foregoing is a full, true and correct copy of said resolutions, and of the whole thereof, as the same appear in the books of the Company in my custody as Assistant Secretary thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Chicago, Milwaukee & St. Paul Railway Company, at the City of New York, New York, this 31st day of October A.D. 1918.

(SEAL)

(Signed) F. E. Simpson
Assistant Secretary of the Chicago,
Milwaukee & St. Paul Railway Company.

On motion, duly seconded, it was

RESOLVED, that the proper officers of the Company are hereby authorized to execute a quit claim deed of its certain property consisting of 18 1/4 acres of land at Morton Grove, Illinois, in the sum of \$3650.00, to George Harrer.

On motion, duly seconded, the following preambles and resolution were unanimously adopted:

WHEREAS, the Chicago, Milwaukee & St. Paul Railway Company has heretofore acquired, and now owns, a tract of land in the southeast quarter of the Southeast Quarter (SE 1/4) S 8 1/4

OF Section 20, Township 40 North, Range 12 East, in the County of Cook and State of Illinois, lying southerly of the Bensenville Road and westerly of Cleveland Street, which land was not acquired for the use or operation of its railway, and is not necessary therefor, and said Railway Company has the right to sell and convey the same; and

WHEREAS, by reason of the proximity and development of the Godfrey Yard, said land may be more readily and profitably sold to employees engaged in the operation of said yard, and the platting of the same into lots, blocks, streets and alleys will facilitate its sale and disposition;

THEREFORE RESOLVED, that the sale of said tract of land, in such manner and upon such terms and conditions as the officers of this Company may deem advisable, is hereby authorized, and to that end, the President or Vice President, and the Secretary or Assistant Secretary, are hereby authorized to survey, make, execute, acknowledge and record, according to the laws of the State of Illinois, a plat or subdivision of said land, and to do and perform all such other acts as may be proper and advisable in connection with the sale and conveyance of said land.

The Chairman was authorized to close the contract with the Chicago, North Shore & Milwaukee Railway Company, provided that company will accept the valuation of not less than \$800,000, as the original cost of the line north of Wilson Avenue and pay interest thereon at rate of 4%. Also that the North Shore Company shall pay the same as of interest on all additions and betterments including track elevations that have been made that the St. Paul Company is now paying.

Further, that the North Shore Company shall also pay interest on all additions and betterments including track elevations hereafter be made at the same rate of interest that the St. Paul Company will be required to pay. The closing of the contract is also contingent upon such changes in it as shall be satisfactory to the President and to Chairman of the Board.

There being no further business to come before the meeting, Board adjourned.

E. B. Terry
Assistant Secretary.

 Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, December 4, 1918.

SHC

Don't enter until ENA says so -

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Board of
Directors at a special meeting held December 3rd.

Very truly yours,

C B Perry
Vice President.

Enc.

New York, Tuesday, 3 December, 1918. 2 P.M.

As provided in Section 3 of Article III of the By-Laws of the Company and pursuant thereto, a special meeting of the Board of Directors was called and held. There were present Messrs. Bliss, Calkins, Earling, Fisher, Geddes, Harkness, P. A. Rockefeller, Wm. Rockefeller and Ryan.

The Chairman laid before the Board of Directors a statement showing the amount of interest coupons that would mature and be payable January 1, 1919, on the outstanding bonds of the Company, as follows:-

Description of Bonds	Principal	Interest Due Jan. 1, 1919.
LaCrosse & Davenport Division 5% Bonds	\$2,500,000.00	\$ 62,500.00
Dubuque Division 6% Bonds	4,125,000.00	123,690.00
Wisconsin Valley Division 6% Bonds	1,702,000.00	51,060.00
Chicago & Pacific Western Div. 5% Bonds	25,340,000.00	633,500.00
Wisconsin & Minnesota Division 5% Bonds	4,755,000.00	118,875.00
Chicago & Lake Superior Div. 5% Bonds	1,360,000.00	34,000.00
Fargo & Southern Ry Co. 6% Bonds	1,250,000.00	37,500.00
Chicago & Missouri River Div. 5% Bonds	3,083,000.00	77,075.00
Twenty-five Year Gold 4% Bonds	33,369,000.00	667,380.00
C. M. & P. S. Ry Co. 4% Bonds	27,175,000.00	543,500.00
General Mortgage 4% Bonds	49,000,000.00	980,000.00
General Mortgage 3 1/2% Bonds	8,950,000.00	156,825.00
General Mortgage 4 1/2% Bonds	42,597,000.00	958,432.50
Total Principal -	\$205,204,000.00	
Total Interest due January 1, 1919 -		\$4,444,137.50
Less-Interest on Registered General Mortgage Bonds due October 1, 1918*		
\$12,298,000 @ 4% - 3 months	\$122,980.00	
2,232,000 @ 3 1/2% - 3 "	19,530.00	
7,862,000 @ 4 1/2% - 3 "	88,447.50	
		* 230,957.50
Net Amount Payable January 1, 1919 -		\$4,213,180.00

*Of this amount, \$230,060. was paid in October and November 1918.

Interest on Outstanding Short Term Notes
Due December 28 & 29, 1918 & Jan. 2, 1919.

Dec. 28, 1918, Guaranty Trust Co.	\$1,500,000.00	\$ 15,000.00
Dec. 29, 1918, Farmers' Loan & Trust Co.	500,000.00	5,000.00
Dec. 29, 1918, Central Union Trust Co.	500,000.00	5,000.00
Jan. 2, 1919, National City Bank,	2,000,000.00	29,062.50
		\$54,062.50
Total Interest on foregoing bonds and notes -		\$4,267,242.50

Sinking Fund due January 1, 1919:

Dubuque Division Bonds	\$67,100.00	
Wisconsin Valley Division Bonds	25,170.00	92,270.00
Total -		\$4,359,512.50

Whereupon, on motion made and seconded,
the following resolutions were unanimously adopted:

RESOLVED, that the President of the Company, or the Vice-President in charge of the Financial and Transfer Office of the Company in the City of New York, or the General Counsel, be and they are hereby authorized forthwith to make application to the Director General of Railroads for funds in sufficient amount to enable the Company to meet the interest payments and sinking fund requirements as above stated, such amount to be paid the Company on account of the just compensation which it and its affiliated companies are entitled to receive under and pursuant to the terms and provisions of the Act of Congress approved March 21, 1918, commonly called the "Federal Control Act", or partly on such account, or partly by loan by the government in such amount as the Director General shall determine, or wholly by such loan, hereby authorizing and giving the aforesaid officials of the Company, or any of them, full power, authority and discretion to make such arrangements for obtaining the whole or any part of the above named amounts either by an advance on account of such just compensation, or by loan from the government as above stated, as to them shall seem requisite and necessary.

RESOLVED, that the aforesaid officials of the Company, or any of them, be and they hereby are authorized to accept from the United States or the Director General of Railroads the whole or such part of the above amount required as shall be arranged and paid therefor on account of just compensation, and to sign and execute proper receipts or other instruments therefor.

RESOLVED, that if the whole or any part of the above amount so as aforesaid required shall be made by loan to the Company by the government either the President or such Vice-President of the Company be and they are hereby authorized by and on behalf of the Company and in the name of the Company to execute and deliver to the Secretary of the Treasury of the United States, a note or notes of the Company in such amount as shall be arranged for and in such form as is used by said Director General in making like loans to other railway companies, said note or notes to be countersigned by an Assistant Secretary of the Company and the corporate seal of the Company affixed thereto; that said note or notes shall bear interest at the rate of 6% per annum and the principal thereof and the interest thereon shall be payable at such times as shall be prescribed by said Director General; that as security for the payment of said note or notes the President or such Vice-President of the Company be and they, or either of them, are hereby authorized to pledge to the Secretary of the Treasury of the United States, General and Refunding Mortgage Bonds of the Company, Series "Z", issued under and secured by the General and Refunding Mortgage of the Company, in such amount as shall be required by the Director General, or the Director of Finance and Purchases. — (⊕)

FURTHER RESOLVED, that the aforesaid officials of the Company be and they, or any of them, are hereby authorized and directed to do each and every of all those things which may be necessary or which may be required in respect of obtaining such amount of money either on account of such just compensation, or by

loan, or partly by loan and partly on account of just compensation, they being hereby expressly authorized to make, execute and deliver any and all such instruments, certificates, documents, etc., that may be required in respect thereof.

On motion, duly seconded, the following preamble and resolution were unanimously adopted:

WHEREAS, under and pursuant to Section 3 of Article Three of a certain Indenture, bearing date November 1, 1913, made and executed by the Chicago, Milwaukee & St. Paul Railway Company, a corporation of the State of Wisconsin, to the Guaranty Trust Company of New York and Alexander J. Hemphill as Trustees, which Indenture is known as the "General and Refunding Mortgage" of said Railway Company, the said Railway Company is entitled to have certified and delivered to it by said Guaranty Trust Company of New York as Corporate Trustee under said General and Refunding Mortgage, bonds to the amount of One Million, Two Hundred Ninety-Seven Thousand Dollars (\$1,297,000.), to reimburse it for expenditures made out of its accumulated income or appropriated surplus subsequent to October 31, 1917, and up to and including December 31, 1917, for or on account of the purposes described in said Section 3 of Article Three of said General and Refunding Mortgage, within the period last aforementioned.

NOW, THEREFORE, BE IT RESOLVED that this Company call upon, and it does hereby call upon, said Guaranty Trust Company of New York, as Corporate Trustee under said General and Refunding Mortgage, for the certification and delivery to it of bonds under said Mortgage to an amount of One Million, Two Hundred Ninety-Seven Thousand Dollars (\$1,297,000.).

RESOLVED, (1) that said bonds be executed in the corporate name of said Chicago, Milwaukee & St. Paul Railway Company, by its President, or one of its Vice-Presidents, and that the corporate seal of that Company be affixed thereto and attested by its Secretary, or Assistant Secretary; (2) that said bonds be dated November 1, 1913, be called and designated Series "Z"; that the text of said bonds and the certificate of the Corporate Trustee be in the English language; (3) that the principal and interest of said bonds be payable only in gold coin of the United States of America, of or equivalent to the standard weight and fineness as it existed on November 1, 1913, at the office or agency of the Railway Company, in the Borough of Manhattan, in the City of New York, State of New York; (4) that said bonds bear interest at the rate of six (6) per cent per annum, payable semi-annually, on May 1st and November 1st of each and every year; (5) that said bonds in other respects be substantially in the form set forth in said General and Refunding Mortgage, and that pending the engraving of permanent bonds, printed temporary bonds be executed by the Railway Company, and certified and delivered by the Corporate Trustee, of such denominations as the Vice President of the Railway Company may request, and in substantially the form for such temporary bond, approved by resolutions adopted by the Executive Committee of the Railway Company at its meeting held December 11, 1913, a certified copy of which said resolution is on file with said Corporate Trustee.

On motion, duly seconded, the following resolutions were unanimously adopted:

RESOLVED, that the resolution adopted by this Board May 29, 1918, authorizing F. B. Simpson, Assistant Secretary, in the absence or inability of the Vice President in charge of the Financial and Transfer Office, to sign checks for the Vice-President, be and the same is hereby repealed.

RESOLVED, that either F. B. Simpson or R. J. Marony, Assistant Secretaries of the Company, be and they are hereby authorized to countersign checks in the absence or inability of the Vice President in charge of the Financial and Transfer Office, drawn on the bank and trust company accounts of the Company, such checks being countersigned as follows:

"F. B. Simpson,
For Vice President."

"R. J. Marony,
For Vice President."

Mr. C. B. Ferry presented his resignation as Corporate Treasurer of the Company, and the same was accepted.

The Vice President presented the written resignation of Mr. L. J. Tracy as Comptroller of the Company, which was accepted.

On motion, duly seconded,

Mr. J. Welch was nominated and unanimously elected Comptroller of the Company at a salary of \$8,500. per annum effective as of Dec. 1, 1918.

The appointment by the President of Mr. Frank Lothenstrom as Assistant Comptroller of the Company, at a salary of \$4,000. per annum effective as of Dec. 1, 1918, was unanimously approved by the Board.

On motion, duly seconded, it was

RESOLVED, that Mr. R. M. Calkins, President, be and he hereby is nominated as the official to represent this Company on the Board of Directors of St. Paul Union Depot Company.

On motion, duly seconded, the proper officers are hereby authorized to vacate the certain streets and alleys on Goose Island, North Chicago, as indicated on a certain plat exhibited by the President at this meeting.

The Vice President read a communication from A.M. Ingersoll, who asked remuneration for certain services rendered the Company between June 1904 and some time in 1908. The matter was referred to the Executive Committee for investigation with instructions to report back to

the Board.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company accept the offer of John R. Hagaman and Hugh McCurdy to purchase a certain tract of its land containing 116 acres for \$12,760., on the terms of \$3,125. cash and balance in nine equal annual payments of \$1,057.33 each, with interest at 6-1/2% on deferred payments.

The Chairman stated to the meeting that in amending the By-Laws at the previous meeting of the Board, held October 31, 1918, the number of the Executive Committee was increased from six to seven members, and that four members of that committee were made to constitute a quorum for the transaction of business, whereas under the previous By-Laws three members constituted a quorum. In taking this action, the provisions of the Articles of Association of the Company were overlooked which provide that the Executive Committee shall consist of six members, and that three members of the Executive Committee shall constitute a quorum for the transaction of business. On account of these provisions in the Articles, it will be necessary to amend the By-Laws adopted October 31, 1918, so as to make them conform to the Articles of Association in respect to these matters.

Accordingly, Mr. P. A. Rockefeller presented the following resolution, which was duly seconded:

RESOLVED, that the word "five" be stricken from Section 4 of Article III, and the word "four" from Section 1 of Article IV of the By-Laws of October 31, 1918, and that the word "four" be inserted in lieu of said word "five", and that the word "three" be inserted in lieu of said word "four" in the above named sections, and that these sections be amended accordingly, and that such amendment become effective January 1, 1919.

A vote was taken upon the adoption of said resolution, and each director present consented to, and voted in favor of, the adoption thereof; whereupon the Chairman of the meeting declared that said resolution had been adopted by the unanimous consent of the members of the Board present, and that the By-Laws thus amended are the By-Laws of this Company.

X Enter Exhibit-attached

X

X
X
Extract from proceedings of Directors' meeting held
December 3, 1918:

Mr. Earling stated that he desired to be relieved from the arduous duties attendant upon his position as Chairman of the Board of Directors of the Company, and with this end in view he begged to tender his resignation as Chairman of the Board, effective January 1, 1919.

Whereupon, on motion, duly seconded, it was

RESOLVED that this Board under the circumstances feels compelled to accept Mr. Earling's resignation as Chairman, and does accept said resignation with the greatest regret.

Mr. Earling then presented his resignation as a member of the Executive Committee of the Board of Directors, effective January 1, 1919, which resignation was also accepted with regret.

^
E. B. Terry
V.P. and Asst. Secy.

There being no further business to come before the
meeting the Board adjourned.

^A
L B Terry
Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE - PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, January 17, 1919.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

As requested in your favor of the 15th inst.,
I enclose herewith copies of the minutes of the Executive
Committee for December 5th and 12th, which were overlooked
when the minutes of December 19th were sent.

Very truly yours,



Vice President.

Enc.

Milwaukee, Wis. Jany. 15, 1919.

Mr. C. B. Ferry,

Vice Pres. & Asst. Secy.

New York City.

Dear Sir:-

In the minutes of the Board of Director's Meeting for December 26th, 1918, the minutes of the Executive Committee meetings of December 5th and 12th, are referred to. As we have not received copies of these minutes for December 5th and 12th, will you please furnish me with copies of the same in order that I may complete my file and enter the same upon our record book.

Yours very truly,

E. W. ADAMS, Secretary

by _____
Record Clerk

SHC/EKM

New York, Thursday, 5 December, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Calkins, Fisher, Harkness, P. A. Rockefeller, Wm. Rockefeller, and Stewart.

No formal action was taken.

C B Terry

Assistant Secretary.

New York, Thursday, 12 December, 1918. 2 P.M.

Only Messrs. Wm. Rockefeller and Stewart were present to attend the Executive Committee meeting today and they adjourned for want of a quorum.

C B Terry

Assistant Secretary.

New York, Thursday, December 19, 1918, 2 P.M.

The Executive Committee met. There were present Messrs. Fisher, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

On motion, duly seconded, it was-

RESOLVED, that Mr. J. Welch, Comptroller, be, and is hereby designated as the officer of this Company having sole authority to authorize the destruction of old records of this Company, as required by the rules of the Interstate Commerce Commission; and be it further

RESOLVED, that a copy of this resolution be filed with the Interstate Commerce Commission.

There being no further business to come before the Meeting, the Committee adjourned.

L B Tany

Assistant Secretary.

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Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, November 15, 1918.

Mr. E. W. Adams,
Secretary,
Milwaukee, Wis.

Dear Sir:-

I enclose herewith proceedings of the Executive
Committee at meetings held November 7th and 14th.

Very truly yours,

L B Jew
Vice President.

Enc.

New York, Thursday, 7 November, 1918. 2 P.M.

Only Messrs. Fisher, Harkness and Stewart were present to attend the Executive Committee meeting today and they adjourned for want of a quorum.

C B Tamm
Assistant Secretary.

New York, Thursday, 14 November, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Earling, Fisher, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart.

On motion, duly seconded, the President was authorized to sell to O. L. Snyder of Madrid, Iowa, land of the Company situated in that part of Government Lots 1 and 2, lying west of the right of way in Section 25-31-26, Dallas County, Iowa, near the station of Highbridge on the Des Moines Division, consisting of approximately 29 acres at \$75.00 per acre, the Company reserving all coal rights and right of way 300 feet in width.

On motion, duly seconded, it was

RESOLVED that the President be and he hereby is authorized to accept and execute in behalf of this Company Ordinance No. 38753 of the City of Seattle entitled "An Ordinance granting to the Oregon-Washington Railroad & Navigation Company, The Great Northern Railway Company, the Northern Pacific Railway Company and the Chicago, Milwaukee & St. Paul Railway Company, their successors and assigns, a right of way for, and the right, privilege, and authority to locate, lay down, construct, maintain and operate until December 31, 1950, with right of modification or repeal after expiration of fourteen (14) years, sundry railway tracks in, along and across sundry streets, avenues, alleys and other public places within the City of Seattle."

The Vice President presented a certain agreement, dated Sept. 25, 1918, by and between Chicago, Milwaukee & St. Paul Railway Company and Cooper & Minnehan of St. Regis, Montana, for clearing route for transmission line approximately thirty-one (31) miles in length between Cedar Falls and Renton, Washington, to accommodate this Company's new electric installation over the Cascade Mountains.

Whereupon on motion, duly seconded, it was

RESOLVED that the terms and conditions as set forth in said agreement are hereby accepted and the proper officers are hereby authorized to

execute the same in behalf of this Company.

On motion, duly seconded, it was unanimously

RESOLVED, that the proper officers be and they are hereby authorized to issue to Carlisle, Mellick & Co., New York, a duplicate certificate for forty (40) shares of Preferred Stock to replace certificates No. 53525 for twenty-five (25) shares and No. 53526 for fifteen (15) share which have been lost, all the requirements of Section 1, Article VIII of the By-Laws of the Company covering the issue of duplicate certificates to replace those lost or destroyed having been complied with.

On motion, duly seconded, it was unanimously recommended that the Milwaukee Land Company accept the offer of A. B. Edwards of Centralia, Washington, to purchase for \$3,000.00 cash its 158 acres of land located on the NW 1/4 of Section 30, Township 14, Range 1 West, about six miles southeast of Centralia, Wash. Said Milwaukee Land Company to reserve to itself an unlimited time in which to remove the timber thereon, together with easements, rights of way, coal, minerals, etc.

On motion, duly seconded, it was unanimously

RESOLVED, that the proper officers of this Company be and they hereby are authorized to execute in behalf of this Company that certain joint contract between the Oregon-Washington Railroad & Navigation Co., the Northern Pacific Railway Company, the Great Northern Railway Company and the Chicago, Milwaukee & St. Paul Railway Company, covering the ownership and operation of practically one and one-half miles of track in the southern section of the City of Seattle known as East Marginal Industry Track.

On motion, duly seconded, it was

RESOLVED, that the compensation of F. B. Simpson, Treasurer and Assistant Secretary, and of R. J. Marony, Assistant Treasurer and Assistant Secretary, be at the rate of \$4,500.00 per annum respectively, effective November 1, 1913.

There being no further business to come before the meeting, the Committee adjourned.

C B Terry
Assistant Secretary.

New York, Thursday, 21 November, 1918. 2 P.M.

The Executive Committee met. There were present Messrs. Calkins, Fisher, Harkness and Stewart.

The Chairman, referring to the application made to the Director General of Railroads for an advance of \$2,251,988.68 on account of the just compensation due the Company under the Federal Control Act of Congress of March 21, 1918, which amount is required to meet its interest payments maturing December 1, 1918, stated that said application had been presented to the Director of Finance and Purchases of the United States Railroad Administration, and that the Company had received from said Director on account of such compensation \$350,000., and that the Director General had advised the Vice-President of the Company in New York that the balance of the amount applied for would not be advanced at this time on account of such just compensation, but that the Director General would loan to the Company \$2,000,000. at six per cent interest, on collateral to be deposited at the Federal Sub-Treasury in New York City.

Whereupon, on motion made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Company accept the offer of the Director of Finance and Purchases to loan it \$2,000,000. at six per cent interest, on collateral to be deposited as aforesaid, and that in respect of said loan the President or any Vice-President of the Company be, and they are hereby authorized by and on behalf of the Company, and in the name of the Company, to execute and deliver to the Secretary of the Treasury of the United States the note or notes of the Company in the aggregate principal sum of \$2,000,000., in such form as is used by said Director in making like loans to other railway companies, said note or notes to be countersigned by an Assistant Secretary of the Company, and the corporate seal of the Company to be affixed thereto, if required; that said note or notes shall bear interest at the rate of six per cent per annum, and the principal and interest thereon shall be payable at such times as shall be prescribed by said Director; that as security for the payment of said note or notes, the President or any Vice-President of this Company be, and they are hereby authorized to pledge to the Secretary of the Treasury of the United States General and Refunding Mortgage Bonds of the Company, Series Z, issued under and secured by the General and Refunding Mortgage of the Company, in such amount as shall be required by said Director of Finance and Purchases.

FURTHER RESOLVED, that the aforesaid officials of the Company be, and they are hereby authorized and directed to do each and every of all those things which may be necessary or which may be required in respect of obtaining said loan of \$2,000,000., they being hereby expressly authorized to make, execute and deliver any and all such instruments, certificates, documents, etc., which may be required in respect thereof.

There being no further business to come before the meeting, the Committee adjourned.

L B Ferry
Assistant Secretary.