New York, Thursday, 2 January, 1919. 2 P.M.

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

The Chairman laid before the Committee a statement showing the amount of interest coupons that would mature and be payable February 1, 1919, on the outstanding bonds of the Company, as follows:

Description of Bonds.	Principal.	Interest Due Feb. 1, 1919.
General and Refunding Mortgage Convertible 5% Bonds,	$29,141,300.00	$728,532.50

The Chairman also laid before the Committee a statement showing the amount of interest which this Company paid on the bonds of the Chicago Union Station Company due and payable January 1, 1919. The principal and interest of these bonds are guaranteed by the Pennsylvania Railway System, the Chicago, Burlington & Quincy Company, and the Chicago, Milwaukee & St.Paul Railway Company, the proportion of interest which this Company paid, and was required to pay under the terms of the guaranty, on said bonds for the six months ending December 31, 1918, being $172,004.00

The Chairman also laid before the Committee a statement showing that the Company had paid to the United States Subtreasury in the City of New York interest on loans made by the United States Railroad Administration to the Company, as follows:

Loan of $5,000,000.00 dated May 31, 1918, with Interest at 6% per annum to Dec. 31, 1918, - - - - - -	$175,000.00
Loan of $1,000,000.00 dated Aug. 16, 1918, with Interest at 6% per annum to Dec. 31, 1918, - - - - - -	22,000.00
Loan of $2,000,000.00 dated Nov. 29, 1918, with Interest at 6% per annum to Dec. 31, 1918, - - - - - -	10,000.00
	$207,000.00

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 due and payable February 1, 1919, and to reimburse itself for the amount advanced on account of the amount paid for interest on the Chicago Union Station Company bonds due January 1, 1919, and the amount paid as interest on the loans from the United States Railroad Administration; that the amounts so applied for be paid by the Director General to 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 Director General in such amount as he 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 amounts, either by an advance on account of such just compensation, or by loan from the Director General, 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 amounts 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 amounts so as aforesaid required shall be made by loan to the Company, the President or such Vice President of the Company be and he is hereby authorized by and on behalf of the Company and in the name of the Company to execute and deliver a note or notes of the Company in such amount as shall be arranged for and in such form as is used 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 time as shall be prescribed by said Director General or stated in said note or notes.

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 to 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.

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

C B Tracy

Assistant Secretary.

New York, Thursday, January 9, 1919, 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 unanimously recommended that the Milwaukee Land Company accept the offer of Jack Cox of $10,000.00 payable $2500.00 cash and $2500.00 every three months until paid, with 6% interest on deferred payments for its timber located on the N½ of the S. W.¼ the S. E.¼ of the S. W. ¼ and the S ½ of the S. E.¼ in Section 11 Twp. 43, Range 1, Carpenter Creek, Idaho, about two miles southwest of Fernwood.

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

C B Terry

Assistant Secretary.

New York, Thursday, 16 January, 1919. 2 P.M.

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

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

WHEREAS, under and pursuant to Section 1 of Article Three of the General and Refunding Mortgage of this Company, dated November 1, 1913, there has heretofore been certified and delivered to the Company, by the Corporate Trustee under said Mortgage, bonds in the aggregate principal amount of One Hundred Fifty-four Million, Four Hundred Eighty-nine Thousand, Five Hundred Dollars ($154,489,500.00), which bonds are known as Series "Z" bonds, and of said bonds there are now held in the Treasury of said Company, unissued and unappropriated, bonds in the aggregate amount of approximately Eighty Million Dollars ($80,000,000.00). That as provided in Section 1 of Article Three of said Mortgage said bonds, or the proceeds thereof, may be used and applied by the Railway Company from time to time for such of its corporate purposes in respect of which bonds may at any time be lawfully issued by the Company, under its Articlesof Association or any present or future law of the State of Wisconsin, - all property or interest acquired by the Company through the use of said bonds or the proceeds thereof being immediately subjected to the lien of said Mortgage;

AND, WHEREAS, it appears by the Certificate of H.E.Byram and G.J.Bunting, and the Affidavit of W.W.K.Sparrow that subsequent to December 31, 1917, and up to and including September 30, 1918, expenditures have been made for the purposes stated in said Certificate and Affidavit, in the amount of Five Million, Seven Hundred Forty-two Thousand, Six Hundred Four Dollars and twenty-eight cents, ($5,742,604.28), which said purposes are, as this Board is advised by its General Counsel, such of the Company's corporate purposes in respect of which bonds may be lawfully issued by the Company under its Articles of Association and the Laws of the State of Wisconsin;

AND, WHEREAS, the railroad and property for and on account of which the expenditures certified in said Certificate and Affidavit were made, are now subject to the lien of said General and Refunding Mortgage, and no bonds have been previously certified and delivered or moneys withdrawn in respect of such expenditures, or any part thereof;

NOW, THEREFORE, BE IT RESOLVED that bonds numbered 64 to 68 for $1,000,000.00 each and number 245 for $742,000.00 in the aggregate principal amount of Five Million, Seven Hundred Forty-two Thousand Dollars ($5,742,000.00), out of said bonds heretofore certified and delivered to the Company by the Corporate Trustee, under Section 1 of Article Three of said Mortgage and now held in the Treasury of the Company as Series "Z" bonds, be, and they are hereby, set aside as free bonds of this Company and as such they shall be issued and appropriated in such manner and for such purposes as shall hereafter be authorized by the Board of Directors of this Company, or the Executive Committee thereof, and that no further bonds, in any amount, be certified by the Corporate Trustee covering the above amount of expenditures, or any part thereof, under any provisions of said Mortgage.

RESOLVED, that the Certificate of H. E. Byram and G. J. Bunting, and Exhibit "A", attached thereto, the Affidavit of W.W.K.Sparrow and the Opinion of Burton Hanson be, and they are hereby, made part of the record of this meeting and that duplicate originals thereof, identified by the original signature of C. B. Ferry, Vice President, be permanently lodged in the office of such Vice President, in the City of New York, another in the office of the Secretary of the Company in the City of Milwaukee, Wisconsin, and another in the office of the Comptroller of the Company, in the City of Chicago, Illinois, - all as evidencing the identification, authentification and legality of said bonds.

(SEE SECY FILE 9.19½. FOR CERTIFICATE, EXHIBIT, AFFIDAVIT & OPINION)

The Chairman of the meeting presented the following communication which was unanimously approved and made part of the proceedings of this meeting:

"TO THE WAR FINANCE CORPORATION,

Washington, D.C.

The Chicago, Milwaukee & St. Paul Railway Company, a corporation of Wisconsin, hereby applies for a loan of $728,532.50, on such terms and conditions as to maturity, interest rate and security, and otherwise, as shall be determined by said War Finance Corporation, which loan is to be secured by its General and Refunding Mortgage Six Per Cent Bonds, Series Z, of the aggregate face amount to be determined by said War Finance Corporation.

The purpose for which this loan is required is to pay the interest due February 1, 1919, on $29,141,300. principal of the General and Refunding Mortgage Convertible Five Per Cent Bonds of the Company, amounting to $728,532.50.

The Company is unable at this time to obtain the above funds on reasonable terms through banking channels or from the general public. There are no market quotations available for the bonds so offered as collateral, as no bonds bearing that rate of interest have been sold. Other bonds issued under the same mortgage, with equal lien, are now selling to yield somewhat less than 6%; the Company, therefore, believes the collateral to be of a value not less than its face value.

It is the purpose of this Company to pay this loan not only upon demand but at any time it can dispose of its securities in the general market on reasonable terms, or when it receives its compensation from the United States under an agreement between it and the Director General, which it is believed will be made within the next few weeks, and therefore asks permission to pay the note at its option, at any time. The Company will furnish you assurance as to the validity and legality of the note given for this loan, and of the collateral therefor.

CHICAGO, MILWAUKEE & ST.PAUL RAILWAY COMPANY

By (Signed) R. M. CALKINS,

President.

New York City, N.Y., January 16,1919."

The Chairman stated to the meeting that there would mature and be payable February 1, 1919, on the $29,141,300.00 of the General and Refunding Mortgage Convertible Five Per Cent Bonds $728,532.50; and also informed the meeting that there were no funds on hand for the payment of said interest, and that the Company is unable to obtain the amount necessary, by loan or otherwise, other than from the War Finance Corporation.

√

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

> RESOLVED, that the President or a Vice President of this Company be, and they are hereby authorized by and on behalf and in the name of this Company, to borrow from the War Finance Corporation not exceeding $728,532.50, on such terms and conditions as to maturity, interest rate and security, and otherwise, as may be agreed upon between said officers and the War Finance Corporation.
>
> RESOLVED, that for the purpose of such borrowing said officers of this Company be, and they hereby are authorized by and on behalf of this Company and in the name of the Company, to execute and deliver such promissory note or notes to a total aggregate principal amount of not to exceed $728,532.50, and in such form as may be required in respect thereof.
>
> RESOLVED, that said officers of this Company be, and they are hereby authorized to deliver and pledge as security for the amount so to be borrowed from the War Finance Corporation, and the note or notes to be issued in respect thereof, such of this Company's General and Refunding Mortgage Six Per Cent Bonds, Series Z, as may be required.
>
> RESOLVED, that said officers of this Company be, and they hereby are authorized, by and on behalf of this Company and in the name of this Company, to enter into any and all such agreement or agreements, and to execute such instrument or instruments, and to do all such acts and things as in their judgment may be necessary or desirable in order to carry out and to give effect to the purposes and intentions of these resolutions."

The Vice President submitted Division of Capital Expenditures:

DCE Form 3 - *5 to 9 inclusive	DCE Form 3 - 36,38,39
10	#*40
#*12	*41,*43
*13	45
14	*48,*49
*15,*16	50,51
17	*52,*53
*18 to 21 inclusive	#*54
22	55
25	*56 to 58 inc.
*26 to 28 inclusive	#*59 *60
29	DCE Form 4- *1, *6
*30, *31	#*8 to 10 inc.
34	
*35	

in accordance with Supplement #1, to DCE Circular #1, issued by R. S. Lovett, Director Division Capital Expenditures, June 22, 1918, all of which said forms had been signed by the Federal Manager and bear the endorsement of the President of this Company.

The Vice President further submitted an abstract of the said DCE Form in detail showing the total amount of such capital expenditures to be $1,370,078.30, 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 they hereby are approved by the Executive Committee, and that the Standard Protest made on DCE Form 3 - 12, 40, 54, 59 and " " 4 - 8 to 10 inclusive, be filed with the Director Division of Capital Expenditures.

DCE Form No.	Location.	Description of Work	Amount
*3-5	Various points between Harlowton and Three Forks, Mont.	First application of tie plates	$18,455.
*3-6	Along Hellgate River in and near Avery, Montana.	Miscellaneous rip-rapping account washouts.	19,960.
*3-7	System	New improved piston rod and valve stem packing on 250 locomotives.	8,750.
*3-8	System	Improved air brake piping for 150 F & L Class Engines	5,250.
*3-9	System	Equiping 250 passenger cars with thaw-out devices for washstand drains and water cooler drains.	11,000.
3-10	Shelby County, Ia., Drainage District No. 8.	Full settlement, satisfaction, payment and release of all claims and assessments against this Company's property.	15,500.
#*3-12	New Lisbon, Wis.	100 tons capacity machanical coaling plant, replacing obsolete equipment.	15,250.
*3-13	Yankton, S.D.	Extension passing and yard tracks.	6,400.
3-14	Sioux City, Ia.	Construction 3 tracks at new freight yards.	18,025.
*3-15	Ranney, Wis.	Construction extension to passing tracks	6,390.
*3-16	Wadsworth, Ill.	Construction extension to passing track.	5,297.
3-17	Farmington, Minn.	Construction new passing track.	7,067.
*3-18	Ebner, Ill.	Construction passing track.	15,076.
*3-19	Hampshire, Ill.	Extension westbound passing track.	7,510.
*3-20	Brookfield, Wis.	Extension westbound passing track.	5,235.
*3-21	Spaulding, Ill.	Extension westbound passing track.	5,204.
3-22	Farmington, Minn.	Construction new track and shifting present track.	8,035.30
3-25	Davis Jct., Ill.	Construction new storage track.	6,230.
*3-26	Kansasville, Wis.	Construct extension to passing track.	6,322.
*3-27	Mt. Carroll, Ill.	Extend eastbound passing track.	6,352.
*3-28	Rondout, Ill.	Extend westbound passing track, eastbound passing track, construct cross-over.	17,542.
3-29	Grimes, Ia.	Construct passing track.	5,232.
*3-30	Albany, Ill.	Construct new track.	5,034.
*3-31	Springfield, Wis.	Construct new passing track.	12,614.
3-34	Aberdeen, S.D.	Construct track.	14,668.
*3-35	Lyons, Ia.	Extend passing track.	5,628.
3-36	Tripp, S.D.	Construction passing track and crossover.	10,371.
3-38	No. Sangamon and No. Elizabeth Sts Chicago.	Construct switch track.	6,072.
3-39	Prairie du Chien, Wis.	Construct coal storage tracks.	19,628.
#*3-40	Between Union Depot and Grand Ave., Milwaukee, Wis.	Changing signals, rearranging track.	10,697.
*3-41	Milwaukee Shops, Milwaukee, Wis.	Convert old tank shop into locomotive erecting shop.	15,244.
*3-43	Kittredge, Ill.	Construct storage track.	6,450.
3-45	Galewood, Ill., Freight House.	Purchase 200 four-wheel trucks, 4 electric motors, install 1 generator.	15,325.
*3-48	Mitchell, S.D.	Purchase and install machinery, tools.	7,350.
*3-49	Austin, Minn.	1-100 KW engine and generator for shops.	6,300.
3-50	Dearfield, Ill.	Construct new frame station, place baggage room on concrete foundation.	9,125.
		Amount Forward -	$365,088.30

DCE Form No.	Location	Description of Work	Amount
		Forwarded -	$365,008.30
3-5	Farmington, Minn.	Construct track to serve storage yard for coal.	16,006.
*3-52	Sioux City, Ia.	Installing new single track and replacing signals.	21,100.
*3-53	System.	Apply 1200 passenger car journal boxes and lids.	6,070.
#*3-54	South Minneapolis Shops, Minneapolis.	Purchase and install machinery and tools in locomotive department.	18,050.
3-55	System	Equipping 100 locomotives with Drifting Valves.	6,530.
*3-56	Laredo Yards, Laredo, Mo.	Construct extensions to track and install new track, crossover.	21,620.
*3-57	Glenham, S.D.	Extend passing track.	7,343.
*3-58	From Minnesota-South Dakota State Line to Milbank, S.D.	Installation signals.	19,500.
#*3-59	Farmington, Minn.	Rearrange and extend yard tracks.	5,809.
*3-60	Scotland, S.D.	Construct new passing track.	8,293.
*4-1	Between Haskell and Huson, Mont.	Miscellaneous rip-rapping along Hellgate River.	49,600.
*4-6	Bensonville, Ill.	Construction of extensions.	540,000.
#*4-8	Chamberlain, S.D.	Rebuilding Bridge, raising grade, replacing ponton and trestle.	171,500.
#*4-9	System	Apply duplex "D" automatic stokers to 25 locomotives.	59,859.
#*4-10	Milwaukee Shops, Milwaukee, Wis.	Additional machine tools.	53,710.
		TOTAL	$1,370,078.30

(Note) *Included in 1918 Budget

#Bears Standard Protest.

On motion, duly seconded, it was unanimously

RESOLVED, that the President proceed at once to employ an expert Mechanical Engineer in this Company's service.

The claim of A. M. Ingersoll for compensation from this Company for services was discussed and on motion, duly seconded, it was

RESOLVED, that the President be and he hereby is authorized to pay Mr. Ingersoll not to exceed $10,000.00 as one year's salary, Mr. Ingersoll in consideration thereof waiving his claim for compensation. (Mr. Stewart did not vote for or against the foregoing action).

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

G B Terry

Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,

FORTY-TWO BROADWAY,

NEW YORK, January 24, 1919.

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

Dear Sir:-

I enclose herewith proceedings of the Executive Committee at meeting held January 23rd.

Very truly yours,

G B Perry

Vice-President.

Enc.

New York, Thursday, 23 January, 1919. 2 P.M.

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

The Vice President presented three surety bonds issued by the Fidelity and Casualty Company of New York in the amount of $200 each, which are intended to indemnify this Company against loss or damage on account of the issuance of three Conditional Certificates of Indebtedness of $100 each in lieu of Convertible 4-1/2% Gold Bonds of 1932.

Whereupon, on motion duly seconded, it was unanimously

RESOLVED, that the three surety bonds of the Fidelity and Casualty Company of New York, in the amount of $200 each, be and they are accepted; and

FURTHER RESOLVED, that the proper officers are authorized to execute and deliver three Conditional Certificates of Indebtedness each in the amount of $100 in lieu of like amount of Convertible 4-1/2% Gold Bonds of 1932, the full paid subscription receipts representing the same being lost or destroyed.

On motion the Committee adjourned.

C B Terry

Assistant Secretary.

NEW YORK, Thursday, 30 January, 1919. 2 P.M.

Only Messrs. Bliss, Fisher, Geddes, Harkness, Ryan and Stewart were present to attend the stated meeting of the Board of Directors and they adjourned for want of a quorum.

C B Terry
Assistant Secretary.

113

THE SAINT PAUL UNION DEPOT COMPANY

and

NORTHWESTERN TRUST COMPANY

Trustee.

Trust Indenture

Dated December 15, 1918.

$8,000,000

Five-Year 5½% Guaranteed Gold Notes

Interest payable June 15 and December 15.

77549 McIlroy & Emmet, 22 Thames Street, N. Y

An Indenture, Dated the fifteenth day of December, one thousand nine hundred and eighteen, between

THE SAINT PAUL UNION DEPOT COMPANY (hereinafter termed the "Company"), a corporation organized and existing under and by virtue of the laws of the State of Minnesota, party of the first part, and

NORTHWESTERN TRUST COMPANY (hereinafter termed the "Trustee"), a corporation organized and existing under and by virtue of the laws of the State of Minnesota, party of the second part:

WHEREAS, The Company heretofore has issued, and there are outstanding, (*a*) its First Mortgage Bonds for the aggregate principal sum of $250,000 issued under and secured by its First Mortgage dated May 1, 1880, to Central Trust Company of New York, and (*b*) its Consolidated Mortgage Bonds for the aggregate principal sum of $250,000 issued under and secured by its Consolidated Mortgage dated May 1, 1894, to St. Paul Trust Company; and

WHEREAS, The Company heretofore has issued, and there are outstanding, $4,630,000 principal amount of its promissory notes maturing December 24, 1918, secured by the pledge of a First and Refunding Mortgage Gold Bond (in temporary form) of the Company for the principal amount of $6,500,000, issued under and secured by its First and Refunding Gold Mortgage to Northwestern Trust Company dated January 1, 1917, such bond being the only bond or bonds issued or outstanding under such mortgage; and

WHEREAS, For the purpose of paying its said outstanding notes, or any extensions or renewals thereof, and for the purpose of obtaining moneys for acquisitions and construction required for the completion and improvement of its union station and terminal facilities at St. Paul, Minnesota, the Company, by due and proper corporate proceedings, has authorized the issue and disposition of its Five Year 5½% Guaranteed Gold Notes, hereinafter described, for the aggregate principal amount of $8,000,000; and

WHEREAS, The entire outstanding capital stock of the Company is owned in several equal amounts by nine railroad companies, which under date of December 18, 1916, duly entered into an agreement with the Company providing for the use by said railroad companies of the said union station and facilities at St. Paul of the Company, the said nine railroad companies (hereinafter called the "nine stockholding tenants of the Company") being the following, to wit: Chicago, Milwaukee and St. Paul Railway Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Chicago, Burlington and Quincy Railroad Company; Minneapolis, St. Paul and Sault Ste. Marie Railway Company; Great Northern Railway Company; Northern Pacific Railway Company; Chicago Great Western Railroad Company; The Minneapolis and St. Louis Railroad Company; and The Chicago, Rock Island and Pacific Railway Company; and

WHEREAS, Such notes of the Company are to be coupon notes for the aggregate principal amount of $8,000,000, bearing date December 15, 1918, and payable in gold coin of the United States of America, of or equivalent to the present standard of weight and fineness, in the City of New York, State of New York, on or before the fifteenth day of December, 1923, and are to bear interest at the rate of five and one-half per cent per annum, payable in like gold coin, semi-annually, on the fifteenth day of June and the fifteenth day of December in each year; such notes to be each for the principal sum of $5,000 or $1,000 or $100, or any multiples of $5,000 which may be authorized as

hereinafter provided, and to be substantially in the form following—the number of each note and the principal sum thereof having been inserted in the respective blanks therefor, *viz.:*

[FORM OF NOTE.]

No. . . . . $. . . . .

UNITED STATES OF AMERICA.

THE SAINT PAUL UNION DEPOT COMPANY

FIVE-YEAR 5½% GUARANTEED GOLD NOTE

THE SAINT PAUL UNION DEPOT COMPANY (hereinafter called "the Company"), a corporation of the State of Minnesota, for value received hereby promises to pay to Northwestern Trust Company as Trustee under the Indenture hereinbelow mentioned, or to pay to bearer (or, if this bond be registered, then to the registered owner hereof), dollars, on the 15th day of December, 1923, at the office of J. P. Morgan & Co. in the Borough of Manhattan, City of New York, State of New York, in gold coin of the United States of America of or equivalent to the present standard of weight and fineness, and to pay interest on said principal sum from December 15, 1918, at the rate of five and one-half per centum (5½%) per annum, in like gold coin, at said office, semi-annually, on the fifteenth day of June and the fifteenth day of December in each and every year until the payment of said principal sum, but only upon presentation and surrender of the annexed coupons for such interest as severally they mature, without deduction from such interest for any Federal income taxes which the Company or the Trustee under said indenture may be required to pay or to deduct at the source.

This Note is one of an issue of Notes of the Company, designated Five Year 5½% Guaranteed Gold Notes, limited in aggregate principal amount to $8,000,000, issued under and pursuant to an Indenture dated December 15, 1918, duly executed and delivered by the Company to Northwestern Trust Company, a corporation of the State of Minnesota, Trustee, to which reference hereby is made for a specification of the rights of the holders of said Notes under the same, and the terms and conditions upon which said Notes are issued. Except as provided in said Indenture, all rights of action on this Note and the coupons hereto attached are vested exclusively in the Trustee under said Indenture, and the enforcement thereof is subject to the provisions of said Indenture.

The Notes of this issue, as an entirety, at the option of the Company, are subject to redemption, as provided in said Indenture, on any interest-payment date prior to maturity, upon publication in a newspaper published in the Borough of Manhattan, City of New York, of notice of such redemption at least sixty days previous to the redemption date, and upon payment of the principal of the Note to be redeemed, and a premium of one per cent. thereof, and payment also of the interest on such Notes accrued to such date of redemption.

In case of the happening of an event of default as specified in said Indenture, the principal sum of the Notes of this issue may be declared, or may become, due and payable immediately as in said Indenture provided.

This Note shall pass by delivery, unless it is registered in the owner's name at the office or agency of the Company in the aforesaid Borough of Manhattan, City of New York, and such registration is noted hereon by the registrar. After such registration, no transfer shall be valid unless made by the registered owner, in person or by attorney, and similarly noted hereon by the registrar; but this Note may be discharged from registry and its transferability by delivery be restored, by like transfer to bearer noted hereon, after which it may again from time to time be registered or made transferable to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery merely.

This Note shall not become or be obligatory for any purpose until the certificate of authentication endorsed hereon shall have been signed by the Trustee under said Indenture.

IN WITNESS WHEREOF, The Saint Paul Union Depot Company has caused this Note to be signed in its name by its President or a Vice-president, and its corporate seal to be affixed hereto and to be attested by its Secretary or an Assistant Secretary and coupons for said interest bearing the engraved facsimile signature of its Treasurer to be attached hereto.

Dated the fifteenth day of December, A. D. 1918.

THE SAINT PAUL UNION DEPOT COMPANY

By

(Vice President)

[L. S.]

Attest:

(Assistant) Secretary.

AND WHEREAS, There are to be attached to each of the said notes, at the time of the issue thereof, coupons representing the semi-annual instalments of interest which are to become due thereon, of which the first is payable June 15, 1919, each of which coupons is to be substantially of the following tenor,—the proper number of the coupon, date of payment, face amount, number of the note, and facsimile signature of the

Treasurer, having been inserted in the respective blanks therefor, to wit:

[FORM OF INTEREST COUPON]

No. $.............

On the fifteenth day of (unless the Note hereinafter mentioned shall have been called for previous redemption), The Saint Paul Union Depot Company will pay to bearer, at the office of J. P. Morgan & Co. in the City of New York, N. Y., Dollars, United States gold coin of the standard existing December 15, 1918, without deduction for Federal income taxes as specified in the Note, being six months' interest then due on its Five-Year 5½% Guaranteed Gold Note, No.

Treasurer.

AND WHEREAS, On each of said notes there is to be endorsed a certificate of the Trustee substantially of the following tenor, to wit:

[FORM OF TRUSTEE'S CERTIFICATE.]

This Note is one of the notes described in the within-mentioned indenture.

NORTHWESTERN TRUST COMPANY,

Trustee,

By

AND WHEREAS, Each of the coupons to be attached to said notes is to be authenticated by the facsimile signature of the present Treasurer or of any future Treasurer of the Company, and for that purpose the Company may adopt and may use the facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that he shall have ceased to be such Treasurer at the time when any such note shall be actually certified and delivered; and

WHEREAS, Pursuant to an agreement between the aforesaid nine stockholding tenants of the Company as parties of the first part thereto, the Trustee under this indenture as party of the second part thereto, and the Company as party of the third part thereto, duly executed and delivered contemporaneously with the execution and delivery of this indenture and on file with the Trustee, it is agreed and provided that all of the notes issued under this indenture shall have inscribed thereon a writing as follows, the execution whereof by the said nine stockholding tenants of the Company may be evidenced either by the engraved signatures in fac-simile of the President or a Vice-President of each respectively, or by the manual signatures of the President or a Vice-President of each respectively, to wit:

"For value received, the undersigned corporations, pursuant to due corporate authority and proceedings, respectively, hereby jointly and severally do unconditionally guarantee to the holder of the within note the due and punctual payment of the principal and interest of said note and indebtedness, as such principal and the instalments of such interest shall respectively become due and payable, whether at maturity or by declaration or otherwise pursuant to the provisions of said note and coupons or of the indenture in said note mentioned.

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY,
By ....
(Vice) President.

CHICAGO, ST. PAUL, MINNEAPOLIS AND OMAHA RAILWAY COMPANY,
By ....
(Vice) President.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY,
By ....
(Vice) President.

MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY,
By ....
(Vice) President.

GREAT NORTHERN RAILWAY COMPANY,
By ....
(Vice) President.

NORTHERN PACIFIC RAILWAY COMPANY,
By ....
(Vice) President.

CHICAGO GREAT WESTERN RAILROAD COMPANY,
By ....
(Vice) President.

THE MINNEAPOLIS AND ST. LOUIS RAILROAD COMPANY,
By ....
(Vice) President.

THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY COMPANY,
By ....
(Vice) President.

WHEREAS, All things necessary to make such notes, when certified by the Trustee, the valid, binding and legal obligations of the Company, and these presents a valid agreement for the purposes herein set forth, have been done and performed and have happened, and the execution and issue of said notes and the execution and delivery of this indenture have been in all respects duly authorized;

Now Therefore, This Indenture Witnesseth:

That in order to promote the equal and proportionate benefit of all and singular the present and future holders and registered owners of the notes and coupons issued and to be issued and outstanding under this indenture, without preference, priority or distinction of any of said notes over any of the others by reason of priority in the time of the issue or negotiation thereof, or otherwise, *subject, however,* to the terms, provisions and stipulations contained in said notes and also to the conditions, covenants, provisos and agreements in this indenture expressed and declared; and in consideration of the premises, and of the purchase and acceptance of such notes by the holders and registered owners thereof, severally and respectively, and of the sum of one dollar by each party hereto to the other duly paid at the execution of these presents, the receipt whereof is hereby acknowledged, and for other valuable considerations, it is covenanted between the parties hereto, and for the benefit of the respective holders and registered owners from time to time of the notes and coupons issued hereunder, as follows, *viz:*

ARTICLE ONE

SECTION 1. The amount of notes hereby secured, which may be executed by the Company, and which may be certified by the Trustee, is limited so that never at any time shall there be outstanding notes, hereby secured, for an aggregate principal sum exceeding $8,000,000.

From time to time, the notes to be secured hereby shall be executed by the Company, and by it shall be delivered to the Trustee, and thereupon, as provided in this Article and not otherwise, the Trustee shall certify and shall deliver the same.

The notes and the coupons thereto attached respectively shall be substantially of the tenor and purport above recited. The notes shall be each for the principal sum of $5,000 or of $1,000 or of $100, and may be of any multiple of $5,000 that shall have been authorized by the Company by resolution of its Board of Directors.

Each note of the denomination of $1,000 shall bear a distinctive serial number or letter, or both, the numbers to be from 1 upwards, consecutively.

Each note of the denomination of $5,000 or a multiple thereof, or of $100, shall be identified by a distinctive number or letter, or both, in accordance with such plan as may be adopted by the Company with the approval of the Trustee, and may bear a legend containing such specifications as to exchangeability as may be required to conform to the rules of any stock exchange or to custom.

Whenever ten notes for $100 each, with all unmatured coupons thereto belonging, shall be surrendered for exchange for a note for $1,000, the Company shall execute, and the Trustee shall certify and deliver, a note for $1,000, with all unmatured coupons thereto attached. Whenever any note for $5,000 or a multiple thereof, with all unmatured coupons thereunto belonging, shall be surrendered for exchange for notes of authorized smaller denominations, the Company shall execute, and the Trustee shall certify and deliver, notes of such smaller denominations (not less than $1,000) for an aggregate principal amount equal to the principal amount of the note surrendered for such subdivision. The Company at its option at any time may authorize the issue of $100 notes in exchange for $1,000 notes or $5,000 notes. For any exchange of notes, the Company, at its option, may require the payment of

a sum sufficient to reimburse it for any stamp tax or other governmental charge, and, in addition thereto, the further sum of one dollar for each new note issued.

Only such notes as shall bear thereon a certificate, substantially in the form hereinbefore recited, duly executed by the Trustee, shall be issued under this indenture, or shall be entitled to any benefit hereunder. No note nor any coupon thereto appertaining shall be valid for any purpose until such certificate on such note shall have been duly signed by the Trustee. Such certificate of the Trustee upon any note executed by the Company, shall be conclusive evidence, and the only evidence, that the note so certified has been duly certified and delivered hereunder.

The Trustee shall not certify or deliver any note until all coupons thereof then matured shall have been detached and shall have been canceled.

SEC. 2. In case any of the officers who, on behalf of the Company, shall have signed any of the notes issued under this indenture, shall die, or shall cease to be such officer of the Company, before the notes so signed shall have been actually certified by the Trustee, or delivered or sold, nevertheless upon the request of the Company, such notes shall be certified and delivered, as herein provided, and may be sold or otherwise disposed of by the Company, as though the persons who signed and sealed such notes had not died or ceased to be such officers of the Company; and also any such note may be signed in behalf of the Company by such persons as at the actual date of the execution of the note shall be the proper officers of the Company, although on December 15, 1918, any such person shall not have been such officer. The coupons attached to the notes shall bear the facsimile signature of the present treasurer or of any future treasurer of the Company, and for that purpose the Company may adopt and use the facsimile signature of any treasurer, notwithstanding the fact that at the time when such notes shall be actually certified and delivered or sold he shall have ceased to be the treasurer of the Company.

SEC. 3. The notes authorized to be issued under and secured by this indenture for the aggregate principal sum of $8,000,000 shall be executed by the Company and be delivered to the Trustee for certification, and as soon as may be after the execution of this indenture, without any further corporate action on the part of the Company, shall be certified and be delivered by the Trustee upon the written order of the Company, signed by its President or a Vice-President and by its Secretary or Treasurer or Auditor under the corporate seal.

The Company covenants that forthwith upon the receipt by it of the proceeds of said notes in an amount sufficient therefor, it will pay and discharge its outstanding promissory notes (or any renewals or extensions thereof) for the aggregate principal amount of $4,630,000 described in the recitals of this indenture, and will cause its First and Refunding Mortgage bond pledged as security for such notes to be surrendered to the trustee of the mortgage whereunder such bond has been issued, as hereinafter more specifically provided.

SEC. 4. Pending the preparation of the definitive notes to be issued under this indenture, the Company may execute and deliver temporary notes (printed or typewritten) without coupons, substantially in the form of the notes hereinbefore recited, in amounts of $1,000 or of any multiple of $1,000, and each of said notes shall be marked "Temporary Note."

Such temporary notes shall be duly certified and delivered by the Trustee in the same manner as herein provided in respect of the definitive notes to be issued under this indenture; and such certificate of the Trustee shall be conclusive and the only evidence that any such temporary note so certified has been duly certified and delivered hereunder, and is entitled to the benefit of the trusts hereby created.

Temporary notes shall be exchangeable at the place of payment of the notes in the City of New York, without expense to the holder, for definitive notes, when prepared, of denominations authorized. Temporary notes, until definitive notes are prepared for delivery, shall be exchangeable for other temporary notes of a like principal amount, whether of the same or of different denominations. Immediately upon any such exchange, the surrendered temporary notes shall be canceled by the Trustee and be delivered to the Company. Until so exchanged, the temporary notes shall in all respects be entitled to the lien and security of these presents.

Without unnecessary delay, the Company will execute and will furnish definitive notes, to be exchanged for the temporary notes, upon surrender thereof to the Trustee.

SEC. 5. In case any note secured hereby or the coupons thereto appertaining shall become mutilated or be destroyed, the Company may execute, and, upon its request, the Trustee shall certify and deliver, a new note of like tenor and date (including coupons for interest thereon) bearing the same serial number or other designation, in exchange and substitution for and upon cancellation of the mutilated note and its coupons, or in lieu of and in substitution for the same destroyed. In case of destruction, the applicant for a substituted note and coupons shall furnish to the Company and to the Trustee evidence to their satisfaction, in their discretion, of the destruction of such note and its coupons, and also such security or indemnity as shall be required by the Company and the Trustee.

SEC. 6. Nothing in this indenture, or in the notes secured hereby, expressed or implied, is intended, or shall be construed, to give to any person, firm, or corporation, other than the parties hereto and the holders of the said notes, any legal or equitable right, remedy or claim under or in respect of this indenture, or under any covenant, condition or provision herein contained; all its covenants, conditions and provisions being intended to be, and being, for the sole and exclusive benefit of the parties hereto and of the holders of the notes issued hereunder.

ARTICLE TWO

THE COMPANY COVENANTS AS FOLLOWS:

Section 1. Duly and punctually the Company will pay the interest and the principal of the notes issued hereunder at the times and place and in the manner specified in said notes, without deduction from such interest for any Federal income taxes which the Company or the Trustee may be required to pay or to deduct at the source.

SEC. 2. The Company, at an office or agency of be maintained in the Borough of Manhattan, City of New York, will keep a register or registers for the registration of notes issued under this indenture, in which it will register as to the principal sum thereof, subject to such reasonable regulations as it may prescribe, any of the notes, upon presentation for such purpose. After such registration, no transfer shall be valid unless made on the books of the Company by the registered holder in person or by his duly authorized attorney.

Upon presentation at said office or agency of any note so registered, accompanied by delivery of a written instrument of transfer in form approved by the Company, executed by the registered holder, such note shall be transferred upon such register by the registered holder, in person or by attorney. The registered holder of any such registered note shall have the right also to cause the same to be discharged from registration, by being transferred in like manner to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such note when due shall be payable to the person presenting the note; but any such note may again be registered in the name of the holder with the same effect

as a first registration thereof. Successive registrations and transfers as aforesaid may be made from time to time as desired. Each registration of a note shall be noted thereon.

Registration of any note, however, shall not affect the transferability, by delivery merely, of any coupon thereto belonging, and payment to the bearer of any such coupon shall discharge the Company in respect of the interest therein mentioned, whether or not the note to which such coupon appertained shall have been registered.

The said registers may be closed from the date of any drawing of notes for redemption until the date of such redemption.

SEC. 3. Forthwith upon the payment and discharge of the outstanding promissory notes (or any renewals or extensions thereof) of the Company for the aggregate principal amount of $4,630,000, pursuant to the covenants of the Company in that behalf contained in Section 3 of Article One of this indenture, the Company will surrender to the trustee under its aforesaid First and Refunding Mortgage dated January 1, 1917, the First and Refunding Mortgage bond or bonds issued under such mortgage and pledged as security for the payment of such notes, and will direct the said trustee of said mortgage to cancel such bond or bonds.

SEC. 4. Unless and until all of the notes and appurtenant coupons at any time issued and outstanding under this indenture shall have been discharged and cancelled, or, as provided in Article Seven of this indenture, provision for the payment of such notes and coupons shall have been made by the deposit with the Trustee of the amounts due and to become due and payable thereon, the Company will not issue nor permit to be issued (1) any bonds under its aforesaid First and Refunding Mortgage to Northwestern Trust Company, Trustee, dated January 1, 1917, nor (2) any bonds under its aforesaid First Mortgage to Central Trust Company of New York dated May 1, 1880, or any bonds under its aforesaid Consolidated Mortgage to St. Paul Trust Company dated May 1, 1894, if thereby the aggregate principal amount of the bonds at such time outstanding under such First Mortgage shall be increased, or if thereby the aggregate principal amount of bonds at such time outstanding under said Consolidated Mortgage shall be increased.

SEC. 5. The Company will not create any mortgage, lien or charge upon any of its station or terminal property or franchises or rights appurtenant thereto, unless such mortgage, lien or charge shall secure the indebtedness evidenced by any and all notes and coupons issued hereunder and then outstanding and the payment of which is not provided for under the provisions of Article Seven of this indenture, equally and ratably with any and all other indebtedness secured by such mortgage, lien or charge.

ARTICLE THREE

SECTION 1. The Company, at its option, may redeem all of the notes issued under this indenture and outstanding, as an entirety, but not any part thereof, on June 15, 1919, or on any interest day subsequent to said date and prior to maturity, at 101 per cent. of the principal sum of each note to be redeemed, and upon payment also of the then accrued interest.

Upon publication of notice of redemption as hereinafter provided, the notes shall be payable at the redemption price with accrued interest as aforesaid, on the redemption date, and at the place, in such notice set forth. Each and every holder of any note issued under this indenture hereby agrees upon any such redemption to accept payment thereof upon the date fixed for redemption at the said redemption rate of 101 per cent of the principal sum, payment of interest to such redemption date being also made, all as hereinafter provided.

Unless default shall be made in the payment upon presentation of any notes in accordance with any notice of redemption given pursuant to this Article, all interest after the date of redemption designated in said notice shall cease to accrue upon the notes called for redemption, and the coupons for interest maturing subsequent to said date of redemption shall become and be void.

SEC. 2. The Company shall give notice of its intention so to redeem such notes by publication at least ten times, the first publication to be not less than sixty days nor more than sixty-five days preceding the date fixed for such redemption, in one newspaper of general circulation in the Borough of Manhattan, City of New York.

Such notice shall state the aggregate principal amount of the notes called for such redemption and the interest date fixed for such redemption, and shall recite in substance that upon surrender to the Company at a designated place in the Borough of Manhattan, City of New York, of each and every of the notes, together with all unmatured coupons thereto appertaining, 101 per cent of the principal sum of each such note will be paid upon the interest date named in such notice.

The interest upon the notes maturing on the redemption date shall also be paid by the Company at the place of redemption, if the coupon evidencing such interest be surrendered with the note. If such coupon be not surrendered with the note at the time of redemption, the interest represented thereby shall continue to be payable upon surrender of the coupon at the place of payment specified therein.

In any case wherein such redemption day shall be a legal holiday, payment of the redemption price due on the notes on such day may be made on the next succeeding day not a legal holiday, with the same force and effect as if made on the nominal interest day.

SEC. 3. A copy of any notice of redemption published pursuant to the provisions of this Article, shall be mailed by the Company to the registered holder of each registered note, addressed to the last post-office address for such purpose given by such noteholder to the Company.

ARTICLE FOUR

SECTION 1. If one or more of the following events, hereinafter called the events of default, shall happen, that is to say,

(*a*) Default shall be made in the payment of any installment of interest on any of the notes issued hereunder when such installment of interest shall become payable, and such default shall continue for a period of sixty days; or

(*b*) Default shall be made in the payment of any instalment of interest of any of the bonds outstanding under the aforesaid First Mortgage of the Company or on any of the bonds outstanding under the aforesaid Consolidated Mortgage of the Company, and any such default shall continue for a period of sixty days; or

(*c*) Default shall be made by the Company in the observance or performance of any of its covenants contained in Section 3 or in Section 4 or in Section 5 of Article Two of this indenture; or

(*d*) Default shall be made in the observance or performance of any of the other covenants, conditions, and agreements in said notes or in this indenture expressed, and the Company shall not remedy such default within sixty days after written notice, requiring it to comply with such covenant, condition or agreement, shall have been served upon the Company by the Trustee (which in its discretion may, and, at the request of the holders and registered owners of one-fourth in amount of the bonds then outstanding, shall, serve such notice);

then, and in each and every such event, the Trustee, in its discretion, may, and, upon a requisition in writing signed by the holders and registered owners of one-fourth in amount of the notes then outstanding, or by the agents of such holders and registered owners duly authorized in writing, shall declare the principal of all the notes to be forthwith due and payable.

This provision, however, is subject to the condition that if, at any time after the principal of said notes shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been recovered as hereinafter provided, all arrears of interest upon all the notes secured hereby, with interest on overdue coupons at the rate of six per cent. per annum, and the expenses of the Trustee,

shall be paid by the Company, and all defaults under this indenture shall have been remedied,—then and in such case the holders of a majority in amount of the notes then outstanding, by written notice to the Company and to the Trustee, may rescind or annul such declaration and its consequences; but no such rescission or annulment hereunder shall extend to or affect any subsequent default, or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this indenture, and such proceedings shall have been discontinued or abandoned because of such waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored to their former position and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SEC. 2. The Company covenants that (1) in case default shall be made in the payment of any installment of interest on any note or notes at any time outstanding under this indenture and the default in the payment of such installment shall have continued for the period of sixty days, or (2) in case default shall be made in the payment of the principal of any such notes when the same shall become payable, whether at the due date of said notes, or by declaration as authorized by this indenture —then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders and registered owners of the notes and coupons issued hereunder and then outstanding, the whole amount that then shall have become due and payable on all such notes and coupons then outstanding, for interest or principal or both, as the case may be, with interest at the rate of six per cent. per annum upon the overdue principal and overdue coupons; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder.

Until such demand is made by the Trustee, the Company may pay the principal and interest of the notes to the holders and registered owners thereof, and shall not be affected by any notice to the contrary, whether the notes are overdue or not. If however, demand shall be so made, payment of the notes or of the coupons shall be made thereafter only to the Trustee.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as Trustee of an express trust, shall be entitled and empowered to institute such action or proceedings at law or in equity as may be advised by counsel learned in the law, for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree; and may enforce any such judgment or final decree against the Company, and collect the moneys adjudged or decreed to be payable out of the property of the Company, wherever situate, in the manner provided by law.

All rights of action under this indenture, or under any of said bonds or coupons, may be enforced by the Trustee without the possession of any of the notes or coupons, or the production thereof on any trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be made for the ratable benefit of the holders and registered owners of said notes and coupons.

SEC. 3. Any moneys collected by the Trustee shall be applied in the order following, at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several notes and coupons, and stamping thereon the payment if only partially paid, and upon surrender thereof if fully paid:

First. To the payment of costs and expenses, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee;

Second. To the payment of the whole amount then owing or unpaid upon the notes issued hereunder for principal and interest, with interest at the rate of six per cent. per annum on the principal after maturity and on overdue coupons, and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the said notes, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably, to the aggregate of such principal and accrued and unpaid interest.

In case default shall be made in the payment of any installment of interest on any of the notes outstanding under this indenture, and if at any time during the continuance of such default there shall be any existing judgment against the Company unsatisfied or unsecured by bond on appeal, or if in any judicial proceeding by any party other than the Trustee a receiver of the Company or of its property shall have been appointed and be acting, or a judgment or order for the sequestration of the property of the Company shall be entered or shall be in force, the Trustee shall be entitled forthwith to enforce and exercise any and all rights and remedies in this Article Four conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as in this indenture provided, without awaiting any period of grace in respect of such default prescribed.

SEC. 5. Anything in this indenture contained to the contrary notwithstanding, the holders and registered owners of seventy-six per cent. in amount of the notes from time to time outstanding, shall have the right to waive any event of default and its consequences, whether before or after proceedings shall have been taken by the Trustee to enforce the notes or this indenture, and shall have the right to direct and control the action of the Trustee in any proceedings instituted by the Trustee for the enforcement of the notes or of this indenture; and it shall be the duty of the Trustee, in so far as in its judgment it may lawfully do so, to conform to and be governed by such waiver and direction; but no such waiver shall extend to or affect any subsequent event of default or impair any right consequent on the happening thereof.

SEC. 6. In order to promote and to protect the equal ratable rights of every holder or registered owner of the notes to be issued under this indenture, and to avoid multiplicity of suits, it is expressly covenanted and agreed that all the notes issued hereunder are subject to the condition that all rights of action thereon, or in respect thereof, or on or in respect of the coupons thereto appertaining, are vested exclusively in the Trustee under this indenture, and that no holder or registered owner of any note, or of any coupon appertaining thereto, shall have any right to institute any action at law or in equity upon the said notes or any of the coupons, or growing out of any provision thereof, or of this indenture, or for the enforcement of this indenture, unless and until the Trustee shall refuse and neglect to institute proper proceedings within a reasonable time after request of the holders or registered owners of one-fourth in amount of the notes then outstanding, filed with the Trustee, with offer of reasonable indemnity; and any recovery in any action or proceeding instituted by the holder or registered owner of any note, or by the holder of any coupon, shall be for the equal *pro rata* benefit of all outstanding notes similarly situated.

ARTICLE FIVE

No recourse under or upon any obligation, covenant or agreement of this indenture, of or any note hereby secured, or because

of the creation of any indebtedness hereby secured, shall be had against any incorporator, stockholder, officer or director of the Company, or of any successor corporation, as such, either directly or through the Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise; it being expressly understood that this indenture and the obligations hereby secured, are solely corporate obligations, and that no personal liability whatever shall attach to, or shall be incurred by, the incorporators, stockholders, officers or directors of the Company, or of any successor corporation, or any of them, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this indenture, or in any of the notes secured by this indenture, or implied therefrom; and that any and all personal liability of every name and nature, either at common law or equity, or by statute, of, and any and all rights and claims against, every such stockholder, officer or director, are hereby expressly waived as a condition of, and as consideration for the execution of this indenture, and the issue of such notes. Nothing in this Article Five contained shall be construed as relieving any of the aforesaid nine stockholding tenants of the Company from liability by reason of any guaranty or other form of express contract by which the payment of the notes issued hereunder or the interest thereon, or any part of either, has been or may be guaranteed or assumed by such nine stockholding tenants of the Company or any thereof.

ARTICLE SIX

SECTION 1. Any request or other instrument, required by this indenture to be signed and executed by noteholders, may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such noteholders in person or by agent appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent, and of the holding by any person of any of the notes, shall be sufficient for any purpose of this indenture, and shall be conclusive in favor of the Trustee and the Company with regard to due action taken by it under such request or other instrument, if made in the manner specified in this Article.

The fact and date of the execution by any person of any such request, or other instrument, or writing, may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in New York, that the person whose name was subscribed to such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

The fact of the holding of any of the notes by any person executing any such request or other instrument as a noteholder and the amounts and distinctive serial numbers of the notes held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depositary (whatever situated), if such certificate shall be deemed by the Trustee to be satisfactory, stating that at the date therein mentioned such person had on deposit with such depositary, or had exhibited to it, the notes described in such certificate; *provided* such notes be not registered. Until the Trustee shall be expressly notified to the contrary, the Trustee, in taking any action on the faith of any such certificate, may deem that the holding of the notes, as specified in such certificate, shall have continued. The fact of the holding of a registered note and the amount and distinctive serial number thereof and the date of holding the same shall be proved by the books of the Company for the registry of such notes.

SEC. 2. The Company and the Trustee may deem and treat the bearer of any note not registered or of any coupon, hereby secured, as the absolute owner of such note or coupon, as the case may be, and shall also treat the registered holder of any

such note as the absolute owner thereof for the purpose of receiving payment thereof and for all other purposes; and neither the Company nor the Trustee shall be affected by any notice to the contrary.

ARTICLE SEVEN

SECTION 1. If, when all the notes hereby secured shall have become due and payable, the Company well and truly shall pay, or shall cause to be paid, the whole amount of the principal moneys (and premium, if any) and the interest due upon all of such notes, or shall provide for such payment by depositing with the Trustee, for the payment of such notes and coupons, the entire amount then due thereon for principal (and premium, if any) and interest, and also shall pay, or shall cause to be paid, all other sums payable hereunder by the Company, and well and truly shall keep and perform all the things herein required to be kept and performed by it according to the true intent and meaning of this indenture, then, and in that case, the Trustee, on request of the Company, and at its cost and expense, shall execute proper instruments, acknowledging satisfaction of and discharging this indenture; otherwise this indenture shall be, continue and remain in full force and virtue.

ARTICLE TEN

SECTION 1. The Trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care; or for any thing whatever in connection with this trust, except wilful misconduct or gross negligence. The Trustee shall not be under any obligation to take any action towards the execution or the enforcement of the trusts hereby created, which, in its opinion, will be likely to involve it in expense or liability, unless one or more of the holders of the notes hereby secured shall, as often as required by the Trustee, furnish indemnity satisfactory to the Trustee against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder, or be deemed to have notice of any such default, unless notified in writing of such default by the holders of at least five per cent of the principal amount of the notes hereby secured then outstanding, or be required to take action in respect of any default unless requested to take action in respect thereof by a writing signed by the holders of not less than twenty-five per cent of the principal amount of the notes hereby secured, then outstanding and tendered satisfactory indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but the foregoing provisions of this section are intended only for the protection of the Trustee, and shall not be construed to limit or to affect any discretion or power by any provision of this indenture given to the Trustee to determine whether, or not it shall take action in respect of any default, or any power or discretion of the Trustee to take action in respect of any default without such notice or request from noteholders.

Any action taken by the Trustee upon the request of any person who at the time is the owner or holder of any such note or notes, shall be conclusive and binding upon all future owners and holders of the same note or notes.

The Trustee shall incur no liability to anybody in acting upon any notice, request, consent, certificate, note, document or paper believed by it to be genuine and to have been signed by the proper person.

The recitals and statements herein and in said notes contained are and shall be taken as statements by the party of the first part alone and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for, and it makes no representation in respect of, the legality or validity of said notes, or of this indenture.

The Trustee may become the owner of notes secured hereby with the same rights which it would have if it were not trustee.

The Trustee, in its discretion, may advise with legal counsel to be selected and employed by it at the expense of the Company, and anything done or suffered in good faith by the Trustee in accordance with the opinion of counsel shall be conclusive in favor of the Trustee as against the Company and all holders of notes secured hereby.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created, and the Company agrees to pay such compensation as well as all expenses necessarily incurred or disbursed by the Trustee hereunder, from time to time upon demand.

The Trustee shall be under no duty or obligation to see to the application of the proceeds of any note issued under this indenture.

Any moneys received by the Trustee under any provision of this indenture may be treated by it, until it is required to pay out the same conformably herewith, as a deposit, without any liability for interest save such as during that time it allows to its general depositors or agrees with the Company to pay thereon. So long as there shall exist no default in the payment of the principal or interest of the notes hereby secured, all interest allowed on any such moneys so deposited may be paid from time to time to the Company, or upon its order, signed by its President or any Vice-President or Treasurer.

Sec. 2. The Trustee, or any trustees hereafter appointed, may resign and may be discharged of the trusts created by this indenture, by giving notice thereof to the Company and to the noteholders, by publication, at least twice a week, for two successive calendar weeks, in one newspaper at that time published in the Borough of Manhattan, City of New York, State of New York, and in one newspaper at that time published in the City of St. Paul, State of Minnesota.

Such resignation shall take effect on the day specified in such notice, unless previously a successor trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of a successor trustee.

Any trustee may be removed at any time by an instrument in writing under the hands of three-quarters in interest of the holders of the notes hereby secured, then outstanding.

SEC. 3. In case at any time said Trustee, or any trustee hereafter appointed, shall resign or shall be removed or otherwise shall become incapable of acting, a successor or successors may be appointed by the holders of a majority in amount of the notes hereby secured then outstanding, by an instrument or concurrent instruments signed by such noteholders or their attorneys-in-fact duly authorized; *provided, nevertheless*, and it is hereby agreed and declared that in case at any time there shall be a vacancy in the office of Trustee hereunder, the Company, by an instrument executed by order of its Board of Directors, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the noteholders as herein authorized. Thereupon the Company shall publish notice of such appointment once a week for two successive calendar weeks in a newspaper published in the Borough of Manhattan, City of New York, State of New York, and in a newspaper published in the City of St. Paul, State of Minnesota, but any new trustee so appointed by the Company shall immediately and without further act be superseded by a trustee appointed in the manner above provided by the holders of a majority in amount of the notes hereby secured, if such appointment by noteholders be made prior to the expiration of one year after the last publication of such notice. Every such trustee appointed in place of Northwestern Trust Company or its successor in the trust, shall always be a trust company in good standing, doing business in the City of St. Paul or in the City of New York, and having a capital and surplus aggregating at least $1,000,000, if there be such a trust company willing and able to accept the trust upon reasonable or customary terms.

Any such new trustee appointed hereunder shall execute and

acknowledge, and shall deliver to the trustee last in office, and also to the Company, an instrument accepting such appointment hereunder, and thereupon such new trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder with like effect as if originally named as trustee herein; but nevertheless, on the written request of the new trustee, the trustee ceasing to act shall execute and deliver an instrument transferring to such new trustee, upon the trusts herein expressed, all the rights, powers and trusts of the trustee so resigning or removed. Upon request of any such new trustee, the Company shall make, execute, acknowledge and deliver any and all instruments in writing for more fully and certainly vesting in and confirming to such new trustee all such rights, powers and duties.

ARTICLE ELEVEN

SECTION 1. All covenants, stipulations, promises and agreements in this indenture contained, by or in behalf of the Company, shall bind its successors and assigns, whether so expressed or not.

SEC. 2. In case the Company shall be consolidated or merged with any other corporation, or shall sell, convey and transfer to another corporation, its railroad property as an entirety, the successor corporation formed by such consolidation, or into which the Company shall have been merged, or which shall have purchased and received a conveyance and transfer, as aforesaid—upon executing an instrument satisfactory to the Trustee, whereby such successor corporation shall assume the due and punctual payment of the principal and interest of the notes hereby secured, and the performance of all the covenants and conditions of this indenture—shall succeed to, and be substituted for, the Company, party of the first part hereto, with the same effect as if it had been named herein as such party of the first part; and such successor corporation thereupon may cause to be signed, and may issue, either in its own name or in the name of the Company any or all of such notes which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of said successor corporation, in lieu of the Company, and subject to all the terms, conditions and restrictions herein prescribed, the Trustee shall certify and shall deliver any of such notes which previously shall have been signed and delivered by the officers of the Company to the Trustee for certification and any of such notes which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the notes so issued shall have in all respects the same legal rank and security as the notes theretofore or thereafter issued in accordance with the terms of this indenture, as though all of such notes had been issued at the date of the execution hereof.

SEC. 3. For every purpose of this indenture, including the execution, issue and use of any and all notes hereby secured, the terms "Company" and "The Saint Paul Union Depot Company" include and mean not only the party of the first part hereto, but also any such successor corporation formed by consolidation or otherwise under the laws of any State or States of the United States. Every such successor or purchasing corporation shall possess, and from time to time may exercise, each and every right and power hereunder of the Company, in its name or otherwise.

SEC. 4. Except when otherwise indicated, the words "the Trustee," or "said Trustee," or any other equivalent term as used in this indenture, shall be held and construed to mean the Trustee or Trustees for the time being, whether original or successor, and the words "Trustee," "note," "noteholder," shall signify the plural as well as the singular number, the

word "amount," shall signify "principal amount," and the term "majority" shall signify "majority in amount," whether or not so expressed.

NORTHWESTERN TRUST COMPANY, TRUSTEE, party hereto of the second part, hereby accepts the trusts in this indenture declared and provided, upon the terms and conditions hereof.

IN WITNESS WHEREOF, THE SAINT PAUL UNION DEPOT, COMPANY, the party hereto of the first part, has caused this indenture to be signed by its President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed and attested by its Secretary or its Assistant Secretary, and the due execution of these presents to be proved, and NORTHWESTERN TRUST COMPANY, the party hereto of the second part, has caused this indenture to be signed by one of its Vice-Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and the due execution of these presents to be proved, all in duplicate. Executed and delivered January , 1919.

THE SAINT PAUL UNION DEPOT COMPANY,
By

[L. S.] President.
Attest:

Secretary

NORTHWESTERN TRUST COMPANY,
By

[L. S.] President.
Attest:

Secretary.

[Federal Revenue stamps for $4,000 affixed to original in possession of Northwestern Trust Company, Trustee, and duly cancelled.]

STATE OF MINNESOTA, }
COUNTY OF RAMSEY, } ss.:

On this day of , 1917, before me, a Notary Public in and for the County of Ramsey and State of Minnesota, duly commissioned, sworn and qualified as such and duly authorized to take and certify acknowledgments and proofs of deeds or conveyances of lands in said State, personally came President, and Secretary, of the Saint Paul Union Depot Company, the corporation described in and which executed the foregoing instrument, both to me being personally known, and known to be such President and Secretary respectively of such corporation, who, being by me first duly sworn, doth depose and say, each for himself, that the said is the President, and the said is the Secretary, of The Saint Paul Union Depot Company, one of the corporations described in and which executed the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation; and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and they did severally acknowledge said instrument to be the free act and deed of said corporation.

Notary Public, Ramsey County, Minnesota.

My commission expires

STATE OF MINNESOTA, }
COUNTY OF RAMSEY, } ss.:

On this day of January, 1919, before me, a Notary Public in and for the County of Ramsey, and State of Minnesota, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds or conveyances of lands in said State, personally came Vice-President, and Secretary, of Northwestern Trust Company, the corporation described in and which executed the foregoing instrument, both to me personally known, and known to be such Vice-President and Secretary, respectively, of said corporation, who, being by me first duly sworn, doth depose and say, each for himself, that the said is the Vice-President, and the said is the Secretary, of Northwestern Trust Company, one of the corporations described in and which executed the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation; and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and they did severally acknowledge said instrument to be the free act and deed of said corporation.

Notary Public, Ramsey County,
State of Minnesota.

My commission expires

Trust Indenture

Decr. 15, 1918.

Minutes.

MILWAUKEE, February 10, 1919.

Mr. C. B. Ferry,
Vice President,
42 Broadway, New York City.

Dear Sir:-

Referring to the proceedings of the Executive Committee February 6th:

I note that after the first resolution, the following appears "(Copy of Trust Indenture)," and after the second resolution, "(Copy Supplemental Contract)."

I assume that later on you will send me a copy of the Trust Indenture and also a copy of the Supplemental Contract, and that it is the intention to insert these in the minutes.

Yours very truly,

Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,
OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, February 7, 1919.

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

Dear Sir:-

I enclose you herewith proceedings of the Executive Committee at meeting held February 6th.

Very truly yours,
C. B. Terry
Vice-President.

Enclosure.

New York, Thursday, 6 February, 1919. 2 P.M.

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

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

WHEREAS, heretofore this Company has authorized the joint and several guarantee by this Company, together with the eight other railroad companies owning stock in The Saint Paul Union Depot Company, of notes of the Depot Company for an aggregate principal amount not exceeding $8,000,000. for the purpose of repaying or refunding outstanding obligations and for other proper corporate purposes of the Depot Company, if and when the directors of the Depot Company shall have authorized the issue of such notes; and

WHEREAS, The Saint Paul Union Depot Company has resolved to issue its notes, to be designated Five Year 5-1/2% Guaranteed Gold Notes, for the aggregate principal amount of $8,000,000., in the form set forth in, and pursuant to the provisions of a proposed Trust Indenture between the Saint Paul Union Depot Company and Northwestern Trust Company dated December 15, 1918, of which a copy is submitted to this meeting and shall be annexed to the minutes thereof; now therefore be it

APPROVED (Signed) BURTON HANSON.

RESOLVED, that the President or any Vice-President of this Company be, and hereby he is authorized in behalf of this Company, when and as The Saint Paul Union Depot Company shall have executed any of said notes for an aggregate principal amount not exceeding $8,000,000. to join with the eight other stockholding tenants of the Depot Company in the execution of a joint and several guaranty of the payment of the principal and interest of each and every of such notes, such guaranty to be substantially in the form set forth in the recitals of said Trust Indenture.

RESOLVED, that for the purpose of further providing for the execution of such guaranty, the President or any Vice-President and the Secretary or Assistant Secretary of this Company be, and hereby they are, authorized in its name and under its corporate seal to execute and deliver a guaranty agreement (substantially in the form submitted to this meeting and to be annexed to the minutes thereof) between this Company and the said eight other stockholding tenants of the Depot Company as parties of the first part, Northwestern Trust Company, as Trustee under said Trust Indenture, as party of the second part, and The Saint Paul Union Depot Company as party of the third part.

RESOLVED, That as authorized by the provisions of said Guaranty Agreement, this Company does adopt, and hereby authorizes to be affixed to the said guaranty upon said notes, the facsimile signature of the President or a Vice-President of this Company, and this Company does hereby adopt such execution as an execution of said guaranty by and on behalf of this Company. (Copy of Trust Indenture)

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

APPROVED
(Signed) BURTON HANSON.

RESOLVED, that the form of supplemental contract dated December 27, 1918, between The Saint Paul Union Depot Company and its tenant companies (of which this Company is one) in respect of the payment of the Five Year 5-1/2% Gold Notes and other obligations issued and to be issued for any of the purposes for which the First and Refunding Bonds of the Depot Company can properly be issued according to the terms of the Mortgage, a copy of which contract is herewith presented and made part of the minutes of this meeting, be, and it is hereby approved; and the President, or a Vice-President, of the Company is authorized to execute said contract in behalf of this Company, the execution thereof to be attested by the Company's Secretary, or an Assistant Secretary, and the corporate seal of the Company affixed thereto. The total of such Mortgage Bonds plus all obligations referred to in said contract at any time outstanding shall not exceed Eleven Million, Five Hundred Thousand Dollars ($11,500,000.).

(Copy of Supplemental Contract)

See (1)

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

C. B. Terry

Assistant Secretary.

#1

AGREEMENT.

THIS INDENTURE, made this 27th day of December, 1918, between THE SAINT PAUL UNION DEPOT COMPANY, a Minnesota corporation, party of the first part, and Chicago, Milwaukee and St. Paul Railway Company; Chicago, St. Paul, Minneapolis & Omaha Railway Company; Chicago, Burlington and Quincy Railroad Company; Minneapolis, St. Paul and Sault Ste. Marie Railway Company; Great Northern Railway Company; Northern Pacific Railway Company; Chicago Great Western Railroad Company; The Minneapolis and St. Louis Railroad Company, and The Chicago, Rock Island and Pacific Railway Company, parties of the second part.

WHEREAS, the parties entered into an indenture dated December 18, 1916, commonly called "Operating Agreement between The Saint Paul Union Depot Company and its Stockholding Tenants", by the 9th section of which the stockholdings tenants agreed among other things to pay the interest on $11,500,000.00 (or so much thereof as from time to time may be outstanding) of First and Refunding Mortgage Bonds of the Depot Company, and also "such other expenses and liabilities as may be incurred in the preservation and management of said property (of the Depot Company) and the business thereof;" and

WHEREAS, for the purpose of adding to and improving its property and in lieu of issuing at this time the First and Refunding Bonds referred to in said Section 9 the Depot Company proposes to issue its five-year 5-1/2% guaranteed gold notes to the amount of $8,000,000.00 and has borrowed and may hereafter borrow for the same purposes other moneys from time to time.

NOW THEREFORE, It is agreed between the parties that all obligations issued and to be issued for any of the purposes for which said First and Refunding Bonds can properly be issued according to the terms of the said mortgage, whether the said obligations are in form notes or bonds and whether they be secured by said mortgage or not are obligations the interest on which by the true intent and meaning of said Section 9 of the Operating Agreement is payable by the parties of the second part; and the said interest shall be treated under the Operating Agreement the same as interest upon First and Refunding Mortgage Bonds. But provided that the total of such mortgage bonds plus all the obligations referred to in this contract at any time outstanding shall not exceed $11,500,000.00.

IN WITNESS WHEREOF, that parties hereto have caused this instrument to be executed by their respective officers in that behalf duly authorized the day and year first above written.

IN PRESENCE OF:

THE SAINT PAUL UNION DEPOT COMPANY,

By ______________________ President.

ATTEST: ______________________ Secretary.

____

______________________ As to U.D.Co.

CHICAGO, MILWAUKEE & ST.PAUL RAILWAY COMPANY,

By ______________________ President,

ATTEST: ______________________ Secretary.

____

______________________ As to C.M.& ST.P.

CHICAGO, ST.PAUL, MINNEAPOLIS & OMAHA RAILWAY COMPANY,

By ______________________ President.

ATTEST: ______________________ Secretary.

____

______________________ As to C.St.P.M.& O.

CHICAGO,BURLINGTON AND QUINCY RAILROAD COMPANY,

By ______________________________ President.

______________________ As to C.B.& Q.

ATTEST: ______________________________ Secretary.

MINNEAPOLIS,ST.PAUL AND SAULT STE. MARIE RAILWAY COMPANY,

By ______________________________ President.

______________________ As to M.St.P.& S.S.M.

ATTEST: ______________________________ Secretary.

GREAT NORTHERN RAILWAY COMPANY,

By ______________________________ President.

______________________ As to G.N.RyCo.

ATTEST: ______________________________ Secretary.

NORTHERN PACIFIC RAILWAY COMPANY,

By ______________________________ President.

______________________ As to N.P.RyCo.

ATTEST: ______________________________ Secretary.

CHICAGO GREAT WESTERN RAILROAD COMPANY,

By ______________________________ President.

______________________ As to C.G.W.RR.

ATTEST: ______________________________ Secretary.

THE MINNEAPOLIS AND ST.LOUIS RAILROAD COMPANY,

By ______________________________ President.

______________________ As to M.& St.L.

ATTEST: ______________________________ Secretary.

THE CHICAGO,ROCK ISLAND AND PACIFIC RAILWAY COMPANY,

By ______________________________ President.

______________________ As to C.R.I.&P.Ry

ATTEST: ______________________________ Secretary.

Correction in
Minutes.

MILWAUKEE, February 20, 1919.

Mr. C. B. Ferry,
Vice President,
42 Broadway, New York City.

Dear Sir:-

Please refer to the first paragraph of a resolution that was adopted by the Executive Committee on February 13, 1919, reading in part as follows:

"WHEREAS, on February 10, 1919, the Public Utilities Commission, State of Illinois, by Order No. 8850," et cetera.

The date should read February 3. I have changed the record here and will ask you to make the same change upon your record.

While in Chicago a few days ago, I changed the certified copy of this resolution, which Mr. Simpson had made, to read February 3 instead of February 10.

Yours very truly,

Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,
OFFICE OF THE VICE-PRESIDENT,
FORTY-TWO BROADWAY,

NEW YORK, February 14, 1919.

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

Dear Sir:-

I enclose herewith proceedings of the Executive Committee at meeting held February 13th.

Yours very truly,

C. B. [illegible]
Vice President.

Enc.

New York, Thursday, 13 February, 1919. 2 P.M.

The Executive Committee met. There were present Messrs. Calkins, Fisher, Harkness, P. A. Rockefeller, and Stewart. Mr. Earling was also present and was invited to take part in the proceedings.

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

WHEREAS, on February ~~10~~ 3, 1919, the Public Utilities Commission, State of Illinois, by Order No. 8850, authorized the issuance by Chicago Union Station Company, known as the Station Company, of its First Mortgage Gold Bonds, the said bonds to be guaranteed by Chicago, Burlington and Quincy Railroad Company, Chicago, Milwaukee and St. Paul Railway Company, The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company, successor to The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company, and Pennsylvania Company, hereinafter named the Proprietary Companies, in the aggregate principal amount of $6,150,000. maturing the first day of July 1963, bearing interest at the rate of five percent (5%) per annum, payable semi-annually, under and in pursuance of the terms of the First Mortgage, dated July 1, 1915, made and executed by the Station Company to Illinois Trust and Savings Bank as Trustees; and

WHEREAS, by the agreement of July 2, 1915, and the supplemental agreement of February 1, 1919, the Proprietary Companies agreed, jointly and severally, to guarantee the payment by the Station Company of both the interest and principal of all and every of the said bonds, whether in temporary or definitive form according to their tenor; and

WHEREAS, the Station Company, by a resolution adopted by its Board of Directors on January 14, 1919, this day submitted, has authorized the creation of Series "B", First Mortgage Gold Bonds, to be dated January 1, 1919, bearing interest at five percent (5%) per annum, the various provisions under which the said bonds are to be issued being set forth in the said resolution; and the Station Company, by the said resolution, has requested the Proprietary Companies jointly and severally to guarantee the payment of the said $6,150,000 First Mortgage Gold Bonds in manner and form as provided and set forth in the said agreement of July 2, 1915, and the same supplemental agreement of February 1, 1919; now therefore be it

RESOLVED, that this Company hereby approves the guaranty by it of the said bonds to the amount of $6,150,000., the said bonds to bear interest at the rate of five percent (5%) per annum, payable semi-annually, and redeemable on January 1, 1924, or on any half-yearly interest date thereafter, at par plus accrued interest and the payment of a premium of five percent (5%) of the face value thereof.

APPROVED:
(Signed) E.D.Sewall,
Vice Prest.

RESOLVED, that this Company does hereby adopt the engraved signatures of itself and its President or Vice-President to the aforesaid guaranty upon the said bonds and hereby authorizes Illinois Trust and Savings Bank to countersign the said guaranty on behalf of this Company.

RESOLVED, that the countersignature of said Illinois Trust and Savings Bank on the said guaranty upon the said bonds on behalf of this Company shall be conclusive evidence of the validity and due execution thereof by this Company.

RESOLVED, that this Company authorizes and directs its President or a Vice-President to endorse the guaranty of this Company upon any temporary bond or bonds, Series "B", which may be issued by the Station Company in lieu and in contemplation of the definitive bonds of said Series "B".

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

RESOLVED, that the agreement supplemental to the agreement dated July 2, 1915, this day submitted to the Board of Directors of this Company, in the words and figures following, to-wit:

"THIS SUPPLEMENTAL AGREEMENT, made this First day of February, 1919, by and between CHICAGO UNION STATION COMPANY, hereinafter designated the Station Company, CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, THE PITTSBURGH, CINCINNATI, CHICAGO AND ST. LOUIS RAILROAD COMPANY and PENNSYLVANIA COMPANY, hereinafter designated the Proprietary Companies, THE PENNSYLVANIA RAILROAD COMPANY, PITTSBURGH, FORT WAYNE AND CHICAGO

RAILWAY COMPANY, And ILLINOIS TRUST AND SAVINGS BANK, hereinafter designated the Trustee:

WITNESSETH:

WHEREAS, the Station Company, in order to secure the payment of the principal and interest of an aggregate issue of $60,000,000.00 First Mortgage Gold Bonds, executed and delivered to the Trustee its First Mortgage, dated July 1, 1915; and

WHEREAS, all of the parties hereto except The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company entered into an agreement, dated July 2, 1915, to which this agreement is supplemental, in which terms and provisions for the construction, maintenance, operation and occupancy of a union station in Chicago, Illinois, were embodied and set forth; and

WHEREAS, Section Five of the said agreement of July 2, 1915, provides for the joint and several guaranty of the bonds of the Station Company, in manner and form as set forth in the said section, by the Proprietary Companies named therein, including The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company; and

WHEREAS, Section Twenty of the said agreement of July 2, 1915, provides that the covenants of the said agreement shall be binding upon and inure to the benefit of the respective parties thereto, their successors, lessees, grantees and assigns; and further provides that "if any of the Proprietary Companies shall consolidate with any railway company, the consolidated company shall be liable to make all payments and to perform all obligations which would be obligatory upon each of the constituent companies, if such consolidation had not been made, and shall likewise succeed to all the rights, privileges and advantages of said constituent companies'; and

WHEREAS, The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company, one of the Proprietary Companies named in the said agreement, and in the said form of guaranty, was on January 1, 1917, duly merged into a consolidated company under the name of The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company, which said consolidated company now owns in severalty all of the stock of the Station Company formerly owned by The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company;

NOW, THEREFORE, in consideration of the premises, and of the covenants and agreements and the reciprocal benefits and advantages conferred upon and secured by the parties hereto in the said agreement of July 2, 1915, to which this agreement is supplemental; and in further consideration of the rights, privileges and advantages acquired by and the promises and undertakings of The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company, it is covenanted and agreed as follows:

SECTION ONE. The Pittsburgh, Cincinnati, Chicago, and St. Louis Railroad Company hereby assumes and makes its own the obligations of The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company as contained and set forth in said Section Five of the said agreement of July 2, 1915, and in the form of guaranty contained therein, and covenants and agrees to make all payments and to perform all obligations which would be obligatory upon The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company, if the consolidation had not been made; it being the purpose and intent of this agreement that The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company shall, as it hereby does, assume the full performance of all covenants and conditions in the matter of the said guaranty imposed upon and assumed by The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company in Section Five of the said agreement of July 2, 1915.

SECTION TWO. The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company hereby expressly approves, adopts, and assumes the guarantee by The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company of all bonds heretofore issued and outstanding under the said First Mortgage of the Station Company, dated July 1, 1915, and in order to effectuate and give binding force to the provisions of the said Section Five of the said agreement of July 2, 1915, with respect to all bonds hereafter to be issued under said First Mortgage of the Station Company, dated July 1, 1915, and to substitute The Pittsburgh, Cincinnati, Chicago and St.Louis Railroad Company for The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company as one of the said Proprietary Companies of the said Station Company within the purview of the said agreement of July 2, 1915, and of Section Five thereof, it is hereby covenanted and agreed by and between the parties hereto that the said Section Five of the said agreement of July 2, 1915, shall be and the same is hereby so amended, approved and adopted, as the act of the parties hereto, that it shall read and be of full and binding force and effect as follows:

'SECTION FIVE. For the considerations aforesaid, it is hereby agreed between the Station Company, the Proprietary Companies, and the Trustee, and for the benefit of each and all of the present and future holders of all of the bonds issued or to be issued, or reissued or exchanged, under or as provided in the First Mortgage, dated July 1, A.D. 1915, by the said Station Company to Illinois Trust and Savings Bank, Trustee, as follows:

"The Proprietary Companies shall and will jointly and severally guarantee the payment by the Station Company of both the interest and principal of all and every of the said bonds, whether in temporary or definitive form, according to their tenor, by causing their guaranty to be placed on each of the said bonds issued or to be issued, or reissued or exchanged, under or as provided in the said First Mortgage, substantially in the form following:

(Form of Guaranty)

Chicago, Burlington and Quincy Railroad Company, Chicago, Milwaukee and St. Paul Railway Company, The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company, and Pennsylvania Company, for value received, do hereby, jointly and severally, unconditionally guarantee to the holder of the within bond the payment of the principal thereof and of the indebtedness represented thereby, and of the interest on the said bond and indebtedness, as such principal and the installments of the said interest shall respectively become due; and in case of the failure of Chicago Union Station Company punctually to make payment of either the principal or the interest as the same shall become due, do hereby jointly and severally agree punctually to make such payments.

IN WITNESS WHEREOF, the said guarantor companies have caused their respective corporate names and the signatures or the engraved facsimile signatures of their respective presidents or vice-presidents to be hereunto affixed and this guaranty to be countersigned on behalf of each of them by Illinois Trust and Savings Bank, their agent duly appointed for that purpose.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY

By ____________________
President.

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY,

By (Signed) R. M. Calkins
President.

THE PITTSBURGH, CINCINNATI, CHICAGO AND ST. LOUIS RAILROAD COMPANY,

By ____________________
Vice-President.

Pennsylvania Company,

By ____________________
Vice-President.

Countersigned on behalf of each of the above four Companies by

ILLINOIS TRUST AND SAVINGS BANK,

Agent,

By ____________________

The respective corporate names of the Proprietary Companies and the signatures or the engraved facsimile signatures of their respective Presidents or Vice-Presidents shall be affixed to the said guaranty. The engraved facsimile signature of any person who shall have been President or Vice-President of any of the Proprietary Companies may be used for that purpose notwithstanding the fact that he may have ceased to be such President or Vice President at the time when such bonds shall be guaranteed. The Trustee shall countersign such guaranty upon bonds issued from time to time under the said First Mortgage to an aggregate principal amount not to exceed $60,000,000. at any one time outstanding, upon receipt from time to time by the Trustee of a copy of a resolution of the Board of Directors or the Executive Committee of each of the Proprietary Companies, certified by its Secretary or an Assistant Secretary under its corporate seal, approving the guaranty of such bonds to a specified amount and stating the interest rate, terms of redemption and any variations from the forms of bonds recited in the First Mortgage. The Trustee shall also countersign without any such resolution the guaranty upon bonds issued by the Station Company and authenticated by the Trustee in accordance with the provisions of the said mortgage to replace bonds mutilated, lost or destroyed, or to effect exchanges of coupon and registered bonds or transfers of registered bonds. The Proprietary Companies adopt respectively the engraved signatures to the guaranty upon the First Mortgage Gold Bonds of Chicago Union Station Company to be issued under the mortgage dated July 1, 1915, and authorize Illinois Trust and Savings Bank to countersign the said guaranty on behalf of each of the Proprietary Companies; and its countersignature of any guaranty shall be conclusive evidence of the validity and due execution thereof by each of the Proprietary Companies.

The Proprietary Companies and each of them assent to all the terms and conditions of the said bonds, and of the said First Mortgage, and hereby waive presentation or demand of any of the said bonds and of any interest coupons, and waive protest of the said bonds and of any interest coupons, and waive notice of presentation, demand and protest, and of any sale of the mortgaged premises or other trust estate in pursuance of the said First Mortgage, whether by the Trustee thereunder or in judicial proceedings. The obligations of the Proprietary Companies shall not be affected by any action taken under the said First Mortgage in the exercise of any right or power thereby conferred or by any failure or omission on the part of the Trustee under the said First Mortgage to enforce any rights given thereunder or conferred thereby, or by any failure or omission on the part of the holder of any of the said bonds to enforce any right of such bondholder against the Station Company or any successor corporation, or by any action of the Trustee under the said First Mortgage, or of any bondholder against the Station Company or any successor corporation under the said bonds or the said First Mortgage, or by any action of the Trustee, or of any bondholder in granting indulgence to the Station Company or any successor corporation, or in waiving defaults on the part of the Station Company or any successor corporation under the said bonds or the said First Mortgage; and no proceedings taken for the enforcement of the said First Mortgage or for the sale thereunder of the mortgaged premises or trust estate shall affect the obligations of the Proprietary Companies or any of them.

The provisions of this Section Five may be enforced directly by the holders of the said bonds, as well as by the Trustee and its respective successors in the trust under the said First Mortgage, from time to time as often as occasion may arise, and shall not be subject to modification or change, anything in this agreement to the contrary notwithstanding. The Trustee is made a party to and has executed this agreement only for the purposes of this Section Five, and the Trustee shall not be considered or held to be a party to any of the provisions contained in the other sections of this agreement."

IN WITNESS WHEREOF, the parties hereto have caused this supplemental agreement to be executed by their proper officers duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries, or Assistant Secretaries, the day and year first above written."

be, and the same is hereby approved and adopted.

RESOLVED, that the President or a Vice President of the Company is hereby authorized and directed to execute the said supplemental agreement for and on behalf of this

APPROVED:
(Signed) E.B.
Vic

Company, the execution thereof to be attested by the Company's Secretary or an Assistant Secretary, and the corporate seal of the Company affixed thereto.

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

G B Terry
Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE - PRESIDENT,

FORTY-TWO BROADWAY,

NEW YORK, February 21, 1919.

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

Dear Sir:-

I enclose herewith proceedings of the Executive Committee at meeting held February 20th.

Very truly yours,

C B Terry

Vice President.

Enc.

New York, Thursday, 20 February, 1919. 2 P.M.

The Executive Committee met. There were present Messrs. Fisher, Harkness, 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 Feb. 28, 1919,
Central Union Trust Co.	"	500,000.	" " " "
Farmers'Loan & Trust Co.	"	500,000.	" " " "

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,

NEW YORK, February 28, 1919.

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

Dear Sir:

I hand you herewith proceedings of the stated Meeting of the Board and of the Executive Committee both held on February 27th, last.

Very truly yours,

C B Perry

CBF/S. Vice President.

ENC.

New York, Thursday, February 27,1919, 2 P. M.

Only Messrs. Bliss, Fisher, Geddes, Harkness, Ryan and Stewart were present to attend the stated meeting of the Board, and they adjourned for want of a quorum.

C B Terry

Assistant Secretary.

Immediately after the adjournment of the Directors present to attend the stated meeting, the Executive Committee convened. There were present Messrs. Fisher, Harkness and Stewart.

Mr. Bliss, Mr. Geddes and Mr. Ryan were invited to attend.

The Vice President presented the following preamble and resolution which were unanimously adopted:

> WHEREAS, the Director General has informed the President of this Company that there must be an adjustment of certain accounts between the Director General and the Company, relative to amounts due from the Company and amounts due to the Company, before the Director General will execute the agreement with the Company under the so-called "Federal Control Act";
>
> RESOLVED, that the President of the Company be, and he is hereby authorized and fully empowered to negotiate an adjustment of the aforesaid accounts between the Director General and the Company, as expeditiously as possible, and forthwith report the result of such negotiations to this Board or to the Executive Committee.

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

C B Terry

Assistant Secretary.

New York, April 3, 1919, 2 P. M.

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

The Vice President presented a surety bond issued by the Yorkshire Insurance Company, Ltd., of Great Britain, in the amount of $200.00 which is intended to indemnify this Company against loss or damage on account of the issuance of one Conditional Certificate of Indebtedness of $100.00 in lieu of Convertible 4½% Bond of 1932.

Whereupon, on motion duly seconded, it was unanimously

> RESOLVED, that the surety bond of the Yorkshire Insurance Company of Great Britain, in the amount of $200.00 be and it is hereby accepted; and
>
> FURTHER RESOLVED, that the proper officers are authorized to execute and deliver one Conditional Certificate of Indebtedness in the amount of $100.00 in lieu of like amount of Convertible 4½% Gold Bonds of 1932, the full paid subscription receipt representing the same being lost or destroyed.

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

C B Terry

Assistant Secretary.

New York, Thursday, 10 April, 1919. 2 P.M.

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

The President submitted a proposed circular letter to the stockholders, which on motion, duly seconded, was unanimously approved and made a part of the proceedings of this meeting; and it was further ordered that a copy of said circular letter be mailed to each stockholder of the Company at the address as shown on the Company's books:-

(Copy of Circular Letter)

"CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

Forty-Two Broadway

New York, April 12, 1919.

To the Stockholders:

On January 1, 1918, the United States Government took over the possession, use and operation of the Company's railway and system of transportation together with all balances due from agents and conductors, all cash on hand as working capital, and all materials and supplies, and has since continued to control and operate it.

On March 21, 1918, Congress passed the Federal Control Act, which among other things provides for the compensation to be paid railway companies for the use of their properties, which is determined on the basis of the average annual railway operating income covering the three years ended June 30, 1917, which is known as the "test period." The rental computed on this basis for the Chicago, Milwaukee & St. Paul Railway and its six subsidiary railways, as certified to by the Interstate Commerce Commission, amounts to Twenty-seven Million Five Hundred Six Thousand Seven Hundred Seventy-one Dollars and Forty-five Cents($27,506,771.45).

The Company filed with the Government claims somewhat in excess of Two Million Dollars ($2,000,000.00) for extra compensation in addition to the amount mentioned above. These claims were for developments resulting from newly constructed branch lines, operating economies resulting from electrification of its lines in Montana and Idaho, and other improvements and terminal facilities, the benefits from which were not fully reflected in the operating income for the "test period."

For the past ten months the officers of the Company have given constant attention to negotiations with the United States Railroad Administration in an endeavor to secure for the stockholders the best terms and conditions possible. These negotiations were concluded and the contract executed on March 29, 1919. The general policy adopted by the Director General has been to deny all claims for extra compensation. However, due to the recent expenditures for the installation of the electrical operation of 440 miles of the Company's railway between Harlowton, Mont., and Avery, Idaho, in February, he allowed the Company as extra compensation the sum of Four Hundred Forty Thousand Dollars ($440,000.00) per annum, making the total annual compensation $27,946,771.45.

For the purpose of acquainting you with the financial condition of the Company the following statements of Income, Receipts, Disbursements and Obligations for the year ended December 31, 1918, are submitted:

Annual Compensation due C.,M.& St.P.Ry System from the U.S.R.R.Administration for the year ended Dec.31,1918..		$27,506,771.45
Extra Compensation		440,000.00
Total Compensation due from U.S.R.R.Administration......		$27,946,771.45
<u>Other Income:</u>		
Income from lease of road(Lake Minnetonka Line)	$1,833.34	
Rentals Received - Miscellaneous.........	234,213.71	
Non-operating Property Income............	251,240.03	
Dividends on Securities Owned............	170,344.00	
Interest on Securities Owned.............	9,295.00	
Miscellaneous Interest on Additions and Betterments, and on advances to Subsidiary Companies	414,431.00	
Income from Sinking and Ins.Res.Funds....	34,801.30	
Miscellaneous Income.....................	42,405.04	
Revenue Earned prior to Jan.1,1918, credited in account by the U.S.R.R. Administration........................	1,143,676.31	2,302,239.73
		$30,249,011.18
<u>Income Deductions:</u>		
Interest on Bonds......................	$16,767,186.15	
Corporate Organization Expenses......	163,214.77	
War Taxes Accrued....................	376,628.03	
Miscellaneous Rentals Paid...........	27,520.32	
Expense of Separately Operated Properties........................	124,845.46	
Interest on Notes....................	663,084.31	
Miscellaneous Income Charges.........	153,952.77	
Income Appropriated to Sinking Fund Reserves.........................	147,104.19	
Expenses prior to Jan.1.1918,charged in account by the U. S. R. R. Administration...................	5,583,965.45	24,007,501.45
Net Corporate Income........................		$6,241,509.73

While the amount of the annual compensation to be paid the Company under the terms of the agreement with the Director General is $27,946,771.45, only a small part of this amount, viz., $8,275,000.00, was paid by the United States Railroad Administration to the Company during the year 1918. The Company was, therefore, under the necessity of borrowing certain funds to meet interest payments and other corporate obligations, as follows:

Loan from the War Finance Corporation, Washington, D.C. to pay interest.....	$8,500,000.00	
Loans from New York Banks, to pay interest............................	4,500,000.00	
Loan from United States Railroad Administration, to pay interest.....	857,000.00	
		$13,857,000.00

Besides the above loans there is due the United States Railroad Administration, for open accounts, $2,912,846.00, which will be deducted from the compensation for 1918.

In addition, the Company was under the necessity of obtaining a loan from the War Finance Corporation to retire the Trust Certificates of the Puget Sound & Willapa Harbor Railway Company, one of its six subsidiary railways, amounting to $3,000,000.00, which matured June 1, 1918, the payment of which the Company had guaranteed. The United Stat

Railroad Administration also has a charge against the Company of $10,872,711.70, on account of expenditures made by it for Additions and Betterments to the Company's property during the year 1918. Furthermore, the United States Railroad Administration has allocated to the Company 100 Heavy Type Mikado engines and 3,000 box cars (1,000 of which are to be built in the Company's shop at Milwaukee), the cost of which the Company is obliged to meet. These last three charges will be financed as soon as conditions will permit.

While your Board is hopeful of better conditions, and more favorable results for the year 1919, the complications and uncertainties of the railroad situation in general render it impossible to make a definite forecast at this time. Meanwhile, the property of the Company is being well maintained and with the return of normal conditions it is confidently expected that more favorable results will follow.

By order of the Board of Directors,

(Signed) R. M. Calkins,
President."

The President presented to the Executive Committee a statement which indicates that the expenditure to be incurred by the Chief Engineer's office in investigating all items chargeable to Capital Account, comparison of up-keep of roadway and equipment, together with determining the unit prices to be applied to Federal inventories, would approximate in payroll outlay for the year 1918-1919 an amount of $70,000.00, for which amount he requests authority.

On motion duly seconded, this matter was referred to the President with full power to take such action in respect thereto as he shoul deem necessary.

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

C B Terry

Assistant Secretary.

New York, Thursday, April 17, 1919, 2 P. M.

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

The Vice President submitted Division of Capital Expenditures: DCE Form 4 - 79
#78
80
#82
83 to 88 incl.
91, 92, 95
#96
98 to 109 incl.
114
#129
#131
#132
133

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 President of this Company. The Vice President further submitted an abstract of said DCE Forms in detail showing the total amount of such Capital Expenditures to be $196,872.00 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 they hereby are approved by the Executive Committee, and that the Standard Protest made on DCE Forms 78-82-96-129-131 and 132 be filed with the Director Division of Capital Expenditures.

DCE FORM No.	Location	Description of Work	Amount
4-79	Lewistown, Mont.	Assessment against property	1,052.00
#78	Tacoma, Wash.	Paving	2,690.00
80	Great Falls, Mont.	Assessment against property	3,034.00
#82	Sumatra, Mont.	Replacing wood pipe with w.i.pipe	1,773.00
83	Three Forks, Mont.	Assessment against property	2,564.00

DCE FORM No.	Location	Description of Work	Amount
84	Ellis Jct. Wis.	Construction two tracks	2,498.00
85	Seattle, Wash.	Assessment against property	6,397.00
86	Malden, Wash.	Installation oil tanks	1,526.00
87	Milwaukee Shops, Wis.	Improvements to shop buildings	1,525.00
88	Farmington Line, Minn.	Relaying rail,	1,150.00
91	Shermerville, Ill.	Erection gate tower and gates	1,101.00
92	Lind, Wash.	Assessment against property	1,206.00
95	Between Melstone and Marmarth, Mont.	Quarrying, transporting, placing rip-rap.	5,000.00
#96	Valencia, Mont.	Renewing culverts	1,285.00
98	Elwha Hills, Wash.	Changing rail and fastenings,	3,561.00
99	Glenview, Ill.	Erection gate tower and gates,	1,045.00
100	Mobridge, S. D.	Extension tracks west end of yard	15,448.00
101	Between Burbank and Fullerville, S.D.	Relaying rail	71,311.00
102	Between Cohassett and Cheviott, Wn.,	Relaying rail	5,852.00
103	St.Paul, Minn.	Replacing rail	2,340.00
104	Savanna, Ill.	Installation power plant machinery	20,932.00
105	Fargo, N. D.	Assessments against property	5,777.00
106	Elso, Mont.	Construction culvert and settlement with owners of water rights	22,527.00
107	Nahant, Iowa,	Installation old locomotive boiler	1,272.00
108	Hickory Grove, Ill.	Installation crossing signal	1,730.00
109	Davis Jct. Ill.	Replacing rail	2,052.00
114	Choteau, Mont.	Special assessment	2,515.00
#129	3½ mi. west Duvall, Wn.	Line change.	1,334.00
#131	Tacoma, Wash.	Renewing runways.	2,238.00
#132	Tacoma, Wash.	" "	2,707.00
133	Portage, Wis.	Remodeling for division headquarters	1,430.00
		Total	$196,872.00

Note- #Bears Standard Protest.

In the matter of the mutilated and destroyed European Loan of 1910 Bonds the following resolutions were unanimously adopted:

WHEREAS, Section 3 of Article 1 of the Indenture between Chicago, Milwaukee & St. Paul Railway Company and United States Mortgage & Trust Company and William Nelson Cromwell, as Trustees, dated June 1, 1910, securing Four Percent Fifteen-Year European Loan of 1910 Bonds, provided as follows:-

"The Railway Company agrees that if, at any time, because of their mutilation or other material condition, any of such bonds or coupons shall not be a good delivery upon any Exchange or Bourse where the same may be listed, it will, upon request of the holder thereof and upon surrender of the same, deliver, in place thereof, others, duly executed, in like form and bearing like numbers; and that, if any such bonds or coupons be lost or destroyed, then, upon request of the owner thereof, and upon proof of such loss or destruction and also upon indemnity to the reasonable satisfaction of the Railway Company and the payment of the actual expense, it will deliver, in place thereof, others, duly executed in like form and bearing like numbers."

and

WHEREAS, many of the bonds of the said issue which have been buried in the ground during the German invasion of France are now being surrendered to this Company for replacement, in some cases so mutilated as to be no longer a good delivery and in others practically destroyed with large sections of the text and coupons missing; and

WHEREAS, the By-Laws of this Company relative to the replacement of destroyed bonds provide that it may by order of its Board of Directors or of its Executive Committee enter into any agreement in respect to the replacing of bonds which have been lost or destroyed or which, because of mutilated or other physical condition, have ceased to be a good delivery;

NOW, THEREFORE, BE IT

RESOLVED that the President or the Vice President in charge of the financial and transfer office of the Company and an Assistant Secretary, if satisfied that any bond of the said Four Percent Fifteen-Year European Loan of 1910 presented to the Company has ceased to be a good delivery because of mutilation or other physical condition, may, as provided in said Section 3 of Article 1 of the Indenture dated June 1, 1910 securing the same, cause to be delivered to the holder thereof in place thereof a bond in like form and bearing the same number duly executed; and further

RESOLVED, that in cases where the bonds so presented for replacement have large portions of the text and coupons missing, the President or Vice President in charge of the financial and transfer office of the Company and an Assistant Secretary may, upon receipt of indemnity satisfactory to counsel and to the Vice-President in charge of the financial and transfer office of the Company, cause to be delivered to the respective holders thereof in place thereof bonds in like form and bearing like numbers duly executed.

On motion duly seconded it was

RESOLVED, that the Executive Committee hereby recommends to the Board of Directors that the compensation to be paid Mr. R. M. Calkins as President of the Company be in the amount of $30,000. per annum, and that the same shall be effective from November 1, 1918.

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

G B Terry

Assistant Secretary.

New York, Thursday, March 20, 1919. 2 P. M.

Only Messrs. Fisher 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, March 27, 1919, 2 P. M.

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

A copy of minutes of Board Meeting of December 26, 1918, Jan. 30th, February 27th, March 13 and March 27, 1919, and Executive Committee Meetings of January 2, 9, 16, 23rd. February 6, 13, 20, 27th, March 6th and 20th 1919 was furnished to each of the Directors present, whereupon on motion duly seconded it was

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

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

> WHEREAS, the resolutions heretofore adopted by the Executive Committee on the 16th day of January, 1919, relative to an application to the War Finance Corporation for a loan of $728,532.50, were not acted upon - the loan not being found necessary -
>
> AND, WHEREAS, the resolutions adopted by this Board at their meeting on the 13th day of March, 1919, authorizing an application to be made to the War Finance Corporation for a loan of $1,602,595.00 are rendered unnecessary because of the action of said War Finance Corporation in requiring resolutions somewhat different from those adopted;
>
> THEREFORE, RESOLVED, that the said resolutions adopted by the Executive Committee, and the said resolutions of this Board, be and the same are hereby rescinded.

The Chairman laid before the meeting the following statement showing the present requirements of the Company:

Estimated amount of War Taxes due and payable to Collector of Internal Revenue, Chicago, Ills., ...$ 200,000.00

Interest on outstanding bank loans payable April 1, 1919, ... 28,125.00

Interest on loan from War Finance Corporation payable April 1, 1919, ... - 174,000.00

Interest on Funded Debt payable April 1, 1919, as follows: 1,200,470.00

TOTAL, ... $1,602,595.00

General & Refunding 4½%	$43,089,000.	$ 969,502.50
General Mortgage 3½%	2,232,000.	19,530.00
General Mortgage 4%	12,299,000.	122,990.00
General Mortgage 4½%	7,862,000.	88,447.50
Total Bond Interest due April 1,1919,		$1,200,470.00

The Chairman also informed the meeting that there were no funds on hand for the payment of said amounts, and that the Company is unable to obtain the amount necessary by loan or otherwise other than from the War Finance Corporation.

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

RESOLVED, that the President or any Vice President and the Treasurer or any Assistant Treasurer of the Company be, and they hereby are authorized to apply to the War Finance Corporation for and in behalf of the Company for an advance or advances to the Company in a sum or sums not to exceed in the aggregate $1,600,000.00., under and pursuant to the provisions of Section Nine of the War Finance Corporation Act approved April 5th, 1918, and to execute and deliver for and in the name of the Company its promissory note or notes for such advance or advances as shallbe made payable on demand with interest at the rate of six percent per annum, payable quarterly; such note or notes to be in such form as shall be satisfactory to counsel for the War Finance Corporation, and the advance or advances to be on such other terms and subject to such rules, regulations and conditions as may be prescribed by the War Finance Corporation.

FURTHER RESOLVED, that the President or any Vice-President and the Treasurer or any Assistant Treasurer of the Company be, and they hereby are authorized to assign and pledge as collateral security for the payment of such note or notes of the Company as may be executed and delivered, such certificate or certificates of the United States Railroad Administration as shall be issued to the Company by Walker D. Hines as Director General of Railroads acting under the powers conferred by Proclamation of the President and the Acts of Congress of the United States thereunto enabling, affecting the Federal control of railroads and systems of transportation.

FURTHER RESOLVED, that the President or any Vice-President and the Treasurer or any Assistant Treasurer of the Company be, and they hereby are authorized to execute and deliver for and in behalf of the Company such application or applications or other instruments as may be necessary or proper in order to effectuate the purpose of the foregoing resolutions and to insure prompt and faithful compliance with the requirements of the War Finance Corporation with respect to such advance or advances as it shall make; and they are hereby further authorized to assign and pledge such additional collateral, if any, as may hereafter be demanded by the War Finance Corporation.

War Finance Corporation,
Washington, D. C.

Dear Sirs:

The Chicago, Milwaukee & St. Paul Railway Company (hereinafter called the Railroad Company) hereby applies for an advance of $1,600,000.00 to be evidenced by the note or notes of the Railroad Company, payable on demand with interest at the rate of six percent (6%) per annum payable quarterly, secured by an assignment and pledge of

Certificates of the United States Railroad Administration, numbered 27 to 32 and dated March 26, 1919, issued to the Railroad Company by Walker D. Hines as Director General of Railroads, acting under the powers conferred by Proclamations of the President and Acts of the Congress of the United States thereunto enabling, affecting Federal control of railroads and systems of transportation, in the aggregate principal amount of $2,000,000.00.

The Railroad Company believes the Certificates offered as collateral to be worth not less than the principal amount thereof.

The advance aforesaid is required for the purpose of enabling the Company to meet its obligations and other pressing corporate needs in amounts approved by the Director General of Railroads.

The Railroad Company is unable at this time to obtain the funds hereby requested on reasonable terms through banking channels or from the general public.

If the War Finance Corporation makes the advance hereby applied for the Railroad Company agrees to furnish such additional security as may be required of it at any time upon demand.

The Railroad Company agrees to repay such advance as shall be made to it as soon as it can obtain funds elsewhere on reasonable terms, without any demand for payment by the War Finance Corporation.

It is understood that any and all sums that shall be paid by the Director General of Railroads upon or with respect to the aforesaid Certificates are to be collected by the War Finance Corporation and applied by it in reduction of the principal of the note of the Railroad Company and that after said note with the accrued interest shall have been fully satisfied any excess shall be paid over to the Railroad Company.

It is also understood that the War Finance Corporation shall have the right to sell said Certificates through banking channels or in the general market at its option at not less, however, than the principal amount of said Certificates and accrued interest, and in the event of effecting such sale the War Finance Corporation may retain from the proceeds thereof an amount sufficient to satisfy the principal of said note and the interest accrued thereon, paying over any excess to the Railroad Company and delivering to the Railroad Company any collateral remaining, if any.

The Railroad Company will furnish you assurance as to the validity and legality of such note as it shall execute and of such additional collateral as it shall furnish. The certificate of approval of the Director General of Railroads pursuant to the provisions of Section 7 of the Federal Control Act is appended hereto.

Very truly yours,

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By C. B. FERRY
Vice President.

R. J. MARONY
Assistant Treasurer.

UNITED STATES RAILROAD ADMINISTRATION,
Office of the Director General,
Washington, D. C.

March 27th, 1919.

Acting under the authority conferred on me by Proclamation of the President of the United States of America, dated January 10, 1919, made by virtue of the authority vested in him by law, including 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", I hereby approve as consistent with the public interest, under Section 7 of said Act, the issue by the Chicago, Milwaukee & St. Paul Railway Company of its note dated March 31, 1919, in the aggregate principal sum of $1,600,000.00 payable to the War Finance Corporation on demand with interest at the rate of six percent (6%) per annum, secured by the assignment and pledge of the following collateral:

> Certificates of the United States Railroad Administration numbered 27 to 32 and dated March 26th, 1919, issued to the Railroad Company by Walker D. Hines as Director General of Railroads acting under the powers conferred by Proclamation of the President and Acts of the Congress of the United States thereunto enabling, affecting Federal control of railroads and systems of transportation, in the aggregate principal amount of $2,000,000.00.

WALKER D. HINES,
Director General of Railroads.

Approved as to form:

By (Signed) Chas. B. Eddy,
Associate Director, Division of Finance.

____

$1,600,000.00. March 31, 1919.

On demand, after date Chicago, Milwaukee & St. Paul Railway Company a corporation of the State of Wisconsin (hereinafter called the "Railroad Company") for value received promises to pay to the War Finance Corporation (hereinafter called the "Payee") or order, at the office of Federal Reserve Bank of New York in the City of New York, as Fiscal Agent for the War Finance Corporation, in gold coin of the United States of America or its equivalent, One Million, Six Hundred Thousand Dollars ($1,600,000.00), with interest at the rate of six percent (6%) per annum from the date hereof, payable quarterly on the first day of July, October, January and April in each year and until payment of said principal sum; having deposited with the Payee as collateral security for the payment of this or any other liability or liabilities of the Railroad Company to the Payee due or to become due, or which may hereafter be contracted or existing, the following-described property:

> Certificates of the United States Railroad Administration numbered 27 to 32, dated March 26, 1919, issued to the Railroad Company by Walker D. Hines as Director General of Railroads, acting under the powers conferred by Proclamations of the President and the Acts of the Congress of the United States thereunto enabling, affecting the Federal control of railroads and systems of transportation, in the aggregate principal amount of $2,000,000.00.

The Railroad Company hereby agrees to deposit with the Payee such additional security as the Payee may from time to time demand, and also hereby gives to the Payee a lien for the amount of all the liabilities aforesaid upon all property of the Railroad Company at any time coming into the possession of the Payee.

On the nonperformance of the foregoing agreement as to furnishing additional security, or upon the nonpayment of any of the abovementioned liabilities, or in case of insolvency or the appintment of a receiver for the Railroad Company or of its property, then in any such case the Payee is hereby authorized to sell, assign and deliver the said property or any substitute therefor, or any additions thereto, or any such other property, at such time or times and in such several parts or parcels as the Payee may decide, and to sell the whole or any said parts or parcels, either at any broker's board or at public or private sale, either for cash, upon credit, or for future delivery, at the option of the Payee, without advertisement, or notice, which are hereby expressly waived. Upon the nonpayment or the nonfulfillment of anyof the conditions of this note, then the whole or any designated part of the liabilities of the Railroad Company to the Payee shall mature at the election of the Payee by presentation thereof for payment. In case of any sale by the Payee of any of said property on credit or for future delivery, the property sold shall be retained by the Payee until the selling price is paid by the purchaser, but the Payee shall incur no liability in case of failure of the purchaser to take up and pay for the property so sold.

In case of any such failure the property may be again sold. At any sale hereunder the Payee may itself purchase the whole or any part of the property sold, free from all right of redemption on the part of the Railroad Company, which is hereby waived and released. In case of any sale the Payee may first deduct all the expenses for collection, sale and delivery of the property so sold, and any other expenses incurred by the Payee in connection with such sale; and may then apply the residue to any one, or more, or all, of said liabilities, whether due or not due, returning the overplus, if any, to the Railroad Company, which shall remain liable to the Payee for any deficiency arising upon any such sale. The Railroad Company does hereby further authorize the Payee at its option at any time to appropriate and apply to the payment of any of said liabilities, whether now existing or hereafter contracted, any and all property now or hereafter in the hands of the Payee belonging to the Railroad Company, whether the said liabilities are then due or not due. The Railroad Company further agrees that, upon any transfer of this note, the Payee may deliver the property held as security, or any part thereof, to the transferee, who shall thereupon become vested with all the powers and rights above given to the Payee in respect thereto, and the Payee shall thereafter be forever relieved and fully discharged from any liability or responsibility in the matter.

The term Payee shall mean and include the War Finance Corporation and/or any successor or assign or liquidator or transferee of the War Finance Corporation or any other transferee of this note.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By C. B. FERRY,
Vice President.

(SEAL)

R. J. MARONY,
Assistant Treasurer.

The Chairman stated to the meeting that the agreement between the Company and the Director General of Railroads had been signed by the Director General, but that he was withholding delivery of it until some understanding was reached respecting the allocation to the Company of certain rolling stock, cars et cetera, and asked the Board for full authority to negotiate with the Director General respecting all such matters.

WHEREUPON, the following resolution was unanimously adopted:

> RESOLVED, that the President of the Company be and he is hereby authorized to enter into such arrangement as he deems proper respecting an agreement or arrangement with the Director General of Railroads for the acceptance of certain rolling stock, cars et cetera, from the Railroad Administration.

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

C B Terry

Assistant Secretary.

94 to 105

New York, Thursday, March 6, 1919, 2 P. M.

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

On motion duly seconded it was recommended that the Milwaukee Land Company accept the offer of the Falls Creek Timber Company to purchase the timber on its lands located in Sections 1-2-12-13 & 14, Twp. 46N. Range 1E., about 3 miles northeast of St. Joe, Idaho, for the sum of $53,000. payable $15,000. cash, $15,000. January 1, 1920, $13,000. January 1, 1921 & $10,000. January 1, 1922, deferred payments to bear interest at 6% per annum and the purchaser to be given a maximum time of 10 years in which to remove the timber on said lands.

The Vice President submitted Division of Capital Expenditures Form 3, numbers -

309,
358,
359,
362,
367,
374,
137-1.

Form 4, numbers -

29,
31,
32,
33,
35/37 incl.
39,
41,
43,
45,
46,
49/52,
54,
56/75

in accordance with Supplement No. 1, to DCE Circular #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 President of the Company.

The Vice President further submitted an abstract of said DCE Forms in detail showing the total amount of such Capital Expenditures to be $684,105.00 which is annexed hereto and made part of these proceedings.

The Vice President further submitted to the Executive Committe DCE Form 4, numbers-

38,
40,
42,
44,
47,
48,
53 and 55,

amounting to $83,091.00 for re-approval, the old DCE Forms representing the same having been heretofore approved under the 1918 Budget.

WHEREUPON on motion duly seconded the aforesaid Capital Expenditures be, and they hereby are approved by the Executive Committe

DCE form No.	Location	Description of Work	Amount
3*309	Aberdeen, S.D. about 1 mile south of the crossing on Mitchell line.	Drive four 3" drilled wells about 1130 feet deep, also connect up with existing pumping plant and supply mains with 4" C. I. pipe	3,740.
3-358	Ontonagon, Mich.	Extend Depot, re-arrange office and paint old portion	1,440.
3-359	Astico, Wis. 525' East.	Install highway crossing signal, rearrangement of existing apparatus	1,665.
3-*362	River Division.	First application of 15,000 tie plates on curves.	2,793.
3-367	Spokane, Wash.	Proportionate share of cost of paving & improving certain streets.	3,551.
3 #374	Ontonagon, Mich.	Replace upright boiler with second hand locomotive boiler and install steam heat in round-house.	1,606.
3-*137-1	Milwaukee Shops, Wis.	Installing 2 American Steam Jet Cinder Conveyors.	2,925.
4-*29	Between Melstone & Harlowton, Mont.	Quarrying, transporting & replacing rip-rap along embankment.	40,240.
4-*31	Between Montevideo & Appleton, Minn.	Completion of 2nd. track, including line and grade revisions.	194,163.
4-*32	Between Big Stone City & Milbank, S.D.	Completing of new double track main line on new line and grade.	124,313.
4-*33	Deer Lodge, Mont.	Extension of Yard Tracks to a total length of 5000 feet with switching lead of 1500 feet.	59,020.
4-35	River Division, Main Line	First application tie plates.	1,261.
4-36	Channing, Mich.	Installing locomotive type boiler and enlarging steam heat line in roundhouse	1,238.
4-37	Between Big Stone City and Milbank, S.D.	Completion new double track main line on new line & grade	124,313

DCE form No.	Location	Description of Work	Amount
4-39	South Minneapolis.	Renewal smoke jacks in round-house.	1,166
4-41	Illinois Division	Installing 300 stop signs highway crossings in Illinois	1,877
4-43	Laredo, Mo.	Installing turntable	5,640
4-45	Nahant, Iowa.	Extending stalls of roundhouse	1,453
4-46	Lines East	Equipping 89 engines of certain classes with cast steel bumper beams, replacing wooden beams	8,110
4-49	Between Aspinwall & Manning, Ia.	Purchase of land	1,900
4-50	Green Bay, Wis.	Extend existing tracks	3,416
4-51	Main Line, Mo.	Strengthening bridges	2,300
4-52	Roxboro, Wash.	Renewing culvert.	1,386
4-54	South Minneapolis.	Toilet rooms, storehouse.	1,540
4-56	Main Line, Ia.	Strengthening bridges	1,675
4-57	Bozeman, Mont.	Assessment for construction improvements against property	1,22[illegible]
4-58	Morton, Wash.	Rip-rapping.	2,00[illegible]
4-59	Sac, Buena Vista, Pocahontas and Calhoun Cos. Ia.,	Assessment account Big Cedar Joint Drainage Ditch.	20,00
4-60	Woodward, Ia.	Assessment for improvements against property.	4,32
4-61	Vendome, Mont.	Renewal culvert	2,41
4-62	DeerLodge, Mont.	Renewal culvert	1,95
4-63	Janney, Mont.	Renewal culvert	1,32
4-64	Alcazar, Mont.	Renewal culvert	1,05
4-65	Tomahawk, Wis.	Replacement of boiler	1,05
4-66	Trans-Missouri Div.	Relaying rail	2,9[illegible]
4-67	Dawson, Mont.	Additional yard tracks	3,75
4-68	Rocker, Mont.	Additional yard tracks	3,0[illegible]
4-69	Hokah, Minn.	Construct new bridge over Root River Drainage Ditch	16,0[illegible]
4-70	Spring Grove, Ill.	Construct reinforced concrete culvert	1,7[illegible]
4-71	McGuires, Ida.	Renewing trestle	14,5
4-72	Yankton & Lesterville, S.D.	First application tie plates	4,5
4-73	Piedmont, Mont.	Construct industry spur track	2,4
4-74	Avery, Ida.	Construct fence around reservoir.	1,0
4-75	Calmar, Ia.	Construct 2774 feet sewer.	6,[illegible]
		TOTAL	$684,1

Note * Included in Budget
Bears Standard Protest

DCE form No.	Location	Description of Work	Amount
4-38	Hartland, Wis.	Construct new station	$14,414.
4-40	Canal Yard, Milwaukee, Wis.	Construct new track scale	6,700.
4-42	River Division	First application tie plates	2,793.
4-44	Watertown Jct. Wis.	Construct new coaling station	23,395.
4-47	Bardwell, Wis.	Construct additional trackage	5,131.
4-48	Milwaukee Shops, Wis.	Construct 2 50-ton coal pockets, standpipe and sand tower, and tracks, to serve.	10,355.
4-53	Sioux City, Ia.	Proportion construction track connections with new yards of Sioux City Terminal Rd.	16,533
4-55	Mitchell, S.D.	Install removal pit in roundhouse	2,770
		TOTAL	$82,091

Replacing DCE 3-227, 3-294, 3-362, 3-346,
3-333, 3-337, 3-306,
3-369, which were cancelled.

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

C B Terry

Assistant Secretary.

Chicago, Milwaukee & St. Paul Railway Co.,

OFFICE OF THE VICE-PRESIDENT,

FORTY-TWO BROADWAY,

NEW YORK, March 26, 1919.

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

Dear Sir:

I hand you herewith proceedings of the Board of Directors at Special Meeting held March 13, 1919.

Very truly yours,

Vice President.

ENC.

I enclose you herewith a copy of publication notice of the Annual Meeting and dates of such publication in "New York Times" here though it is not necessary you should use the same dates at Milwaukee.

C. B. F.

New York, Thursday, March 13, 1919, 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, Field, Fisher, Geddes, Ryan and Stewart.

On motion duly seconded it was unanimously recommended that the Milwaukee Land Company accept the offer of Price & McVeety to purchase the timber on its land situated on the SE¼ of the NE ¼ of Section 28-16-4 about 5 miles southeast of Cedarville on the Grays Harbor Line which consists of 2290M feet of Fir and 41M feet of Cedar at a price of $7750.00 payable $2,000. cash, $2,000. May 1, 1919, $2,000. June 1, 1919 and $1750. July 1, 1919; interest at 6% is to be charged on deferred payments.

The President submitted the following letter which he had sent to John Skelton Williams, Director, Division of Finance & Purchases which was approved:

"Washington, D. C. March 8, 1919

Hon. John Skelton Williams,
Director, Division of Finance & Purchases,
Washington, D. C.

Dear Sir:-

To meet certain obligations falling due in the near future, application is hereby made for funds to pay the following amounts:

Estimated amount of War Taxes due and payable to Collector of Internal Revenue, Chicago, Ills., on or before March 15, 1919	$200,000.00
Interest on outstanding bank loans payable April 1, 1919	28,125.00

Interest on loan from War Finance Corporation payable April 1, 1919,.	$174,000.00
Interest on Funded debt payable April 1, 1919, as follows,.	.1,200,470.00
TOTAL	$1,602,595.00

General & Refunding 4½%	$43,089,000.	$ 969,502.50
General Mortgage 3½%	2,232,000.	19,530.00
General Mortgage 4%	12,299,000.	122,990.00
General Mortgage 4½%	7,862,000.	88,447.50
Total Bond Interest due April 1, 1919,		$1,200,470.00

ThisCompany has not the cash on hand to meet the payment of th above amounts and I respectfully request that you arrange to provide the necessary funds in time to meet such payments on the dates mentioned above and to charge same to this Company as part payment on compensation due.

Statement showing status of our compensation account with the United States Railroad Administration is attached hereto.

Yours very truly,

(Signed) R. M. CALKINS

President."

"Status of account with U. S. R. R. Administration:-

√ Standard Compensation (14 months)		$32,604,566.6
Less part payment	$6,275,000.	
Less Loan	857,000.	
Less Loan	750,000.	7,882,000.0
		$24,722,566.6
Due U. S. R. R. Administration-open account		2,912,846.4
Balance due Company		$21,809,720.2

Additions and betterments	$10,872,711.70
Material and Supplies	15,231,983.56 "

In the event of the Company being unable to procure the adwance from the Director of Finance and Purchases as specified in the above letter to him;

The Chairman of the meeting presented the following communication which was unanimously approved and made part of the proceedings of this meeting:

"TO THE WAR FINANCE CORPORATION,

Washington, D.C.

The Chicago, Milwaukee & St. Paul Railway Company, a corporation of Wisconsin, hereby applies for a loan of $1,602,595.00 on such terms and conditions as to maturity, interest rate and security, and otherwise, as shall be determined by said War Finance Corporation, which loan is to be secured by its General & Refunding Mortgage Six Per Cent Bon Series "Z", of theaggregate face amount to be determined by said War Finance Corporation.

The purpose for which this loan is required is to pay the interest due April 1st, 1919, on $43,089,000.00 principal of the General and Refunding Series "A" 4½% Bonds of the Company and on $22,393,000.00 principal of General Mortgage Bonds of the Company, amounting to $1,200,470.00

Estimated amount of War Taxes due and payable to Collector of Internal Revenue, Chicago, Ill. on or before March 15, 1919..	200,000.00
Interest on Outstanding Bank Loans payable April 1, 1919..	28,125.00
Interest on Loan from War Finance Corporation payable April 1, 1919.	174,000.00
Total	$1,602,595.00

The Company is unable at this time to obtain the above funds on reasonable terms through banking channels or from the general public. There are no market quotations available for the bonds so offered as collateral, as no bonds bearing that rate of interest have been sold. Other bonds issued under the same mortgage, with equal lien, are now selling to yield somewhat less than 6%; the Company therefore, believes the collateral to be of a value not less than its face value.

It is the purpose of this Company to pay this loan not only upon demand but at any time it can dispose of its securities in the general market on reasonable terms, or when it received its compensation from the United States under an agreement between it and the Director General, which it is believed will be made within the next few weeks, and therefore asks permission to pay the note at its option, at any time. The Company will furnish you assurance as to the validity and legality of the note given for this loan, and of the collateral therefor.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By

(Signed) H. M. CALKINS,
President.

The Chairman laid before the Board a statement showing the amount of interest that would mature and be payable April 1, 1919, on outstanding bonds and other obligations of the Company that would mature on or before that date, and also informed the meeting that there were no funds on hand for said payments, and that the Company is unable to obtain the amount necessary, by loan or otherwise, other than from the War Finance Corporation.

Description of Bonds	Principal	Interest due April 1, 1919
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%	12,299,000.00	122,990.00
General Mortgage 4½%	7,862,000.00	88,447.50
Total Principal	$65,482,000.00	
Total Interest due April 1, 1919,		$1,200,470.00
Estimated amount of War Taxes due and payable to Collector of Internal Revenue, Chicago, Ills. on or before March 15, 1919,		200,000.00
Interest on outstanding Bank Loans payable April 1, 1919,		28,125.00
Interest on Loan from War Finance Corporation payable April 1, 1919,		174,000.00
		$1,602,595.00

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

√ RESOLVED, that the officers of the Company be, and they are hereby authorized by and on behalf and in the name of this Company to borrow from the War Finance Corporation not exceeding $1,602,595.00 on such terms and conditions as to maturity, interest rate and security, and otherwise, as may be agreed upon between said officers and the War Finance Corporation.

RESOLVED, that for the purpose of such borrowing said officers of this Company be, and they hereby are authorized by and on behalf of this Company and in the name of the Company, to execute and deliver such promissory note or notes to a total aggregate principal amount of not to exceed $1,602,595.00, and in such form as may be required in respect thereof.

RESOLVED, that said officers of this Company be, and they are hereby authorized to deliver and pledge as security for the amount so to be borrowed from the War Finance Corporation and the note or notes to be issued in respect thereof, such of this Company's General and Refunding Mortgage Six Percent Bonds, Series "Z" as may be required. √

RESOLVED, that said officers of this Company be, and they hereby are authorized, by and on behalf of this Company and in the name of this Company, to enter into any and all such agreement or agreements, and to execute such instrument or instruments, and to do all such acts and things as in their judgment may be necessary or desirable in order to carry out and to give effect to the purposes and intentions of these resolutions.

On Motion duly seconded it was

RESOLVED that the following action of the President be and hereby is approved:

Pursuant to the resolution adopted by the Executive Committee at its meeting on the 27th day of February, 1919, empowering the President to negotiate an adjustment of certain accounts between the Director General and the Company: In my letter of March 10, 1919, to the Director General, copy of which is attached, I authorized the Director General to deduct approximately $2,900,000.00 from the compensation of the Company to cover the amounts found due on such open accounts as of December 31, 1918.

RESOLVED, that the Annual Meeting of Stockholders of this Company shall be held at the office of the Company in Milwaukee, Wis., Tuesday, 20th day of May 1919, at 12 o'clock noon, and that the transfer books close therefor on Wednesday 16th, of Apmil and reopen on Thursday the 22nd of May 1919.

RESOLVED, that Messrs. Burton Hanson, John W. Mariner 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 Tuesday the 20th day of May 1919 at 12 o'clock noon.

The Chairman presented to the meeting the resolutions adopted by the stockholders at their annual meeting of May 18, 1918, and at the adjourned annual meeting of August 15, 1918, respecting the execution and delivery of an agreement with United States under the Federal Control Act of Congress of March 21, 1918; whereupon on motion, duly seconded, the following preambles and resolutions were unanimously adopted:

WHEREAS, as the result of negotiations which have been for some time pending between the Director General of Railroad and the representatives of this Company, an agreement has been proposed which has been read to the Board at this meeting, and a copy of which is filed with the Assistant Secretary of the Company, identified by his signature, expressing the amount of compensation which the Chicago, Milwaukee & St.Paul Railway Company shall receive for the possession, use, control and operation of its railroads and system of transportation, and the railroads of its six (6) affiliated companies - Tacoma Eastern Railroad Company, Seattle, Port Angeles & Western Railw. Company, Bellingham & Northern Railway Company, Puget Sound & Willapa Harbor Railway Company, Milwaukee Terminal Railway Company and Gallatin Valley Railway Company - which have been taken over by the President of the United States, and embodyin the terms and conditions respecting such possession, use contr and operation during Federal control of said properties, and other matters, which it is proposed the respective parties shall agree upon and accept;

AND, WHEREAS, said negotiations have continued for several months, and it is the judgment and belief of this Board that the acceptance of the proposed agreement by this Company is preferable to the remedies provided by law in case no agreement is made;

THEREFORE, BE IT RESOLVED:

1. That pursuant to and by virtue of the power, authority, judgment and discretion conferred upon this Board by the Resolutions of the Stockholders of this Company adopted at the annual and adjourned annual meetings of the stockholders of this Company duly held on the 18th day of May, 1918, and the 15th day of August, 1918, respectively, and pursuant to and by virtue of the power, authority, judgment and discretion vested in this Board by Law, this Board, on behalf of the Chicago, Milwaukee & St.Paul Railway Company, doth hereby agree to and does hereby accept the terms and conditions set out in the form of agreement proposed and presented to this Board as aforesaid; and

2. That the President, or any Vice President of this Company, be, and he is hereby, empowered and directed to execute forthwith for and on behalf of this Company, and in its name, in duplicate or in such other number as may be necessary, an agreement substantially similar to the proposed form of agreement filed with and identified by the Assistant Secretary of this Company; and that the Secretary, or an Assistant Secretary, of this Company be, and he is hereby, empowered and directed to attest the execution thereof with his signature, and to affix the corporate seal thereto; and that when said agreement has also been executed by the Director General of Railroads, final deliverythereof be duly made and accepted; and

3. That the proper officers of this Company be, and they are hereby, authorized and directed to take all necessary proceedings to effectuate these Resolutions and to make said agreement the valid and binding obligation of this Company and of said six affiliated Companies; and

4. RESOLVED, that this Company, for itself and as the owner and holder of all the capital stock (except Directors' and Trustees' qualifying shares) of said six affiliated companies, hereby consents to said agreement and hereby ratifies and approves in advance the action of the Board of Directors or Trustees of said affiliated companies authorizing the execution and delivery of said agreement by said affiliated companies, and the President, or any Vice President of this Company, be, and he is hereby, empowered and directed to execute for and on behalf of this Company, and in its name, a proper instrument of consent and ratification by which this Company, for itself and as owner of all the capital stock, of said six affiliated companies (excepting Directors' and Trustees' qualifying shares) consents to and ratifies and approved the execution and delivery of said agreement by said affiliated companies and that the Secretary, or an Assistant Secretary of this Company, be, and he is hereby, empowered and directed to attest the execution thereof with his signature and to affix the corporate seal of this Company thereto.

On motion duly seconded, it was unanimously

RESOLVED, that a statement showing the financial condition of the Company be issued to the stockholders and that the detail of said statement be and hereby is referred to the Executive Committee with full authority to Act.

C B Terry

Assistant Secretary.

Pages 11
19
28
36
44
53

New York, Thursday, April 24, 1919, 2 P.M.

The stated meeting of the Board of Directors was held pursuant to notice dulygiven.

There were present Messrs. Bliss, Calkins, Earling, Geddes, P. A. Rockefeller, Wm. Rockefeller and Stewart.

A copy of minutes of Board meeting of March 27th, 1919, and Executive Committee meetings of April 3, 10th and 17th 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 are hereby approved and said Executive Committee proceedings are hereby ratified and confirmed.

The Chairman presented to the meeting a proposed agreement between this Company and the Tacoma Eastern Railroad Company, whic states the consideration, terms and conditions of the sale and transfe by that Company of the whole of its railroad and branches, together wi all its property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage traffic, operating and other agreements, and all rights, privileges an benefits secured thereby, to this Company, and also the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company purchase the whole of the railroad and branches of the Tacoma Eastern Railroad Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, subject to an indenture of mortgage or trust deed, dated January 1, 1903, executed by the Tacoma Eastern Railroad Company to the Illinois Trust & Savings Bank as Trustee, a corporation of the State of Illinois, which mortgage or trust deed was given to secure an issue of One Million, Five Hundred Thousand Dollars ($1,500,000.00) First Mortgage Five Percent Gold Bonds, of which bonds in the aggregate principal amount of Eight Hundred and Eighty-four Thousand Dollars ($884,000.) have been issued and now are outstanding, for the consideration and upon the terms and conditions stated and set forth in said agreement, which said consideration, terms and conditions are hereby agreed to.

> RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to execute said agreement in the name of this Company, and that the Secretary or an Assistant Secretary be, and he is hereby

authorized to attest the same and affix the Company's seal thereto; and when so executed to deliver a duplicate of the same to the Tacoma Eastern Railroad Company.

RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to accept delivery of the instruments of conveyance when properly executed, conveying the said railway, property and franchises of the Tacoma Eastern Railroad Company to this Company, and also to accept the assignment, transfer and delivery of the cash on hand and in bank, accounts and bills receiveable, choses in action and all other assets and property, of whatsoever kind or nature, owned by that Company.

RESOLVED, that upon delivery of the said instruments of conveyance, the proper officers of this Company accept delivery and take possession of all the railway and other property and assets of the Tacoma Eastern Railroad Company,

RESOLVED, that this Company as the owner of all the shares of the capital stock of the Tacoma Eastern Railroad Company, excepting one share each held by the Trustees of that Company as qualifying shares, approves and ratifies, and does hereby approve and ratify the sale by that Company to this Company of its railroad, property, rights, privileges and franchises, as well as all other property owned by that Company described in the agreement between this Company and that Company, dated December 31, 1918, and approves and ratifies the consideration, terms and conditions of such sale as set forth and stated in said agreement, and that the President or a Vice-President of this Company be, and he hereby is authorized to sign the corporate name of this Company as such stockholder of said Tacoma Eastern Railroad Company to the instrument ratifying and approving said sale and the consideration, terms and conditions thereof as stated in said agreement, and that the Secretary or an Assistant Secretary of this Company be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto.

THIS AGREEMENT, dated December 31, 1918, by and between the TACOMA EASTERN RAILROAD COMPANY, a corporation of the State of Washington, hereinafter called the "Tacoma Company,"and the CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY, a corporation of the State of Wisconsin, hereinafter called the "St. Paul Company", WITNESSETH:

WHEREAS, the Tacoma Company owns and operates a line of railway extending from Tacoma, Washington, to Morton in said State, together with certain branch lines of railway, and also certain rights-of-way which it has heretofore acquired for the construction of other branch lines of railway, and has cash on hand and in bank, accounts and bills receiveable, choses in action and other assets and property, and has and possesses certain rights, privileges and benefits under and by virtue of certain ordinances, franchises, leases and agreements;

AND, WHEREAS, the railroad, property and franchises of the Tacoma Company are subject to a certain indenture of mortgage or trust deed, dated January 1, 1903, executed by the Tacoma Company to the Illinois Trust & Savings Bank as Trustee, a corporation of the State of Illinois, which mortgage or trust deed was given to secure an issue of One Million, Five Hundred Thousand Dollars ($1,500,000.) First Mortgage Five Percent Gold Bonds, of which bonds in the aggregate principal amount of Eight Hundred Eighty-Four Thousand Dollars ($884,000.) have been issued and now are outstanding.

AND, WHEREAS, the St. Paul Company owns and operates a system of railways, both main line and branches, one of which main lines extends from Chicago in the State of Illinois, through the States of Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho, and into the State of Washington, with certain branch lines also in the State of Washington;

AND, WHEREAS, the respective lines of railroad above described of said Tacoma Company and said St. Paul Company are lawfully connected at Tacoma in said State of Washington, and can be lawfully, and are, connected and operated together so as to constitute, and do constitute, one continuous line of railway between said City of Chicago and Morton by way of Tacoma;

AND, WHEREAS, the St. Paul Company owns all of the capital stock of the Tacoma Company issued and outstanding, excepting one share for each of the trustees, held as qualifying shares;

AND, WHEREAS, the railways of the two Companies can in the interest of both Companies and in the interest of the general public be operated more economically, efficiently and advantageously as one system under a single organization than under separate organizations;

AND, WHEREAS, the St. Paul Company at the date of this agreement has advanced to the Tacoma Company the sum of Four Million, Four Hundred Forty-nine Thousand, Seven Hundred Ninety-six and 60/100 Dollars, which amount so advanced has been applied in payment of the cost of the acquisition and construction of its railway, property and franchises and in equipping its railway, and which said amount is now owing to the St. Paul Company by the Tacoma Company;

AND, WHEREAS, the Tacoma Company desires to sell and transfer to the St. Paul Company all of its railroad, together with all property, rights, privileges and franchises belonging to it or appertaining to its said railroad, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property, as well as all its cash on hand and in bank, accounts and bills receiveable, choses in action and all other of its assets and property, of whatsoever kind or nature, such sale and transfer to be made subject to the aforesaid mortgage or trust deed; and the St. Paul Company desires to purchase said railroad of the Tacoma Company, together will all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property and cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by the Tacoma Company, subject to the aforesaid mortgage or trust deed.

AND, WHEREAS, the consideration, terms and conditions of the purchase, sale and transfer of the railroad, property, rights, privileges, ordinances, franchises, leases, agreements, cash on hand and in bank, accounts and bills receiveable, choses in action and all other assets and property have been agreed upon by the Boards of Directors and Trustees of said respective Companies, which consideration, terms and conditions are as herein set forth;

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged by the respective parties hereto, and other valuable considerations, IT IS MUTUALLY AGREED AS FOLLOWS:

FIRST. That the Tacoma Company has expended in the acquisition and construction of its railway, property and franchises, and the equipment of its railway, at the date of this agreement, an amount not less than Four Million, Four Hundred Forty-nine Thousand, Seven Hundred Ninety-six and 60/100 Dollars ($4,449,796.60),

and that that amount is properly chargeable to its capital account, and that it is now indebted to the St. Paul Company in that amount on account of advances made to it by the St. Paul Company in the construction and acquisition of its railway, property and franchises, and in equipping its railway.

SECOND. That the Tacoma Company will sell, assign, transfer, convey and deliver to the St. Paul Company, subject to the aforesaid mortgage or trust deed, all its railroad and branches within the State of Washington, together with all property, rights, privileges and franchises belonging to it or appertaining to said railroad and branches, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, cash on hand and in bank, accounts and bills receiveable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, and will execute and deliver to the St. Paul Company proper instruments of conveyance and assignment conveying and assigning said railroad, branches, property, rights, privileges, ordinances, franchises, leases, contracts, agreements, cash on hand and in bank, accounts and bills receiveable, choses in action, and all other property and assets, of whatsoever kind or nature, owned by it, to the St. Paul Company.

THIRD. That the St. Paul Company will release, and does hereby release, the Tacoma Company from the payment of the amount so as aforesaid advanced to it, and from any other amounts heretofore advanced to it on any account, and will assume and pay, and does hereby agree to assume and pay, when and as the same become due and payable, all valid claims, demands, liabilities, accounts and obligations whatsoever of the Tacoma Company, and will adopt, carry out and perform all agreements, leases, and ordinances of the Tacoma Company according to the true intent and meaning thereof, save and except the debt secured by the aforesaid mortgage or deed of trust.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers thereunto duly authorized, and attested by their respective seals, the day and year first above written.

TACOMA EASTERN RAILROAD COMPANY,

By

President.

Attest:

Secretary.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By

President.

Attest:

Secretary.

8

RESOLUTIONS TO BE ADOPTED BY THE BOARD OF TRUSTEES OF THE TACOMA EASTERN RAILWAY COMPANY.

* * * * *

The Chairman presented to the meeting a proposed agreement between this Company and the Chicago, Milwaukee & St. Paul Railway Company, which states the consideration, terms and conditions of the sale and transfer by this Company of the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, to the Chicago, Milwaukee & St. Paul Railway Company, and also of the sale, transfer and delivery to that Company of the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by this Company, which proposed agreement is dated December 31, 1918.

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

RESOLVED, that this Company sell, assign, transfer and convey the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, to the Chicago, Milwaukee & St. Paul Railway Company, subject to an indenture of mortgage or trust deed, dated January 1, 1903, executed by the Tacoma Eastern Railroad Company to the Illinois Trust & Savings Bank as Trustee, a corporation of the State of Illinois, which mortgage or trust deed was given to secure an issue of One Million, Five Hundred Thousand Dollars ($1,500,000.) First Mortgage Five Percent Gold Bonds, of which bonds in the aggregate principal amount of Eight Hundred and Eighty-four Thousand Dollars ($884,000.) have been issued and now are outstanding, for the consideration and upon the terms and conditions stated in said agreement, which said consideration, terms and conditions are hereby agreed to.

RESOLVED, that the President or Vice-President of this Company be, and he is hereby authorized to execute said agreement for and in behalf of this Company, and that the

Secretary or an Assistant Secretary be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto, and when so executed to deliver a duplicate of the same to the Chicago, Milwaukee & St. Paul Railway Company.

RESOLVED, that upon the approval and ratification of the consideration, terms and conditions of said sale and transfer by the stockholders ofthis Company, as by statute required, and the execution and delivery of said proposed agreement by the Chicago, Milwaukee & St. Paul Railway Company, the President or Vice-President of this Company be, and he hereby is authorized, in the name of and on behalf of this Company, to execute and acknowledge proper deed or deeds of conveyance conveying all said railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to said Chicago, Milwaukee & St. Paul Railway Company, and that the Secretary or Assistant Secretary of this Company be, and he is hereby authorized to attest said deed or deeds, and affix thereto the corporate seal of this Company, and when so executed and acknowledged to deliver the same to the Chicago, Milwaukee & St. Paul Railway Company; and upon the execution and delivery of said deed or deeds of conveyance, the proper officers of this Company be, and they are hereby authorized to deliver possession of all said railway and branches, together with all other property of this Company, to the Chicago, Milwaukee & St. Paul Railway Company.

ALSO RESOLVED, that the aforesaid officers of this Company be, and they are hereby, authorized to assign, transfer and deliver, or cause to be assigned, transferred and delivered to the Chicago, Milwaukee & St. Paul Railway Company all cash on hand and in bank, accounts and bills receiveable, choses in action and all other assets and property, of whatsoever kind or nature, owned by this Company.

The Chairman presented to the meeting a proposed agreement between this Company and the Seattle, Port Angeles & Western Railway Company, which states the consideration, terms and conditions of the sale and transfer by that Company of the whole of its railroad and branches, together with all its property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to this Company, and also the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company purchase the whole of the railroad and branches of the Seattle, Port Angeles & Western Railway Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, for the consideration and upon the terms and conditions stated and set forth in said agreement, which said consideration, terms and conditions are hereby agreed to.
>
> RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to execute said agreement in the name of this Company, and that the Secretary or an Assistant Secretary be, and he is hereby authorized to attest the same and affix the Company's seal thereto; and when so executed to deliver a duplicate of the same to the Seattle, Port Angeles & Western Railway Company.

RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to accept delivery of the instruments of conveyance when properly executed, conveying the said railway, property and franchises of the Seattle, Port Angeles & Western Railway Company to this Company, and also to accept the assignment, transfer and delivery of the cash on hand and in bank, accounts and bills receiveable, choses in action and all other assets and property, of whatsoever kind or nature, owned by that Company.

RESOLVED, that upon delivery of the said instruments of conveyance, the proper officers of this Company accept delivery and take possession of all the railway and other property and assets of the Seattle, Port Angeles & Western Railway Company.

RESOLVED, that this Company as the owner of all the shares of the capital stock of the Seattle, Port Angeles & Western Railway Company, excepting one share each held by the Trustees of that Company as qualifying shares, approves and ratifies, and does hereby approve and ratify the sale by that Company to this Company of its railroad, property, rights, privileges and franchises, as well as all other property owned by that Company described in the agreement between this Company and that Company, dated December 31, 1918, and approves and ratifies the consideration, terms and conditions of such sale as set forth and stated in said agreement, and that the President or a Vice-President of this Company, be, and he hereby is authorized to sign the corporate name of this Company as such stockholder of said Seattle, Port Angeles & Western Railway Company to the instrument ratifying and approving said sale and the consideration, terms and conditions thereof as stated in said agreement, and that the Secretary or an Assistant Secretary of this Company, be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto.

THIS AGREEMENT, dated December 31, 1918, by and between the SEATTLE, PORT ANGELES & WESTERN RAILWAY COMPANY, a corporation of the State of Washington, hereinafter called the "Port Angeles Company", and the CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY, a corporation of the State of Wisconsin, hereinafter called the "St. Paul Company, WITNESSETH:

WHEREAS, the Port Angeles Company owns and operates a line of railway extending from Discovery Junction to Deep Creek in said State, with branches, and has cash on hand and in bank, accounts and bills receiveable, choses in action and other assets and property, and has and possesses certain rights, privileges and benefits under and by virtue of certain ordinances, franchises, leases and agreements;

AND, WHEREAS, the St. Paul Company owns and operates a system of railways, both main line and branches, one of which main lines extends from Chicago in the State of Illinois, through the States of Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho, and into the State of Washington, with certain branch lines also in the State of Washington;

AND, WHEREAS, the system of railways owned and operated by the St. Paul Company has heretofore been operated in connection with the railway of the Port Angeles Company, the railway of that Company constituting and being a branch or feeder of the system of railways of the St. Paul Company;

AND, WHEREAS, the St. Paul Company has heretofore furnished the money for the construction of the railway of the Port Angeles Company, amounting at the date of this agreement to the sum of Two Million, Four Hundred Eighty-eight Thousand, One Hundred Sixty-four and 84/100 Dollars ($2,488,164.84), which amount so furnished has been applied in payment of the cost of the acquisition and construction of the railway, property and franchises of the Port Angeles Company, and in equipping the railway of that Company, which said amount is now owing to the St. Paul Company by the Port Angeles Company;

AND, WHEREAS, the St. Paul Company owns all of the capital stock of the Port Angeles Company issued and outstanding, excepting one share for each of the Trustees, held as qualifying shares;

AND, WHEREAS, the railways of the two Companies can in the interest of both Companies and in the interest of the general public, be operated more economically, efficiently and advantageously as one sytem under a single organization than under separate organizations;

AND, WHEREAS, the Port Angeles Company desires to sell and transfer to the St. Paul Company all of its railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining to its railroad, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property, as well as all its cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature; and the St. Paul Company desires to purchase said railroad of the Port Angeles Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property and cash on hand

and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by the Port Angeles Company;

AND, WHEREAS, the consideration, terms and conditions of the purchase, sale and transfer of the railroad, property, rights, privileges, ordinances, franchises, leases, agreements, cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property have been agreed upon by the Boards of Directors and Trustees of said respective Companies, which consideration, terms and conditions are as herein set forth;

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged by the respective parties hereto, and other valuable considerations, IT IS MUTUALLY AGREED AS FOLLOWS:

FIRST. That the Port Angeles Company has expended in the acquisition and construction of its railway, property and franchises, and the equipment of its railway, at the date of this agreement, an amount not less than Two Million, Four Hundred Eighty-eight Thousand, One Hundred Sixty-four and 84/100 Dollars, and that that amount is properly chargeable to its capital account, and that it is now indebted to the St. Paul Company in that amount on account of moneys furnished and advanced to it by the St. Paul Company in the construction and acquisition of its railway, property and franchises, and in equipping its railway.

SECOND. That the Port Angeles Company will sell, assign, transfer, convey and deliver to the St. Paul Company all its railroad and branches within the State of Washington, together with all property, rights, privileges and franchises belonging to it or appertaining to said railroad and branches, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, cash on hand and in bank, accounts and bills receivable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, and will execute and deliver to the St. Paul Company proper instruments of conveyance and assignment, conveying and assigning said railroad, branches, property, rights, privileges, ordinances, franchises, leases, contracts, agreements, cash on hand and in bank, accounts and bills receiveable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, to the St. Paul Company.

THIRD. That the St. Paul Company will release, and does hereby release the Port Angeles Company from the payment of the amount so as aforesaid furnished or advanced to it, and from any other amounts heretofore furnished or advanced to it on any account, and will assume and pay, and does hereby assume and pay, when and as the same become due and payable, all valid claims, demands, liabilities, accounts and obligations whatsoever of the Port Angeles Company, and will adopt, carry out and perform all agreements, leases and ordinances of the Port Angeles Company according to the true intent and meaning thereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers thereunto duly authorized, and attested by their respective seals, the day and year first above written.

SEATTLE, PORT ANGELES & WESTERN RAILWAY COMPANY

By ______________________________ President.

Attest:

______________________________ Secretary.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By ______________________________ President.

Attest:

______________________________ Secretary.

RESOLUTIONS TO BE ADOPTED BY THE BOARD OF TRUSTEES OF THE SEATTLE, PORT ANGELES & WESTERN RAILWAY CO.

* * * * *

The Chairman presented to the meeting a proposed agreement between this Company and the Chicago, Milwaukee & St. Paul Railway Company, which states the consideration, terms and conditions of the sale and transfer by this Company of the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, to the Chicago, Milwaukee & St. Paul Railway Company, and also of the sale, transfer and delivery to that Company of the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by this Company, which proposed agreement is dated December 31, 1918.

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

RESOLVED, that this Company sell, assign, transfer and convey the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and allleases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, to the Chicago, Milwaukee & St. Paul Railway Company for the consideration and upon the termsand conditions stated in said agreement, which said consideration, terms and conditions are hereby agreed to.

RESOLVED, that the President or Vice-President of this Company be, and he is hereby authorized to execute said agreement for an in behalf of this Company, and that the Secretary or Assistant Secretary be, and he is hereby authroized to attest the same and affix the corporate seal of the Company thereto, and when so executed to deliver a duplicate of the same to the Chicago, Milwaukee & St. Paul Railway Company.

RESOLVED, that upon the approval and ratification of the consideration, terms and conditions of said sale and transfer by the stockholders of this Company, as by statute required, and the execution and delivery of said proposed agreement by the Chicago, Milwaukee & St. Paul Railway Company, the President or a Vice-President of this Company be, and he hereby is authorized, in the name and on behalf of this Company, to execute and acknowledge proper deed or deeds of conveyance conveying all said railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to said Chicago, Milwaukee & St. Paul Railway Company, and that the Secretary or Assistant Secretary of this Company be, and he is hereby authorized to attest said deed or deeds, and affix thereto the corporate seal of this Company and when so executed, and acknowledged to deliver the same to the Chicago, Milwaukee & St. Paul Railway Co., and upon the execution and delivery of said deed or deeds

of conveyance, the proper officers of this Company be, and they are hereby authorized to deliver possession of all said railway and branches, together with all other property of this Company to the Chicago, Milwaukee & St. Paul Railway Company.

ALSO RESOLVED, that the aforesaid officers of this Company be, and they are hereby authorized to assign, transfer and deliver or caused to be assigned, transferred and delivered, to the Chicago, Milwaukee & St. Paul Railway Company all cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property of whatsoever kind ornature owned by this Company.

The Chairman presented to the meeting a proposed agreement between this Company and the Milwaukee Terminal Railway Company which states the consideration, terms and conditions of the sale and transfer by that Company of all its railroad tracks consisting of terminal, industry and side tracks located at Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellingham and Port Townsend in the State of Washington, car ferries, boats, barges, tugs, wharves, docks, and other terminal property, rights and privileges and franchises belonging to it or appertaining thereto, real estate in Port Angeles and Bremerton in the State of Washington and all leases, ordinances, franchises, trackage, traffic, operating and other agreements and all rights, privileges and benefits secured thereby, to this Company and also the cash on hand and in bank, accounts and bills receiveable, choses in action and all otherassets and property of whatsoever kind or nature, owned by that Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company purchase all the railroad tracks of the Milwaukee Terminal Railway Company, consisting of terminal, industry and side tracks located in Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellingham and Port Townsend, in the State of Washington, car ferries, boats, barges, tugs, wharves, docks and other terminal property, rights, privileges, and franchises belonging to it, or appertaining thereto, real estate in Port Angeles and Bremerton in the State of Washington, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements and all rights and privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property of whatsoever kind or nature, owned by that Company for the consideration and upon the terms and conditions stated and set forth in said agreement which said consideration, terms and conditions are hereby agreed to.

RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to execute said agreement in the name of this Company and that the Secretary or an Assistant Secretary be, and he is hereby authorized to attest the same and affix the Company's seal thereto, and when so executed todeliver a duplicate of the same to Milwaukee Terminal Railway Company.

RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to accept delivery of the instruments of conveyance when properly executed, conveying the said railroad tracks of the Milwaukee Terminal Railway Company consisting of terminal, industry and side tracks located in Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellongham and Port Townsend in the State of Washington, car ferries, boats, barges, tugs, wharves, docks and other terminal property, rights, privileges and franchises belonging to it, or appertaining thereto, real estate in Port Angeles and Bremerton in the State of Washington, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements and all rights, privileges and benefits secured thereby, to this Company and also to accept the assignment, transfer and delivery of the cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property of whatsoever kind or nature owned by that Company.

RESOLVED, that upon delivery of the said instruments of conveyance the proper officers of this Company accept delivery and take possession of all the railroad tracks, car ferries, boats, barges, tugs, wharves, docks and all other property and assets of the Milwaukee Terminal, Railway Company.

RESOLVED, that this Company as the owner of all the shares of the capital stock of the Milwaukee Terminal Railway Company, excepting one share each held by the Trustees of that Company as qualifying shares, approves and ratifies and does hereby approve and ratify the sale of that Company to this Company, of its railroad tracks, car ferries, boats, barges, tugs, wharves, docks, property rights, privileges and franchises as well as all other property owned by that Company described in the agreement between this Company and that Company dated December 31, 1918, and approves and ratifies the consideration, terms and conditions of such sale as set forth and stated in said agreement and that the President or a Vice President of this Company be, and he hereby is authorized to sign the corporate name of this Company as such stockholder of said Milwaukee Terminal Railway Company to the instrument ratifying and approving said sale and the consideration, terms and conditions thereof, as stated in said agreement, and that the Secretary or an Assistant Secretary of this Company be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto.

THIS AGREEMENT, dated December 31, 1918, by and between the Milwaukee Terminal Railway Company, a corporation of the State of Washington, hereinafter called the "Terminal Company" and the Chicago, Milwaukee & St. Paul Railway Company, a corporation of the State of Wisconsin, hereinafter called the "St. Paul Company", WITNESSETH:

WHEREAS, the Terminal Company owns and operates certain railroad tracks, consisting of terminal, industry and side tracks located in Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellingham and Port Townsend, in the State of Washington, and certain car ferries, boats, barges, tugs, and certain wharves, docks, and ferry slips together with other terminal property, and also certain real estate in Port Angeles and Bremerton in said state, also has cash on hand and in bank, accounts and bills receivable, choses in action, and other assets and property and has and posesses certain rights, privileges and benefits under and by virtue of certain ordinances, franchises, leases and agreements.

AND, WHEREAS, the St. Paul Company owns and operates a system of railway both main line and branches one of which main lines extends from Chicago in the State of Illinois through the States of Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho and into the State of Washington and certain branch lines also in the State of Washington.

AND, WHEREAS, the system of railways owned and operated by the St. Paul Company has hithertofore been operated in connection with the railroad tracks, car ferries, boats, barges, tugs, wharves and docks of the Terminal Company, the same constituting and being branches, feeders and terminals of the railway system of the St.Paul

Company, and

WHEREAS, the St. Paul Company has hithertofore furnished the money for the construction and acquisition of the railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips and other property of the Terminal Company, amounting at the date of this agreement to the sum of One Million, Fifty Thousand, Nine Hundred Twenty-three and 82/100 Dollars , which amount so furnished has been applied in payment of the cost of the acquisition and construction of the railroad tracks, property and franchises of the Terminal Company which said amount is now owing to the St. Paul Company by the Terminal Company,

AND,WHEREAS, the St. Paul Company owns all of the capital stock of the Terminal Company issued and outstanding excepting one share for each of the Trustees held as qualifying shares;

AND, WHEREAS, the railways and properties of the two companies can in the interest of both Companies and in the interest of the general public be operated more economically and advantageously as one system under a single organization than under separate organizations;

AND, WHEREAS, the Terminal Company desires to sell and transfer to the St. Paul Company all of its railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips together with all property rights, privileges and franchises belonging to it, or appertaining to its railroad tracks and other properties and all ordinances, franchises, leases, operating, traffic, trackage and other agreements and all rights, privileges and benefits secured thereby, and all other property as well as all its cash on hand and in bank, accounts and bills receiveable, choses in action and all other of its assets and property of whatsoever kind or nature, and the St. Paul Company desires to purchase said railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips together with all property rights, privileges and franchises belonging to said Terminal Company or appertaining to its railroad tracks and other properties, and all ordinances, franchises, leases, operating, traffic, trackage, and other agreements, and all rights, privileges and benefits secured thereby, and all other property as well as all its cash on hand and in bank, accounts and bills receivable, choses in action and all other of its assets and property of whatsoever kind or nature owned by the Terminal Company;

AND, WHEREAS, the consideration, terms and conditions of the purchase, sale and transfer of the railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips, property rights, privileges, ordinances, franchises, leases, agreements, cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property have been agreed upon by the Board of Directors and Trustees of said respective Companies which consideration, terms and conditions are as herein set forth;

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged by the respective parties hereto, and other valuable considerations, IT IS MUTUALLY AGREED AS FOLLOWS:

First. That the Terminal Company has expended in the acquisition and construction of its railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips, property rights, privileges and franchises, at the date of this agreement an amount not less than One Million, Fifty Thousand Nine Hundred Twenty-three and 82/100 Dollars ($1,050,923.82) and that amount is properly chargeable to its Capital Account and that it is now indebted to the St. Paul Company in that amount on account of moneys furnished and advanced to it by the St. Paul Company in the construction and acquisition of its railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips, property rights, privileges and franchises.

SECOND. That the Terminal Company will sell, assign, transfer, convey and deliver to the St. Paul Company all its railroad tracks, car ferries, boats, barges, tugs, wharves, docks and ferry-slips within the State of Washington together with all property rights, privileges and franchises belonging to it or appertaining to said railroad tracks, and all ordinances, franchises, leases, operating, traffic, trackage, and other agreements and all rights, privileges, and benefits secured thereby, cash on hand and in bank, accounts and bills receiveable, choses in action, and all other property, and assets of whatsoever kind or nature, owned by it and will execute and deliver to the St. Paul Company proper instruments of conveyance and assignment, conveying and assigning said railroad tracks, car ferries, boats, barges, tugs, wharves, docks, ferry-slips, property rights, privileges, ordinances, franchises, leases, contracts, agreements, cash on hand and in bank, accounts and bills receivable, choses in action and all other property and assets of whatsoever kind or nature owned by it, to the St. Paul Company.

THIRD. That the St. Paul Company will release and does hereby release the Terminal Company from the payment of the amount so as aforesaid furnished or advanced to it and from any other amounts heretofore furnished or advanced to it on any account, and will assume and pay, and does hereby assume and pay when and as the same become dueand payable, all valid claims, demands, liabilities, accounts and obligations whatsoever of the Terminal Company, and will adopt, carry out and perform all agreements, leases and ordinances of the Terminal Company according to the true intent and meaning thereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers thereunto duly authorized and attested by their respective seals the day and year first above written.

MILWAUKEE TERMINAL RAILWAY COMPANY,

By

President.

Attest:

Secretary.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By

President.

Attest:

Secretary.

RESOLUTIONS TO BE ADOPTED BY THE BOARD OF TRUSTEES OF THE MILWAUKEE TERMINAL RAILWAY CO.

* * * * *

The Chairman presented to the meeting a proposed agreement between this Company and the Chicago, Milwaukee & St. Paul Railway Company, which states the consideration, terms and conditions of the sale and transfer by this Company of all its railroad tracks, consisting of terminal, industry and side tracks, located in Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellingham and Port Townsend in the State of Washington, car ferries, boats, barges, tugs, wharves, docks and other terminal property, rights, privileges and franchises belonging to it or appertaining thereto, real estate in Port Angeles and Bremerton in the State of Washington, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, to the Chicago, Milwaukee & St. Paul Railway Company, and also of the sale, transfer and delivery to that Company of the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by this Company, which proposed agreement is dated December 31, 1918.

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

RESOLVED, that this Company sell, assign, transfer and convey all its railroad tracks, consisting of terminal, industry and side tracks located in Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellingham and Port Townsend in the State of Washington, car ferries, boats, barges, tugs, wharves, docks and other terminal property, rights, privileges and franchises belonging to it or appertaining thereto, real estate in Port Angeles and Bremerton in the State of Washington, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receiveable, choses in action, and all other assets and property, of whatsoever kind or nature, to the Chicago, Milwaukee & St. Paul Railway Company for the consideration and upon the terms and conditions stated in said agreement, which said consideration, terms and conditions are hereby agreed to.

RESOLVED, that the President or Vice-President of this Company be, and he is hereby authorized to execute said agreement for and in behalf of this Company, and that the Secretary or Assistant Secretary be, and he is hereby authorized to attest the same and affix the corporate seal of this Company thereto, and when so executed to deliver a duplicate of the same to the Chicago, Milwaukee & St. Paul Railway Company.

RESOLVED, that upon the approval and ratification of the consideration, terms and conditions of said sale and transfer by the stockholders of this Company, as by statute required, and the execution and delivery of said proposed agreement by the Chicago, Milwaukee & St. Paul Railway Company, the President or a Vice-President of this Company be, and he hereby is authorized, in the name of and on behalf of this Company, to execute and acknowledge proper deed or deeds of conveyance conveying all said railroad tracks, consisting of terminal, industry and side tracks located in Tacoma, Seattle, Eagle Harbor, Ballard, Port Blakeley, Bellingham and Port Townsend in the State of Washington, car ferries, boats, barges, tugs, wharves, docks and other terminal property, rights, privileges and franchises belonging to it or appertaining thereto, real estate in Port Angeles and Bremerton in the State ofWashington, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to said Chicago, Milwaukee & St. Paul Railway Company, and that the Secretary or Assistant Secretary of this Company be, and he is hereby authorized to attest said deed or deeds, and affix thereto the corporate seal of this Company, and when so executed and acknowledged to deliver the same to the Chicago, Milwaukee & St. Paul Railway Company; and upon the execution and delivery of said deed or deeds of conveyance, the proper officers of this Company be, and they are hereby authorized to deliver possession of all said railroad tracks together with all other property of this Company, to the Chicago, Milwaukee & St. Paul Railway Company.

ALSO RESOLVED, that the aforesaid officers of this Company be, and they are hereby, authorized to assign, transfer and deliver, or cause to be assigned, transferred and delivered to the Chicago, Milwaukee & St. Paul Railway Company all cash on hand and in bank, accounts and bills receiveable, choses in action and all other assets and property, of whatsoever kind or nature, owned by this Company.

The Chairman presented to the meeting a proposed agreement between this Company and the Puget Sound & Willapa Harbor Railway Company, which states the consideration, terms and conditions of the sale, and transfer by that Company of the whole of its railroad, together with all its property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to this Company, and also the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company purchase the whole of the railroad of the Puget Sound & Willapa Harbor Railway Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand andin bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, for the consideration and upon the terms and conditions stated and set forth in said agreement, which said consideration, terms and conditions are hereby agreed to.

> RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to execute said agreement in the name of this Company, and that the Secretary or an Assistant Secretary be, and he is hereby authorized to attest the same and affix the Company's seal thereto; and when so executed to deliver a duplicate of the same to the Puget Sound & Willapa Harbor Railway Company.

RESOLVED, that the President or a Vice-President of thisCompany be, and he ishereby authorized to accept delivery of the instruments of conveyance when properly executed, conveying the said railway, property and franchises of the Puget Sound & Willapa Harbor Railway Company to this Company, and also to accept the assignment, transfer and delivery of the cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by that Company.

RESOLVED, that upon delivery of the said instruments of conveyance, the proper officers of this Company accept delivery and take possession of all the railway and other property and assets of the Puget Sound & Willapa Harbor Railway Company.

RESOLVED, that this Company as the owner of all the shares of the capital stock of the Puget Sound and Willapa Harbor Railway Company, excepting one share each held by the Trustees of that Company as qualifying shares, approves and ratifies, and does hereby approve and ratify the sale by that Company to this Company of its railroad, property, rights, privileges and franchises, as well as all other property owned by that Company described in the agreement between this Company and that Company, dated December 31, 1918, and approves and ratifies the consideration, terms and conditions of such sale as set forth and stated in said agreement, and that the President or a Vice-President of this Company be, and he hereby is authorized to sign the corporate name of this Company as such stockholder of said Puget Sound & Willapa Harbor Railway Company to the instrument ratifying and approving said sale and the consideration, terms and conditions thereof as stated in said agreement, and that the Secretary or an Assistant Secretary of this Company be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto.

THIS AGREEMENT, dated December 31, 1918, by and between the PUGET SOUND & WILLAPA HARBOR RAILWAY COMPANY, a corporation of the State of Washington, hereinafter called the "Willapa Harbor Company", and the CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY, a corporation of the State of Wisconsin, hereinafter called the "St. Paul Company", WITNESSETH:

WHEREAS, the Willapa Harbor Company owns and operates a line of railway extending from Maytown, Washington, to Raymond in said State, and has cash on hand and in bank, accounts and bills receivable, choses in action and other assets and property, and has and possesses certain rights, privileges and benefits under and by virtue of certain ordinances, franchises, leases and agreements;

AND, WHEREAS, the St. Paul Company owns and operates a system of railways, both main line and branches, one of which main lines extends from Chicago in the State of Illinois, through the States of Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho, and into the State of Washington, with certain branch lines also in the State of Washington;

AND, WHEREAS, the respective lines of railroad above described of said Willapa Harbor Company and said St. Paul Company are lawfully connected at Maytown in said State of Washington, and can be lawfully, and are, connected and operated together so as to constitute, and do constitute, one continuous line of railway between said City of Chicago and Raymond by way of said Maytown;

AND, WHEREAS, the St. Paul Company owns all of the capital stock of the Willapa Harbor Company issued and outstanding, excepting one share for each of the trustees, held as qualifying shares;

AND, WHEREAS, the railways of the two Companies can in the interest of both Companies and in the interest of the general public be operated more economically, efficiently and advantageously as one system under a single organization than under separate organizations;

AND, WHEREAS, the St. Paul Company at the date of this agreement has advanced to the Willapa Harbor Company the sum of Three Million, Two Hundred Ninety-four Thousand, Nine Hundred Forty and 64/100 Dollars ($3,294,940.64), which amount so advanced has been applied in payment of the cost of the acquisition and construction of its railway property and franchises and in equipping its railway, and which said amount is now owing to the St. Paul Company by the Willapa Harbor Company;

AND, WHEREAS, the Willapa Harbor Company desires to sell and transfer to the St. Paul Company all of its railroad together with all property, rights, privileges and franchises belonging to it or appertaining to its said railroad, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property, as well as all its cash on hand and in bank, accounts and bills receivable, choses in action and all other of its assets and property, of whatsoever kind or nature; and the St. Paul Company desires to purchase said railroad of the Willapa Harbor Company, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property and cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by the Willapa Harbor Company;

AND, WHEREAS, the consideration, terms and conditions of the purchase, sale and transfer of the railroad, property, rights, privileges, ordinances, franchises, leases, agreements, cash on hand and in bank, accounts and bills receiveable, choses in action and all other assets and property have been agreed upon by the Boards of Directors and Trustees of said respective Companies, which consideration, terms and conditions are as herein set forth;

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged by the respective parties hereto, and other valuable considerations, IT IS MUTUALLY AGREED AS FOLLOWS:

FIRST. That the Willapa Harbor Company has expended in the acquisition and construction of its railway, property and franchises, and the equipment of its railway, at the date of this agreement, and amount not less than Three Million, Two Hundred Ninety-four Thousand, Nine Hundred Forty and 64/100 Dollars,

and that that amount is properly chargeable to its capital account, and that it is now indebted to the St. Paul Company in that amount on account of advances made to it by the St. Paul Company in the construction and acquisition of its railway, property and franchises, and in equipping its railway,

SECOND. That the WillapaHarbor Company will sell, assign, transfer, convey and deliver to the St. Paul Company all its railroad, and branches within the State of Washington, together with all property, rights, privileges and franchises belonging to it or appertaining to said railroad and branches, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, cash on hand and in bank, accounts

32

and bills receivable, choses in action and all other property and assets of whatsoever kind or nature, owned by it, and will execute and deliver to the St. Paul Company proper instruments of conveyance and assignment conveying and assigning said railroad, branches, property, rights, privileges, ordinances, franchises, leases, contracts, agreements, cash on hand and in bank, accounts and bills receivable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, to the St. Paul Company.

THIRD. That the St. Paul Company will release, and does hereby release, the Willapa Harbor Company from the payment of the amount so as aforesaid advanced to it, and from any other amounts heretofore advanced to it on any account, and will assume and pay, and does hereby agree to assume and pay, when and as the same become due and payable, all valid claims, demands, liabilities, accounts and obligations whatsoever of the Willapa Harbor Company, and will adopt, carry out and perform all agreements, leases and ordinances of the Willapa Harbor Company according to the true intent and meaning thereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers thereunto duly authorized, and attested by their respective seals, the day and year first above written.

PUGET SOUND & WILLAPA HARBOR RAILWAY COMPANY,

By

____

President.

Attest:

____

Secretary.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By

Attest:

____

President.

____

Secretary.

RESOLUTIONS TO BE ADOPTED BY THE BOARD OF TRUSTEES OF THE PUGET SOUND & WILLAPA HARBOR RAILWAY COMPANY.

* * * * * *

The Chairman presented to the meeting a proposed agreement between this Company and the Chicago, Milwaukee & St. Paul Railway Company, which states the consideration, terms and conditions of the sale and transfer by this Company of the whole of its railroad, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, to the Chicago, Milwaukee & St. Paul Railway Company, and also of the sale, transfer and delivery to that Company of the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by this Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company sell, assign, transfer and convey the whole of its railroad, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, to the Chicago, Milwaukee & St. Paul Railway Company for the consideration and upon the terms and conditions stated in said agreement, which said consideration, terms and conditions are hereby agreed to.
>
> RESOLVED, that the President or Vice-President of this Company be, and he is hereby authorized to execute said agreement for andin behalf of this Company, and that the Secretary or Assistant Secretary be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto, and when so executed to deliver a duplicate of the same to the Chicago, Milwaukee & St. Paul Railway Company.
>
> RESOLVED, that upon the approval and ratification of the consideration, terms and conditions of said sale and

transfer by the stockholders of this Company, as by statute required, and the execution and delivery of said proposed agreement by the Chicago, Milwaukee & St. Paul Railway Company, the President or Vice-President of this Company be, and he hereby is authorized, in the name of and on behalf of this Company, to execute and acknowledge proper deed or deeds of conveyance conveying all said railroad, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges, and benefits secured thereby, to said Chicago, Milwaukee & St. Paul Railway Company, and that the Secretary or Assistant Secretary of this Company be, and he is hereby authorized to attest said deed or deeds, and affix thereto the corporate seal of this Company, and when so executed and acknowledged to deliver the same to the Chicago, Milwaukee & St. Paul Railway Company; and upon the execution and delivery of said deed or deeds of conveyance, the proper officers of this Company be, and they are hereby authorized to deliver possession of all said railway, together with all other property of this Company, to the Chicago, Milwaukee & St. Paul Railway Company.

ALSO RESOLVED, that the aforesaid officers of this Company be, and they are hereby authorized to assign, transfer and deliver, or cause to be assigned, transferred and delivered to the Chicago, Milwaukee & St. Paul Railway Company all cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by this Company.

The Chairman presented to the meeting a proposed agreement between this Company and the Gallatin Valley Railway Company, which states the consideration, terms and conditions of the sale and transfer by that Company of the whole of its railroad and branches, together with all its property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to this Company, and also the cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by that Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company purchase the whole of the railroad and branches of the Gallatin Valley Railway Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases , ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, for the consideration, and upon the terms and conditions stated and set forth in said agreement, which said consideration, terms and conditions are hereby agreed to.
>
> RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to execute said agreement in the name of this Company, and that the Secretary or an Assistant Secretary be, and he is hereby authorized to attest the same and affix the Company's seal thereto; and when so executed to deliver a duplicate of the same to the Gallatin Valley Railway Company.
>
> RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to accept delivery of the instruments of conveyance when properly executed, conveying the said railway, property and franchises of the Gallatin Valley Railway Company to this Company, and also to accept the assignment, transfer and delivery of the cash on hand and in bank, accounts and bills receivable, choses in action and

all other assets and property, of whatsoever kind or nature, owned by that Company.

RESOLVED, that upon delivery of the said instruments of conveyance, the proper officers of this Company accept delivery and take possession of all the railway and other property and assets of the Gallatin Valley Railway Company.

RESOLVED, that this Company as the owner of all the shares of the capital stock of the Gallatin Valley Railway Company, excepting one share each held by the Directors of that Company as qualifying shares, approves and ratifies, and does hereby approve and ratify the sale by that Company to this Company of its railroad, property, rights, privileges and franchises, as well as all other property owned by that Company described in the agreement between this Company and that Company, dated December 31, 1918, and approves and ratifies the consideration, terms and conditions of such sale as set forth and stated in said agreement, and that the President or a Vice-President of this Company be, and he hereby is authorized to sign the corporate name of this Company as such stockholder of said Gallatin Valley Railway Company to the instrument ratifying and approving said sale and the consideration, terms and conditions thereof as stated in said agreement, and that the Secretary or an Assistant Secretary of this Company be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto.

THIS AGREEMENT, dated December 31, 1918, by and between the GALLATIN VALLEY RAILWAY COMPANY, a corporation of the State of Montana, hereinafter called the "Gallatin Valley Company", and the Chicago, MILWAUKEE & ST. PAUL RAILWAY COMPANY, a corporation of the State of Wisconsin, hereinafter called the "St. Paul Company", WITNESSETH:

WHEREAS, the Gallatin Valley Company owns and operates a line of railway extending from Three Forks, Montana, to Bozeman in said State, together with certain branch lines, and has cash on hand and in bank, accounts and bills receivable, choses in action and other assets and property, and has and possesses certain rights, privileges and benefits under and by virtue of certain ordinances, franchises, leases and agreements;

AND, WHEREAS, the St. Paul Company owns and operates a system of railways, both main line and branches, one of which main lines extends from Chicago in the State of Illinois, through the States of Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho, and into the State of Washington, with certain branch lines also in the State of Washington;

AND, WHEREAS, the respective lines of railroad above described of said Gallatin Valley Company and said St. Paul Company are lawfully connected at Three Forks in said State of Washington, and can be lawfully, and are, connected and operated together so as to constitute, and do constitute, one continuous line of railway between said City of Chicago and Bozeman by way of Three Forks;

AND, WHEREAS, the St. Paul Company owns all of the capital stock of the Gallatin Valley Company issued and outstanding, excepting one share for each of the directors, held as qualifying shares;

AND, WHEREAS, the railways of the two Companies can in the interest of both Companies and in the interest ofthe general public be operated more economically, efficiently and advantageously as one system under a single organization than under separate organizations;

AND, WHEREAS, the St. Paul Company at the date of this agreement has advanced to the Gallatin Valley Company the sum of One Million, Eight Hundred Ninety-five Thousand, Nine Hundred Seventy-three and 96/100 Dollars ($1,895,973.96), which amount so advanced has been applied in payment of the cost of the acquisition and construction of its railway property and franchises and in equipping its railway, and which said amount is now owing to the St. Paul Company by the Gallatin Valley Company;

AND, WHEREAS, the Gallatin Valley Company desires to sell and transfer to the St. Paul Company all of its railroad together with all property, rights, privileges and franchises belonging to it or appertaining to its said railroad, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property, as well as all its cash on hand and in bank, accounts and bills receivable, choses in action and all other of its assets and property, of whatsoever kind or nature; and the St. Paul Company desires to purchase said railroad of the Gallatin Valley Company, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property and cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by the Gallatin Valley Company.

AND, WHEREAS, the consideration, terms and conditions of the purchase, sale and transfer of the railroad, property, rights, privileges, ordinances, franchises, leases, agreements, cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property have been agreed upon by the Board of Directors of said respective Companies, which consideration, terms and conditions are as herein set forth;

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged by the respective parties hereto, and other valuable considerations, IT IS MUTUALLY AGREED AS FOLLOWS:

FIRST. That the Gallatin Valley Company has expended in the acquisition and construction of its railway, property and franchises, and the equipment of its railway, at the date of this agreement, an amount not less than One Million, Eight Hundred Ninety-five Thousand, Nine Hundred Seventy-three and 96/100 Dollars ($1,895,973.96),

and that that amount is properly chargeable to its capital account, and that it is now indebted to the St. Paul Company in that amount on account of advances made to it by the St. Paul Company in the construction and acquisition of its railway, property and franchises, and in equipping its railway;

SECOND. That the Gallatin Valley Company will sell, assign, transfer, convey and deliver to the St. Paul Company all its railroad and branches within the State of Montana, together with all property, rights, privileges, and franchises belonging to it or appertaining to said railroad and branches, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, cash on hand and in bank, accounts and bills receivable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, and will execute and deliver to the St. Paul Company proper instruments of conveyance and assignment conveying and assigning said railroad, branches, property, rights, privileges, ordinances, franchises, leases, contracts, agreements, cash on hand and in bank, accounts and bills receiveable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, to the St. Paul Company.

THIRD. That the St. Paul Company will release, and does hereby release, the Gallatin Valley Company from the payment of the amount so as aforesaid advanced to it, and from any other amounts heretofore advanced to it on any account, and will assume and pay, and does hereby agree to assume and pay, when and as the same become due and payable, all valid claims, demands, liabilities, accounts and obligations whatsoever of the Gallatin Valley Company, and will adopt, carry out and perform all agreements, leases and ordinances of the Gallatin Valley Company according to the true intent and meaning thereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers thereunto duly authorized, and attested by their respective seals, the day and year first above written.

GALLATIN VALLEY RAILWAY COMPANY,

By

______________________ President.

Attest:

______________________ Secretary.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By

______________________ President.

Attest:

______________________ Secretary.

RESOLUTIONS TO BE ADOPTED BY THE BOARD OF DIRECTORS OF THE GALLATIN VALLEY RAILWAY COMPANY.

* * * * *

The Chairman presented to the meeting a proposed agreement between this Company and the Chicago, Milwaukee & St. Paul Railway Company, which states the consideration, terms and conditions of the sale and transfer by this Company of the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, to the Chicago, Milwaukee & St. Paul Railway Company, and also of the sale, transfer and delivery to that Company of the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by this Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company sell, assign, transfer and convey the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, to the Chicago, Milwaukee & St. Paul Railway Company for the consideration and upon the terms and conditions stated in said agreement, which said consideration, terms and conditions are hereby agreed to.
>
> RESOLVED, that the President or Vice-President of this Company be, and he is hereby authorized to execute said agreement for and in behalf of this Company, and that the Secretary or Assistant Secretary be, and he is hereby authorized to attest the same and affix the corporate seal ofthe Company thereto, and when so executed to deliver a duplicate of the same to the Chicago, Milwaukee & St. Paul Railway Company.

RESOLVED, that upon the approval and ratification of the consideration, terms and conditions of said sale and transfer by the stockholders of this Company, as by statute required, and the execution and delivery of said proposed agreement by the Chicago, Milwaukee & St. Paul Railway Company, the President or a Vice-President of this Company be, and he hereby is authorized, in the name of and on behalf of this Company, to execute and acknowledge proper deed or deeds of conveyance conveying all said railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to said Chicago, Milwaukee & St. Paul Railway Company, and that the Secretary or Assistant Secretary of this Company be, and he is hereby authorized to attest said deed or deeds, and affix thereto the corporate seal of this Company, and when so executed and acknowledged to deliver the same to the Chicago, Milwaukee & St. Paul Railway Company; and upon the execution and delivery of said deed or deeds of conveyance, the proper officers of this Company be, and they are hereby authorized to deliver possession of all said railway and branches, together with all other property of this Company, to the Chicago, Milwaukee & St. Paul Railway Company.

ALSO RESOLVED, that the aforesaid officers of this Company be, and they are hereby authorized to assign, transfer and deliver, or cause to be assigned, transferred and delivered, to the Chicago, Milwaukee & St. Paul Railway Company all cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by this Company.

The Chairman presented to the meeting a proposed agreement between this Company and the Bellingham & Northern Railway Company, which states the consideration, terms and conditions of the sale and transfer by that Company of the whole of its railroad and branches, together with all its property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to this Company, and also the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, which proposed agreement is dated December 31, 1918.

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

> RESOLVED, that this Company purchase the whole of the railroad and branches of the Bellingham & Northern Railway Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind or nature, owned by that Company, subject to a certain indenture of mortgage or trust deed, dated December 2, 1901, executed by the Bellingham Bay & British Columbia Railroad Company to the Mercantile Trust Company of San Francisco as Trustee, a corporation of the State of California, which said mortgage or trust deed was given to secure the payment of bonds in the aggregate amount of One Million Dollars ($1,000,000.), bearing interest at the rate of 5% per annum, of which bonds in the aggregate principal amount of Five Hundred and Fifteen Thousand Dollars ($515,000.) have been issued and are now outstanding, for the consideration and upon the terms and conditions stated and set forth in said agreement, which said consideration, terms and conditions are hereby agreed to.

RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to execute said agreement in the name of this Company, and that the Secretary or an Assistant Secretary be, and he is hereby authorized to attest the same and affix the Company's seal thereto; and when so executed to deliver a duplicate of the same to the Bellingham & Northern Railway Company.

RESOLVED, that the President or a Vice-President of this Company be, and he is hereby authorized to accept delivery of the instruments of conveyance when properly executed, conveying the said railway, property and franchises of the Bellingham & Northern Railway Company to this Company, and also to accept the assignment, transfer and delivery of the cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by that Company.

RESOLVED, that upon delivery of the said instruments of conveyance, the proper officers of this Company accept delivery and take possession of all the railway and other property and assets of the Bellingham & Northern Railway Company.

RESOLVED, that this Company as the owner of all the shares of the capital stock of the Bellingham & Northern Railway Company, excepting one share each held by the Trustees of that Company as qualifying shares, approves and ratifies, and does hereby approve and ratify the sale by that Company to this Company of its railroad, property, rights, privileges and franchises, as well as all other property owned by that Company described in the agreement between this Company and that Company, dated December 31, 1918, and approves and ratifies the consideration, terms and conditions of such sale as set forth and stated in said agreement, and that the President or a Vice-President of this Company be, and he hereby is authorized to sign the corporate name of this Company as such stockholder of said Bellingham & Northern Railway Company to the instrument ratifying and approving said sale and the consideration, terms and conditions thereof as stated in said agreement, and that the Secretary or an Assistant Secretary of this Company be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto.

THIS AGREEMENT, dated December 31, 1918, by and between the BELLINGHAM & NORTHERN RAILWAY COMPANY, a corporation of the State of Washington, hereinafter called the "Bellingham Company", and the CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY, a corporation of the State of Wisconsin, hereinafter called the "St. Paul Company", WITNESSETH:

WHEREAS, the Bellingham Company owns and operates a line of railway extending from Bellingham to Sumas in said State, together with certain branch lines, and has cash on hand and in bank, accounts and bills receivable, choses in action and other assets and property, and has and possesses certain rights, privileges and benefits under and by virtue of certain ordinances, franchises, leases and agreements;

AND, WHEREAS, the railroad, property and franchises of the Bellingham Company are subject to a certain indenture of mortgage or trust deed, dated December 2, 1901, executed by the Bellingham Bay & British Columbia Railroad Company to the Mercantile Trust Company of San Francisco as Trustee, a corporation of the State of California, which said mortgage or trust deed was given to secure the payment of bonds in the aggregate amount of One Million Dollars ($1,000,000.), bearing interest at the rate of 5% per annum, of which bonds in the aggregate principal amount of Five Hundred and Fifteen Thousand Dollars ($515,000.) have been issued and are now outstanding;

AND, WHEREAS, the St. Paul Company owns and operates a system of railways, both main line and branches, one of which main lines extends from Chicago in the State of Illinois, through the States of Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho, and into the State of Washington, with certain branch lines also in the State of Washington;

AND, WHEREAS, the system of railways owned and operated by the St. Paul Company has heretofore been operated in connection with the railway of the Bellingham Company, the railway of that Company constituting and being a branch or feeder of the system of railways of the St. Paul Company;

AND, WHEREAS, the St. Paul Company has heretofore furnished the money for the construction of the railway of the Bellingham Company, amounting at the date of this agreement to the sum of One Million, Seven Hundred Sixty-nine Thousand, Three Hundred Sixty-seven and 79/100 Dollars ($1,769,367.79), which amount so furnished has been applied in payment of the cost of the acquisition and construction of the railway, property and franchises of the Bellingham Company, and in equipping the railway of that Company, which said amount is now owing to the St. Paul Company by the Bellingham Company;

AND, WHEREAS, the St. Paul Company owns all of the capital stock of the Bellingham Company issued and outstanding, excepting one share for each of the Trustees, held as qualifying shares;

AND, WHEREAS, the railways of the two Companies can in the interest of both Companies and in the interest of the general public, be operated more economically, efficiently and advantageously as one system under a single organization than under separate organizations;

AND, WHEREAS, the Bellingham Company desires to sell and transfer to the St. Paul Company all of its railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining to its railroad, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, and all other property, as well as all its cash on hand and in bank, accounts and bills receivable, choses in action, and all other of its assets and property, of whatsoever kind or nature, such sale and transfer to be made subject to the aforesaid mortgage or trust deed; and the St. Paul Company desires to purchase said railroad of the Bellingham Company, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all ordinances, franchises, leases, operating, traffic, trackag and other agreements, and all rights, privileges and benefits secured thereby, and all other property and cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind or nature, owned by the Bellingham Company, subject to the aforesaid mortgage or trust deed;

AND, WHEREAS, the consideration, terms and conditions of the purchase, sale and transfer of the railroad, property, rights, privilege ordinances, franchises, leases, agreements, cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property have been agreed upon by the Boards of Directors and Trustees of said respective Companies, which consideration, terms and conditions are as herein set forth;

NOW, THEREFORE, in consideration of the premises and the sum o One Dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged by the respective parties hereto, and other valuab considerations, IT IS MUTUALLY AGREED AS FOLLOWS:

FIRST. That the Bellingham Company has expended in the acquisition and construction of its railway, propertyand franchises, and the equipment of its railway, at the date of this agreement, an amour not less than One Million, Seven Hundred Sixty-nine Thousand, Three Hu dred Sixty-seven and 79/100 Dollars, and that that amount is properly chargeable to its capital account, and that it is now indebted to the

St. Paul Company in that amount on account of moneys furnished and advanced to it by the St. Paul Company in the construction and acquisition of its railway, property and franchises, and in equipping its railway.

SECOND. That the Bellingham Company will sell, assign, transfer, convey and deliver to the St. Paul Company all its railroad and branches within the State of Washington, together with all property, rights, privileges and franchises belonging to it or appertaining to said railroad and branches, and all ordinances, franchises, leases, operating, traffic, trackage and other agreements, and all rights, privileges and benefits secured thereby, cash on hand and in bank, accounts and bills receivable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, and will execute and deliver to the St. Paul Company proper instruments of conveyance and assignment, conveying and assigning said railroad, branches, property, rights, privileges, ordinances, franchises, leases, contracts, agreements, cash on hand and in bank, accounts and bills receivable, choses in action and all other property and assets, of whatsoever kind or nature, owned by it, to the St. Paul Company.

THIRD. That the St. Paul Company will release, and does hereby release the Bellingham Company from the payment of the amount so as aforesaid furnished or advanced to it, and from any other amounts heretofore furnished or advanced to it on any account, and will assume and pay, and does hereby assume and pay, when and as the same become due and payable, all valid claims, demands, liabilities, accounts and obligations whatsoever of the Bellingham Company, and will adopt, carry out and perform all agreements, leases, and ordinances, of the Bellingham Company according to the true intent and meaning thereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers thereunto duly authorized, and attested by their respective seals, the day and year first above written.

BELLINGHAM & NORTHERN RAILWAY COMPANY,

By

President.

Attest:

Secretary.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY,

By

President.

Attest:

Secretary.

RESOLUTIONS TO BE ADOPTED BY THE BOARD OF TRUSTEES OF THE BELLINGHAM & NORTHERN RAILWAY COMPANY.

****

The Chairman presented to the meeting a proposed agreement between this Company and the Chicago, Milwaukee & St. Paul Railway Company, which states the consideration, terms and conditions of the sale and transfer by this Company of the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, to the Chicago, Milwaukee & St. Paul Railway Company, and also of the sale, transfer and delivery to that Company of the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, of whatsoever kind of nature, owned by this Company, which proposed agreement is dated December 31, 1918.

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

RESOLVED, that this Company sell, assign, transfer and convey the whole of its railroad and branches, together with all property, rights, privileges and franchises belonging to it, or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and the cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property, to the Chicago, Milwaukee & St. Paul Railway Company, subject to a certain indenture of mortgage or trust deed, dated December 2, 1901, executed by the Bellingham Bay & British Columbia Railroad Company to the Mercantile Trust Company of San Francisco as Trustee, a corporation of the State of California, which said mortgage or trust deed was given to secure the payment of bonds in the aggregate amount of One Million Dollars ($1,000,000.), bearing interest at the rate of

5% per annum, of which bonds in the aggregate principal amount of Five Hundred and Fifteen Thousand Dollars, ($515,000.) have been issued and are now outstanding, for the consideration and upon the terms and conditions stated in said agreement, which said consideration, terms and conditions are hereby agreed to.

RESOLVED, that the President or Vice-President of this Company be, and he is hereby authorized to execute said agreement for and in behalf of this Company, and that the Secretary or Assistant Secretary be, and he is hereby authorized to attest the same and affix the corporate seal of the Company thereto, and when so executed to deliver a duplicate of the same to the Chicago, Milwaukee & St. Paul Railway Company.

RESOLVED, that upon the approval and ratification of the consideration, terms and conditions of said sale and transfer by the stockholders of this Company, as by statute required, and the execution and delivery of said proposed agreement by the Chicago, Milwaukee & St. Paul Railway Company, the President or Vice President of this Company be, and he is hereby authorized, in the name of and on behalf of this Company, to execute and acknowledge proper deed or deeds of conveyance conveying all said railroad and branches, together with all property, rights, privileges and franchises belonging to it or appertaining thereto, and all leases, ordinances, franchises, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, to said Chicago, Milwaukee & St. Paul Railway Company, and that the Secretary or Assistant Secretary of this Company Be, and he is hereby authorized to attest said deed or deeds, and affix thereto the corporate seal of this Company, and when so executed and acknowledged to deliver the same to the Chicago, Milwaukee & St. Paul Railway Company; and upon the execution and delivery of said deed or deeds of conveyance, the proper officers of this Company be and they are hereby authorized to deliver possession of all said railway and branches, together with all other property of this Company, to the Chicago, Milwaukee & St. Paul Railway Company.

ALSO RESOLVED, that the aforesaid officers of this Company be, and they are hereby, authorized to assign, transfer and deliver, or cause to be assigned, transferred and delivered to the Chicago, Milwaukee & St. Paul Railway Company all cash on hand and in bank, accounts and bills receivable, choses in action and all other assets and property, of whatsoever kind of nature, owned by this Company.

The Chairman presented to the meeting an indenture between this Company, the Director General of Railroads and the Chicago, North Shore & Milwaukee Railroad, with a certain agreement between this Company and the Northwestern Elevated Railroad Company. The same having been discussed, it was, on motion, duly seconded, unanimously

RESOLVED, that said Indenture and agreement be and they are hereby approved and are made a part of the proceedings of this meeting, and that the proper officers are authorized to execute the same in behalf of this Company.

(HERE FOLLOWS)

INDENTURE
BETWEEN

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

THE DIRECTOR GENERAL OF RAILRAODS

AND

CHICAGO, NORTH SHORE AND MILWAUKEE
RAILROAD

AGREEMENT
BETWEEN

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY
COMPANY

AND

NORTHWESTERN ELEVATED RAILROAD CO.

The Chairman of the meeting submitted a draft of the Annual Report of the Company for the fiscal year ended December 31, 1918, which was unanimously approved and ordered distributed to the stockholders.

The sale by the Milwaukee Land Company to L. C.Harwood of St. John, Washington, of Ranch Number 1 situated about 4 miles south of Fernwood, Idaho, for the sum of $5,000. payable $2000. cash and $666.66 on October 1, 1920 and same amount on October 1 of each year until balance is paid in full with interest at 6½%, was unanimously approved.

The President made the following statement regarding the obligations of the Chicago Union Station Company to the Pennsylvania Company, in connection with the abandonment of the latter Company's proposed freight terminal west of Canal Street-

> As a condition precedent to the construction of the new Chicago Union Station, it was necessary for the Penna. Company to vacate its freight terminals on the river front between Jackson and Madison Streets. To accomplish this, that Company acquired a large amount of property about two blocks west of Canal Street, and south of Van Buren Street.
>
> The City Council declined to give the Pennsylvania Company authority to construct its tracks in the only way it was deemed practicable to utilize this terminal property; therefore, if the Union Station project was to proceed, it was necessary for the Penna. Company to acquire another site which was done between the property of the Union Station Co. and the river, south of PolkStreet.
>
> Before the purchase of this last property was concluded, the situation was presented to the Board of the Station Co. and a resolution was passed July 9, 1914 obligating the Station Company to "assume all cost to the Pennsylvania Company of the properties purchased for the proposed freight terminal". The cost of the property was about $3,650,000. With interest and carrying charges to date it stands on their books at about $5,200,000.
>
> At the time the Sation Company assumed the obligation above referred to, it was anticipated that the construction of the station would enhance the value of allwest side real estate within a reasonable distance of the station, and that it would be possible to dispose of the property without loss except that which represents the premium always paid by a railway company in connection with purchases of this character. The anticipated situation was not realized, owing to the delay in construction of the station and general business conditions; and today, without trackage, the property is estimated to be worth about $2,000,000.
>
> There has been more or less discussion as to the manner in which the Station Company could satisfy its obligation in this connection but until today no definite

proposition has been made by the Penna. Company. The plan now presented is the payment by the Chicago Union Station Company, of property, money and securities to the amount of $3,325,000. in settlement. In this connection it should be borne in mind that one half of whatever is paid by the Station Company is indirectly paid by the Penna. interests through their fifty percent ownership of the stock of the Station Company.

As the arrangement under which the freight terminals werepurchased was entered into in good faith by all parties concerned, the question at issue is the ascertainment of a fair remuneration for the Penna. Company, and the best method of satisfying it.

After discussion by the Board the following resolution was unanimously adopted:

> RESOLVED, That Mr. R. M. Calkins, President of this Company be, and hereby is, empowered to act in conjunction with the proper officers of the Chicago, Burlington & Quincy Railroad Company in making an adjustment of this controversy between the Chicago Union Station Company and the Penna. Company.

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

C B Terry

Assistant Secretary.

May
1919

New York,), 2 P. M.

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

On motion duly seconded it was

RESOLVED, that the proposed sale of this Company's building known as the old Dousman House at Prairie du Chien, Wis., to J. H. Zimmerman for the sum of $5,000. payable $2,000. cash and the balance in three annual installments bearing 6% interest be and the same is hereby approved, and it was further

RESOLVED, that the proper officers of the Company are hereby authorized to lease to said J. H. Zimmerman for the term of fifteen years the ground upon which said house stands consisting of about 1¼ acres on the basis of 6% of the value of said ground.

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

C B Fay

Assistant Secretary.

New York, May 8, 1919, 2 P. M.

The Executive Committee met. There were present Messrs. Fisher, Harkness, P. A. Rockefeller, Wm. Rockefeller and Stewart. Mr. Stewart acted as Chairman of the meeting.

On motion duly seconded it was unanimously

RESOLVED, that the action of F. B. Simpson, Assistant Secretary, in executing on behalf of this Company a certain proxy appointing T. O. Evans, H. A. Gallwey and John Gillie, or any of them, attorneys to vote the stock owned by this Company or standing in its corporate name as its proxy, at the Annual Meeting of stockholders of the Butte, Anaconda and Pacific Railway Company to be held at Anaconda, Montana, on June 3, 1919, or on such day as the meeting may thereafter be held by adjournment or otherwise, is hereby ratified, confirmed and approved.

The Chairman submitted Division of Capital Expenditures

DCE Form 4, numbers- 135 to 139 incl
144 to 147 incl
#153
154
156
#163
#164
#165
#166
167, 168
174 to 177 incl

in accordance with Supplement No. 1, to DCE Circular #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 President of this Company.

The Chairman further submitted an abstract of the said DCE Forms in detail showing the total amount of such capital expenditures to be $100,129.00, 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 they hereby are approved by the Executive Committee, and that the Standard Protest made on DCE Form 153- 163 - 164 - 165 and 166 be filed with the Director Division of Capital Expenditures.

DCE FORM NO.	LOCATION	DESCRIPTION OF WORK	AMOUNT
4-135	Gilbert, Wis.	Construction industry track	$ 1,534.00
136	Pizarro, Wash.	Renewing timber culvert	1,439.00
137	Carnation, Wash.	Construct spur track	1,207.00
138	Black River Jct. to Seattle, Wash.	Construct copper and iron wires and equipment for telegraph office in OWR&N. Depot at Seattle	11,250.00
139	Hastings, Minn.	Construct cross-over between East and West bound main tracks at east end of yard	1,110.00
144	Lake City, Minn.	Installing crossing signal	1,700.00
145	Morton Grove, Ill.	Special assessment, public improvements	2,194.00
146	Between Iris and Bearmouth, Mont.	Ballasting main line track	12,544.00
147	Bensenville, Ill.	Installing air line for testing trains, west end of West Yard	1,182.00
#153	Tacoma, Wash.	Replacing portion of pile bridge with fill	34,643.00
154	Timbuctoo, Ill.	Strengthening pins and end posts of two 106' spans with additional material	1,465.00
156	Manilla to Sioux City, Ia.	Strengthening bridges and adding additional material	1,190.00
#163	Cedar Rapids, Ia.	Filling bridge	1,719.00
#164	Westmore, Mont.	Renewing timber culvert	1,934.00
#165	Sorrento, Ida.	Renewing timber culvert	2,933.00
#166	Alcazar, Mont.	Renewing timber culvert	1,918.00
167	LaCrosse Division	First application of 20,000 Sellers Tie Plates	4,085.00
168	Tunnel City, Wis.	First application 7,770 tie plates	1,537.00
174	Ellensburg, Wash.	Assessment against property	1,285.00
175	Aberdeen, S. D.	For additional water supply	9,740.00
176	Galewood, Ills.	Improvements shop buildings	2,040.00
177	Savanna, Ills.	Improvements shop buildings	1,480.00
		TOTAL	$100,129.00

NOTE - # Bears Standard Protest.

On motion duly seconded it was recommended that the Milwaukee Land Company sell to J. M. Bell of Morton, Washington, the land and timber in the SW¼ of the NE¼, the W½ of the SE¼ and the SE¼ of the SE¼ of Section 34, Township 13N, Range 4E, Lewis County, Washington, containing 160 acres of land immediately north of the town of Morton on the Tacoma & Eastern Railroad, for $14,000. on the following terms: $3,000. to be paid in cash and the balance in equal monthly instalments of $2,000. each, deferred payments to bear 6% interest.

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

Assistant Secretary.

New York, Thursday, May 15, 1919. 2 P. M.

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

No formal action was taken.

Assistant Secretary.

1918

Fifty-Fourth Annual Report

of the

Chicago, Milwaukee & St. Paul Railway Company

for the

Fiscal Year Ended December 31, 1918

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

STATE OF WISCONSIN,)
: ss.
County of Milwaukee.)

I, J. WELCH, Comptroller of the Chicago, Milwaukee and St. Paul Railway Company, DO HEREBY CERTIFY: that on the day of May, 1919, the Annual Report of the Company for the year ended December 31, 1918,—of which the attached is a true copy,—was sent by mail to each stockholder of the Company to his address as shown on the Company's books.

IN WITNESS WHEREOF, I have hereunto set my hand as Comptroller of the Company this twentieth day of May, 1919.

J Welch, Comptroller of the Chicago, Milwaukee and St. Paul Railway Company.

1918

Fifty-fourth Annual Report

of the

Chicago, Milwaukee & St. Paul Railway Company

for the

Fiscal Year Ended December 31, 1918

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

DIRECTORS

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
R. M. CALKINS	CHICAGO
JOHN D. RYAN	NEW YORK

TERM EXPIRES MAY, 1921

SAMUEL H. FISHER	NEW YORK
DONALD G. GEDDES	NEW YORK
WILLIAM ROCKEFELLER	NEW YORK
JOHN A. STEWART	NEW YORK

EXECUTIVE COMMITTEE

JOHN A. STEWART	R. M. CALKINS
WILLIAM ROCKEFELLER	P. A. ROCKEFELLER
SAMUEL H. FISHER	EDWARD S. HARKNESS

OFFICERS

R. M. CALKINS	President	CHICAGO
E. D. SEWALL	Vice-President	CHICAGO
C. B. FERRY	Vice-Pres't, Ass't Sec'y	NEW YORK
E. W. ADAMS	Secretary	MILWAUKEE
A. C. HAGENSICK	Assistant Secretary	MILWAUKEE
F. B. SIMPSON	Treasurer, Ass't Sec'y and Transfer Agent	NEW YORK
R. J. MARONY	Ass't Treas., Ass't Sec'y and Transfer Agent	NEW YORK
J. A. PETERSON	Assistant Treasurer	CHICAGO
J. WELCH	Comptroller	CHICAGO
F. LETHENSTROM	Auditor	CHICAGO
W. W. K. SPARROW	Chief Engineer	CHICAGO
BURTON HANSON	General Counsel	CHICAGO

ANNUAL MEETING

The Annual Meeting of Stockholders will be held at the office of the Secretary of the Company in the City of Milwaukee, Wis., on Tuesday, May 20, 1919, at twelve o'clock noon.

THE
FIFTY-FOURTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

TO THE STOCKHOLDERS

For the Fiscal Year ended December 31, 1918

The Directors submit to the Stockholders the following report of the Company and the Six Subsidiary Companies for the year ended December 31, 1918, and of the condition of its property and finances at the close of that year.

*Compensation accrued under Federal Control, for possession, use and control of property of the Company's system		$ 27,946,771.45
Other Income:		
Interest on Bonds	$ 44,096.30	
Dividends on Stocks	170,344.00	
Interest on Other Securities, Loans and Accounts	514,341.35	
Rents—Received	234,213.71	
†Revenue Prior to January 1, 1918	1,143,676.31	
Miscellaneous	370,332.95	2,477,004.62
Gross Income		$ 30,423,776.07
Deductions:		
Interest Accrued on Funded Debt	$16,767,186.15	
Interest on Notes	663,084.31	
†Expenses Prior to January 1, 1918	5,583,965.45	
Corporate Organization Expenses	163,214.77	
Taxes Accrued	376,628.03	
Rents—Paid	27,520.32	
Miscellaneous	600,667.31	24,182,266.34
Net Income		$ 6,241,509.73

The foregoing statement shows the income of the Company for the year 1918, during Government control. It does not include interest due to or from the Government growing out of liquidation of assets and liabilities, deferred payments on compensation and for additions and betterments for the reason that the accounts have not yet been so stated as to enable computation of such interest. It is estimated, however, that the interest due to the Company is somewhat in excess of that due to the Government.

*Of this amount $6,275,000.00 was received to December 31, 1918.

†These items are included in Income Account of the current year under instructions of the Interstate Commerce Commission.

AGREEMENT WITH DIRECTOR GENERAL

In submitting the Annual Report of the Company for the year ended December 31, 1917, you were advised that negotiations were then pending for an agreement with the Director General pursuant to the terms and provisions of the Federal Control Act. These negotiations have now been concluded, and the Board is now able to report that pursuant to resolutions adopted at the annual and adjourned meetings of the stockholders of the Company May 18 and August 15, 1918, an agreement has been made between the Director General of Railroads and this Company and its six subsidiary Railway Companies, covering the possession, use, control and operation of their railways and system of transportation. This agreement was finally executed and delivered March 29, 1919. Among other things, it provides for the payment to the Company of an annual compensation as certified by the Interstate Commerce Commission, as follows:

Chicago, Milwaukee & St. Paul Ry. Co.	$ 27,154,551.02
Tacoma Eastern Railroad Company	133,525.16
Puget Sound & Willapa Harbor Ry. Co.	82,149.27
Seattle, Port Angeles & Western Ry. Co.	72,664.93
Bellingham & Northern Railway Co.	40,305.24
Milwaukee Terminal Ry. Co.	32,556.60
Gallatin Valley Ry. Co. (Deficit)	*8,980.77*
	$27,506,771.45
In addition to the above amount an extra allowance was granted the Company on account of recent expenditures made by it for the installation of electrical operation of 440 miles of line between Harlowton, Mont., and Avery, Idaho	440,000.00
Total Annual Compensation	$27,946,771.45

DISPOSITION OF NET CORPORATE INCOME FOR THE YEAR 1918.

By reference to table on page 5, you will note that the net corporate income of the Company for the year 1918 was $6,241,509.73. If, after the floating or unfunded debts of the Company are paid and a reasonable amount as working capital or surplus has been reserved, there remains a balance, it would be proper for the Board to apply such balance toward the payment of a dividend on the preferred stock of the Company. On December 31, 1918, the floating debts of the Company were as follows:

Amount due United States Railroad Administration for Open Accounts covering the liquidation of assets and liabilities as of January 1, 1918	$ 2,912,846.44
Amount due War Finance Corporation	8,500,000.00
Amount due New York banks	4,500,000.00
Amount due United States Railroad Administration	857,000.00
Total	$ 16,769,846.44

Of the amount borrowed from the War Finance Corporation, $5,000,000 was used for the payment of interest on the bonds of the Company which fell due during the year 1918. The balance, $3,500,000 and the $857,000 borrowed from the United States Railroad Administration was used for the payment of interest on the bonds of the Company which fell due January 1, 1919. These loans are covered by demand notes of the Company and were made necessary because at that time the agreement between the Company and the Director General had not been executed and adjustment of accounts completed. As a result the United States Railroad Administration withheld the payment of further amounts on account of compensation. The $4,500,000 borrowed from the New York banks was also covered by demand notes and was used for the payment of interest on the bonds of the Company which became payable during the early part of 1918. The Company was required to deposit with the War Finance Corporation as collateral security for the $8,500,000 loan, its General and Refunding Mortgage bonds which it held in its treasury to reimburse it for expenditures made out of prior earnings for additions and betterments to the Company's property.

There is still due the Company from the United States Railroad Administration on account of its 1918 compensation $21,671,771.45, which, however, is subject to further adjustments under the terms of the agreement between the Company and the Director General with respect to expenses incurred for maintenance of way and structures and maintenance of equipment. The result of these adjustments will not be known for some months. This amount, $21,671,771.45, or such part thereof as is paid to the Company, will, when paid, be applied in payment of the $2,912,846.44, the amount due to the United States Railroad Administration for Open Accounts, and to the payment of the amounts borrowed from the War Finance Corporation, the New York banks and the United States Railroad Administration.

In addition to the above, this Company having guaranteed the payment of $3,000,000 of Trust Certificates issued by the Puget Sound & Willapa Harbor Railway Company in 1913, and which matured June 1, 1918, found it necessary to borrow from the War Finance Corporation $3,000,000 to take up these certificates. This loan is represented by a demand note secured by General and Refunding Mortgage bonds of the Company, and will be taken up as soon as the Company can finance itself by the sale of bonds.

If the amount due from the Railroad Administration to the Company, $21,671,771.45, is not materially changed by the adjustments which may be made, there will remain a balance of approximately $4,900,000, which when received will be available for working capital, surplus and dividends; but until these adjustments are made it will not be proper for the Board under the provisions of the Articles of Association of the Company to take action respecting the disposition of whatever balance may remain.

ACQUISITION OF RAILWAYS OF SUBSIDIARY COMPANIES.

The Company heretofore has owned all of the outstanding capital stock (excepting Directors' qualifying shares) of the following companies:

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

While each of these companies has heretofore been operated as a separate organization, keeping separate accounts and making separate reports to the Interstate Commerce Commission and other public bodies, their railways have been operated as branches or feeders of the railway system of this Company. It has,

therefore, been deemed advisable on the grounds of both economy and efficiency, to have the railways of these companies conveyed to this Company, and accordingly proper action has been taken authorizing each of these companies to convey its railway, property and franchises to this Company, and deeds of conveyance, dated December 31, 1918, have been made. The railway of the Tacoma Eastern Railroad Company was conveyed subject to outstanding bonds, secured by mortgage, in the amount of $884,000, and the railway of the Bellingham & Northern Railway Company was conveyed subject to outstanding bonds, secured by mortgage, in the amount of $515,000.

Henceforth the railways of these subsidiary companies will be owned by this Company and operated as part of its system.

TEMPORARY FINANCING.

The United States Railroad Administration took over all cash on hand and balance due from agents on December 31, 1917, and as these amounts were collected the same were retained by the Railroad Administration, which left the Company with no funds to meet current expenses and other corporate requirements. Only $6,275,000 was received from the Railroad Administration on account of the compensation which the Company was entitled to receive for the use of its railroad for the year 1918. It was therefore necessary to borrow funds from time to time to enable the Company to pay interest on its outstanding bonds and to meet other corporate requirements. $8,500,000 was borrowed from the War Finance Corporation, $4,500,000 from New York banks, and $857,000 from the Railroad Administration, making a total of $13,857,000. The Company was also obliged to borrow $3,000,000 from the War Finance Corporation to take up that amount of Puget Sound & Willapa Harbor Railway Company Trust Certificates which matured June 1, 1918, and which this Company guaranteed.

Funds amounting to $10,872,711.70 to pay for Additions and Betterments to the property for expenditures made during the year were provided by the United States Railroad Administration and such amounts have been charged to the Company. Arrangements for financing the cost of these Additions and Betterments and refunding the Trust Certificates of the Puget Sound & Willapa Harbor Railway Company will be made as soon as conditions will permit. Material and Supplies to the value of $15,231,983,56 were taken over by the Government and no credit has been allowed for the reason that the same unit quantities of material and supplies are to be returned to the Company at the termination of Federal control.

ADDITIONS AND BETTERMENTS AUTHORIZED

Equipment

The Director General assigned to the Company 100 heavy freight locomotives and 3,000 box cars (1,000 of which are to be built in the Company's shops at Milwaukee). The Board protested against this allocation on account of high prices due to war conditions and succeeded in reducing the number of cars from 5,000 to 3,000; the cost of this equipment will be financed as soon as conditions will permit.

Fifteen electric passenger and two electric switch locomotives have been purchased and delivery of the two switch locomotives is expected during the month of May, 1919, and delivery of passenger locomotives by July 1, 1919, for service on the additional 217 miles now being electrified between Othello, Washington, and Seattle and Tacoma.

New Station Buildings and Terminal Facilities

New freight yards and engine terminals have been completed and put into operation at Atkins, Iowa, Sioux City, Iowa, and Ottumwa Jct., Iowa.

New freight yards and terminal facilities at Godfrey, Illinois, near Chicago, have been completed and placed in operation with the exception of buildings and tracks for repair yard, the construction of which has for the present been deferred.

Automatic Block Signals

New Automatic, three position, color indication, alternating current, light signals were installed during 1918, as follows:

Rocky Mountain Division, Three Forks to Piedmont, 34.2 miles; Missoula Division, Garrison to Alberton, 100.00 miles; Twin City Terminal Division, Hennepin Avenue to South Minneapolis, 3.0 miles.

The direct current semaphore signals formerly in service on the Columbia Division between Othello and Cle Elum, 98.1 miles, and on the Coast Division between Cle Elum and Maple Valley, 68.1 miles, and between Black River Junction and Tacoma, 28.3 miles, are being replaced with color indication, alternating current, light signals on account of the direct current, semaphore type of signal not being adapted to service on an electrified line.

Elimination of Grade Crossing

Owing to war conditions only work of minor character has been prosecuted during the past year. No new track elevation work has been commenced, and such track elevation work as had been started has not been brought to completion.

New Lines and Extensions

The connections necessary to complete cut-off between Bensenville, Illinois, and Techny, Illinois, have been completed and the line is now in operation.

Interlocking Plants

Four new mechanical interlocking plants have been installed (two 36-lever, one 52-lever, and one 56-lever) at the ends of the Techny-Bensenville Cut-off.

Electrification

Work on the electrification of the line from Othello, Washington, to Seattle and Tacoma, Washington, a distance of 217 miles, has been continued and will be completed during the coming year, making a total of 657 miles of electrically operated main track.

Federal Valuation

Federal valuation of the Company's property has continued during the past year.

Roadway and Track field inventory has been completed with the exception of Chicago Terminals and the work necessary on the lines West of Mobridge, due to date of valuation having been advanced by the Government Division of Valuation from June 30, 1915, to June 30, 1918. Maps and profiles are 50 per cent completed and 25 per cent have been furnished the Division of Valuation. The field inventory of telegraph and telephone properties is completed and the field work in connection with the inventory of bridges and buildings is 55 per cent completed. Valuation of right of way and real estate is about 30 per cent completed, and forces are engaged in securing the necessary additional information. The valuation work is being pushed as much as possible with a view of bringing it to an early conclusion.

ORGANIZATION CHANGES.

Early in the year 1918, the Director General appointed his own staff, selecting them from the officers of the Company, for the operation of the property. He also issued instructions that all such officials and employes in the service of the United States Railroad Administration should sever their connection with the Corporation. This action necessitated a separate organization to look after the interests of the Company in its negotiations with the Government for the execution of a contract covering the property taken over, also for the proper supervision and accounting, and to see that the property is maintained to the standard existing when same was taken over so that at the end of Federal Control it will be returned to the Company in substantially as good repair and as complete equipment as it was on January 1, 1918. Mr. H. E. Byram, formerly President, was appointed Federal Manager in charge of the property under Federal Control. The officers constituting the Corporate organization are chiefly those in the Executive Department and essential for the protection of your interests. A list of these officers appears on page 3 of this report.

MILES OF TRACK, DECEMBER 31, 1918.

Owned solely by this Company:		
Main track	9,808.06	
Second main track	1,043.55	
Third main track	20.55	
Fourth main track	14.29	
Connection tracks	47.89	
Yard tracks, sidings and spur tracks	3,287.11	14,221.45
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	6.14	
Yard tracks, sidings and spur tracks	204.80	330.71
Used by this Company under contracts:		
Main track	362.62	
Second main track	88.43	
Third main track	1.14	452.19
Total miles of track		15,004.35

Average miles of main track in operation during the year:

Owned solely	9,830.40 miles
Owned jointly	109.74 "
Used under contracts	362.75 "
Total average miles operated	10,302.89 miles

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

Wisconsin	1,814.01 miles
Illinois	418.72 "
Iowa	1,864.49 "
Minnesota	1,230.04 "
North Dakota	379.93 "
South Dakota	1,795.23 "
Missouri	140.25 "
Michigan	197.39 "
Montana	1,157.29 "
Idaho	237.89 "
Washington	682.56 "
Total length of main track owned solely and jointly	9,917.80 miles

EQUIPMENT.

During the year, one thousand seven hundred and eighty-five cars of various classes have been purchased or built, as follows:

1002 Box Cars	1 Coach
754 Coal Cars	1 Locomotive Crane
1 Stock Car	26 Work Train Cars

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

142 Locomotives	3 Mail and Express Cars
2436 Box Cars	2 Passenger and Baggage Cars
169 Stock Cars	2 Mail, Baggage and Express Cars
431 Flat Cars	3 Baggage Cars
63 Coal Cars	21 Cabooses
106 Ore Cars	25 Ballast Cars
65 Refrigerator Cars	736 Work Train Cars
3 Coaches	

RESERVE FOR ACCRUED DEPRECIATION.

At the close of the fiscal year ended December 31, 1917, there was to the credit of Reserve for Accrued Depreciation the sum of $11,778,641.14. There has been credited to this account $298,280.92 covering the balances in the various Reserve for Accrued Depreciation Accounts transferred from the six subsidiary Companies acquired as of December 31, 1918.

There has been charged to this Reserve an amount of $847,535.32 representing the Accrued Depreciation previously credited on equipment destroyed, sold or taken down during the year, which results in a net decrease in the Reserve of $549,254.40 for the year.

The balance of this Reserve December 31, 1918, as shown in the Balance Sheet is $11,229,386.74, which represents the estimated depreciation of rolling stock from June 30, 1907, to December 31, 1917.

EQUIPMENT, DECEMBER 31, 1918.

Locomotives—Steam			1,795
Locomotives—Electric			45
Freight-train Cars:			
Box Cars		39,325	
Flat Cars		4,419	
Stock Cars		5,351	
Coal Cars		7,237	
Refrigerator Cars		2,168	
Caboose Cars		1,046	
Other Freight-train Cars (Ore Cars)		2,006	61,552
Passenger-Train Cars:			
Coaches		644	
Combination Passenger Cars		131	
Passenger, Baggage and Mail	4		
Passenger and Baggage	99		
Gas-Electric Motor Cars	7		
Baggage-Buffet	5		
Buffet-Observation	14		
Buffet-Lounging Cars	2		
Other Combination Cars		133	
Baggage, Mail and Express	4		
Baggage and Mail	83		
Mail and Express	46		
Dining Cars		61	
Parlor Cars		34	
Sleeping Cars		239	
Standard	203		
Tourist	36		
Baggage and Express Cars		266	
Postal Cars		57	1,565
Company Service Cars:			
Office and Pay Cars		23	
Ballast Cars		2,359	
Derrick Cars		48	
Steam Shovels		21	
Wrecking Cars		15	
Other Company Service Cars		905	3,371
Total			68,328

INSURANCE DEPARTMENT

INSURANCE RESERVE ACCOUNT

Income:		
Premium Received:		
For Insurance of Railway Properties	$	149,497.03
Less—Reinsurance Paid		77,861.31
Net Premium Income	$	71,635.72
Other Income:		
Interest and Dividends on Securities Owned		110,649.00
Gross Income	$	182,284.72
Disbursements:		
Fire Losses—Net		166,796.19
Net Income for the Year	$	15,488.53
Insurance Reserve as per General Balance Sheet, Page 23	$	2,800,975.70

ASSETS AND LIABILITIES

Assets:		
Funded:		
Securities as shown on page 17	$	2,835,100.00
Unfunded:		
Interest Accrued on Securities Owned		65,801.02
Total Assets	$	2,900,901.02
Liabilities:		
Insurance Reserve	$	2,800,975.70
C. M. & St. P. Ry. Co. Advances		99,925.32
Total Liabilities	$	2,900,901.02

INSURANCE DEPARTMENT

INVESTMENTS—SECURITIES

The Insurance Reserve December 31, 1918, amounts to $2,800,975.70, 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	$ 86,100.00	
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	
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	

CAPITAL STOCK.

At the close of the last fiscal year (December 31, 1917), 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. Of the Preferred Stock held by the Company, $343,000.00 is in the Treasury and $86,100.00 is in the Insurance Reserve Fund.

All of the $5,300.00 of Common Stock held by the Company is in the Insurance Reserve Fund. No Capital Stock has been issued during the year ended December 31, 1918.

FUNDED DEBT.

At the close of the last fiscal year the Funded Debt of the Company was $490,304,154.66.

It has been decreased during the fiscal year by $138,000.00 Dubuque Division 6% Bonds, and $45,000.00 Wisconsin Valley Division 6% Bonds retired and by a transfer to Matured Funded Debt of $4,000 Dakota and Great Southern Ry. Co. bonds, which matured Jan. 1, 1916, but which have not yet been presented for payment.

It has been increased by $884,000.00 of Tacoma Eastern Railroad Co. First Mortgage Bonds (of which $30,000.00 was previously carried as an investment and $51,000.00 was carried in the Insurance Reserve Fund), and $515,000.00 of Bellingham & Northern Ry. Co. First Mortgage Bonds, assumed, and the issue of $9,958,000.00 of General and Refunding Mortgage Bonds.

The amount of bonds issued at the close of this fiscal year is $501,474,154.66, of which $117,247,200.00 are in the Treasury of the Company and $384,226,954.66 are outstanding.

TREASURY BONDS.

At the close of the last fiscal year the amount of the Company's bonds in the treasury was	$107,259,200.00
It has been increased by—	
General and Refunding Mortgage 4½% Bonds issued	9,958,000.00
Tacoma Eastern R. R. Co. First Mortgage Bonds heretofore carried as an investment	30,000.00
At the close of this fiscal year, bonds in treasury composed of General and Refunding Mortgage Bonds and First Mortgage Bonds available for the acquisition of additional property or for other additions and betterments amounted to	$117,247,200.00

SUBSIDIARY COMPANIES

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

These Companies were operated independently during the year and their Income Accounts are not included in the Income Statement of the Chicago, Milwaukee & St. Paul Railway Company, shown on page 24 of this report, but same are included in the Consolidated Statement on page 5.

TACOMA EASTERN RAILROAD COMPANY

Compensation Accrued		$133,525.16
OTHER INCOME:		
Interest on Other Securities, Loans and Accounts	$ 7,125.17	
Rents—Received	380.00	
Revenue Prior to January 1, 1918	7,895.36	
Miscellaneous	1,992.07	17,392.60
Gross Income		$150,917.76
DEDUCTIONS:		
Interest Accrued on Funded Debt	$ 44,200.00	
Interest on Notes	111,021.08	
Expenses Prior to January 1, 1918	35,488.60	
Corporate Organization Expenses	96.25	
Rents—Paid	53.89	
Miscellaneous	8,798.99	199,658.81
Net Income (Deficit)		*$ 48,741.05*

GALLATIN VALLEY RAILWAY COMPANY

Compensation Accrued		*$ 8,980.77*
OTHER INCOME:		
Revenue Prior to January 1, 1918	$ 52.62	
Miscellaneous	1,905.00	1,957.62
Gross Income (Debit)		*$ 7,023.15*
DEDUCTIONS:		
Expenses Prior to January 1, 1918	$ 12,792.20	
Corporate Organization Expenses	1.00	
Miscellaneous	555.88	13,349.08
Net Income (Deficit)		*$ 20,372.23*

PUGET SOUND & WILLAPA HARBOR RAILWAY COMPANY

Compensation Accrued		$ 82,149.27
Other Income:		
Interest on Other Securities, Loans and Accounts	$ 8.05	
Rents—Received	5.00	
Revenue Prior to January 1, 1918	*8,562.80*	
Miscellaneous	314.94	*8,234.81*
Gross Income		$ 73,914.46
DEDUCTIONS:		
Interest on Notes	$ 5,641.74	
Expenses Prior to January 1, 1918	8,218.92	
Corporate Organization Expenses	43.50	
Miscellaneous	63,196.20	77,100.36
Net Income (Deficit)		*$ 3,185.90*

SUBSIDIARY COMPANIES—Concluded.

SEATTLE PORT ANGELES & WESTERN RAILWAY COMPANY

Compensation Accrued		$ 72,664.93
OTHER INCOME:		
Interest on Other Securities, Loans and Accounts	$ 2.19	
Rents—Received	7.50	
Revenue Prior to January 1, 1918	*2,051.24*	
Miscellaneous	1,764.34	*277.21*
Gross Income		$ 72,387.72
DEDUCTIONS:		
Interest on Notes	$ 2,008.40	
Expenses Prior to January 1, 1918	25,467.85	
Corporate Organization Expenses	1.00	
Rents—Paid	1,004.90	28,482.15
Net Income		$ 43,905.57

BELLINGHAM & NORTHERN RAILWAY COMPANY

Compensation Accrued		$ 40,305.24
OTHER INCOME:		
Rents—Received	$ 3,030.00	
Revenue Prior to January 1, 1918	3,676.53	
Miscellaneous	5,858.91	12,565.44
Gross Income		$ 52,870.68
DEDUCTIONS:		
Interest Accrued on Funded Debt	$ 26,483.33	
Interest on Notes	34,455.89	
Expenses Prior to January 1, 1918	1,511.19	
Corporate Organization Expenses	30.58	
Rents—Paid	537.00	
Miscellaneous	17,633,89	80,651.88
Net Income (Deficit)		*$ 27,781.20*

MILWAUKEE TERMINAL RAILWAY COMPANY

Compensation Accrued		$ 32,556.60
OTHER INCOME:		
Revenue Prior to January 1, 1918	*$ 14,353.70*	
Miscellaneous	210.00	*14,143.70*
Gross Income		$ 18,412.90
DEDUCTIONS:		
Interest on Notes	$ 35,068.84	
Expenses Prior to January 1, 1918	12,129.01	
Corporate Organization Expenses	1.00	
Rents—Paid	717.90	
Miscellaneous	702.71	48,619.46
Net Income (Deficit)		*$ 30,206.56*

FUTURE RAILWAY POLICY

The results of Federal operation and control of the railways of the country have dispelled whatever doubt may heretofore have existed as to the necessity for needed changes in the laws governing their operation under private management, and prior to the adjournment of the last Congress, the Senate Committee on Interstate Commerce held numerous hearings on the subject to obtain the views of the public, the railway owners, the executive officers and the employes.

The Association of Railway Executives, representing over 91 per cent of the railway mileage of the country, of which this Company is a member, formulated and presented to the Senate Committee a plan which embraced the establishment by Federal authority of a basis of rates which should produce an adequate return upon invested capital, and attract the additional capital needed for future requirements; also the regulation by Federal authority of wages, the issuance of new securities, the elimination of all conflicting state regulations, the repeal or modification of such laws as prevent the unification of lines or facilities tending to economy of operation, and other features of lesser importance. As the necessity for remedial legislation is recognized by the Congress, the press and the public, it is confidently expected that the plan mentioned, or some other plan on the same general lines, will be the subject of affirmative action as soon as practical after the assembling of Congress.

General Balance Sheet, Income, Profit and Loss and other tables relating to corporate affairs and also statements showing result of Federal Operation are appended hereto.

By order of the Board of Directors.

R. M. CALKINS,
President.

April, 1919.

GENERAL BALANCE SHEET

ASSETS—DECEMBER 31, 1918.

PROPERTY INVESTMENT:		
Road and Equipment		$628,036,781.51
Accrued Depreciation—Equipment—Cr		11,229,386.74
		$616,807,394.77
Securities:		
Securities of Controlled Companies—Unpledged:		
Stocks	$ 5,586,667.29	
Funded Debt	110,000.00	5,696,667.29
Other Investments:		
Advances to Controlled Companies for Construction, Equipment and Betterments	$23,413,770.86	
Miscellaneous Investments:		
Physical Property	632,161.91	
Investment Securities—Unpledged	295,022.54	24,340,955.31
TOTAL CAPITAL ASSETS		$646,845,017.37
CURRENT ASSETS:		
Cash (for Interest due Jan. 1, 1919)	$ 4,487,118.12	
Loans and Bills Receivable	432,188.04	
Traffic and Car-Service Balances	414,555.00	5,333,861.16
Miscellaneous Accounts Receivable:		
United States Government		21,671,771.45
Total Compensation Accrued	27,946,771.45	
Less Amount Received	6,275,000.00	
Other Accounts Receivable	1,399,507.59	
Other Current Assets	230,533.71	1,630,041.30
TOTAL CURRENT ASSETS		$ 28,635,673.91
DEFERRED ASSETS:		
United States Government Open Account		17,483,303.11
Cash December 31, 1917	$ 4,032,843.54	
Cash since December 31, 1917	1,283,027.42	
Agents and Conductors Balances	3,889,509.04	
Assets December 31, 1917, Collected	6,490,974.13	
Revenues Prior to January 1, 1918	1,378,603.12	
Corporate Transactions	408,345.86	
U. S. Material and Supplies Dec. 31, 1917		15,231,983.56
Equipment Retired—U. S. Government		1,671,136.81
TOTAL DEFERRED ASSETS		$ 34,386,423.48
ACCRUED INCOME NOT DUE:		
Unmatured Interest		124,334.90
UNADJUSTED DEBIT ITEMS:		
Special Deposits	$ 153,497.90	
Cash and Securities in Sinking Funds	276,627.52	
Securities in Insurance Fund	2,835,100.00	
Other Unadjusted Debit Items	2,330,780.97	5,596,006.39
		$715,587,456.05

GENERAL BALANCE SHEET

LIABILITIES—DECEMBER 31, 1918.

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	$250,517,800.00		
Held by Company	119,410,700.00	$369,928,500.00	
Debenture Bonds			
In Hands of Public	$131,443,454.66		
Held by Company	102,200.00	131,545,654.66	
Total Funded Debt			501,474,154.66
Total Capital Stock and Funded Debt			$735,196,538.53
Less Stock and Bonds *unsold*, held by the Company			117,590,200.00
TOTAL CAPITAL LIABILITIES			$617,606,338.53
CURRENT LIABILITIES:			
Bills Payable		$ 16,857,000.00	
Traffic and Car-Service Balances		254,423.23	
Pay Rolls and Vouchers		350,095.75	
Miscellaneous Accounts Payable		211,701.35	
Unclaimed Dividends		7,021.00	
Interest Coupons not Presented		690,762.63	
Matured Funded Debt		7,782.62	
Other Current Liabilities		91,135.92	18,469,922.50
DEFERRED LIABILITIES:			
U. S. Government Open Account:			20,396,149.55
Liabilities December 31, 1917, Paid		$ 15,534,826.95	
Expenses Prior to January 1, 1918		4,861,322.60	
U. S. Gov't Additions and Betterments			10,872,711.70
TOTAL DEFERRED LIABILITIES			$ 31,268,861.25
ACCRUED LIABILITIES NOT DUE:			
Interest Accrued on Funded Debt		$ 5,682,508.95	
Taxes Accrued		925,175.55	6,607,684.50
UNADJUSTED CREDIT ITEMS:			
Insurance Department Fund—Reserve		2,800,975.70	
Other Unadjusted Credit Items		1,859,098.79	4,660,074.49
APPROPRIATED SURPLUS:			
Reserves from Income or Surplus:			
Invested in Sinking Funds		294,278.85	
Invested in Physical Property		142,304.67	
Funded Debt Retired—B. & N. Ry.		33,000.00	469,583.52
PROFIT AND LOSS—BALANCE:			
Surplus			36,504,991.26
			$715,587,456.05

STATEMENT OF INCOME ACCOUNT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

YEAR ENDED DECEMBER 31, 1918.

Compensation accrued under Federal Control for use of Property		$ 27,594.551.02
OTHER INCOME:		
Interest on Bonds	$ 44,096.30	
Dividends on Stocks	170,344.00	
Interest on Other Securities, Loans and Accounts	507,205.94	
Rents—Received	230,791.21	
Revenue Prior to January 1, 1918	1,157,019.54	
Miscellaneous	358,287.69	
Total Other Income		2,467,744.68
Gross Income		$ 30,062,295.70
DEDUCTIONS FROM INCOME:		
Interest Accrued on Funded Debt	$ 16,696,502.82	
Interest on Notes	474,888.36	
Expenses Prior to January 1, 1918	5,488,357.68	
Corporate Organization Expenses	163,041.44	
Taxes Accrued	376,628.03	
Rents—Paid	25,206.63	
Miscellaneous	509,779.64	
Total Deductions		$ 23,734,404.60
NET INCOME CARRIED FORWARD TO CREDIT OF PROFIT AND LOSS		$ 6,327,891.10

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1918.

DEBIT		
Net Loss on Property Sold or Abandoned and not Replaced		
Road	$ 448,402.79	
Equipment	631,001.23	
Surplus Appropriated for Investment in Physical Property	13,746.95	
Balance Credit, December 31, 1918, carried to General Balance Sheet	36,504,991.26	
	$ 37,598,142.23	

CREDIT		
Balance December 31, 1917	$ 30,975,174.09	
Balance for Year brought forward from Income Account	6,327,891.10	
Other Miscellaneous Net Credits	295,077.04	
	$ 37,598,142.23	

CAPITAL STOCK, DECEMBER 31, 1918

Common Stock December 31, 1917	$117,411,300.00
Preferred Stock December 31, 1917	116,274,900.00
No changes during the year	
Total Capital Stock, December 31, 1918	$233,686,200.00

FUNDED DEBT, DECEMBER 31, 1918

Total Funded Debt December 31, 1917, including all liens on purchased roads		$490,304,154.66
Decrease during the year:		
Dakota & Great Southern Ry. Co. bonds which matured January 1, 1916	$ $4,000.00	
Bonds Purchased for Sinking Fund:		
Dubuque Division Bonds	138,000.00	
Wisconsin Valley Division Bonds	45,000.00	
Total Decrease		187,000.00
		$490,117,154.66
Increase during the year:		
General and Refunding Mortgage Bonds	$ 9,958,000.00	
Tacoma Eastern R. R. First Mortgage Bonds assumed. Of this amount $30,000.00 is in Treasury and $51,000.00 in Insurance Reserve Fund	884,000.00	
Bellingham & Northern Ry. Co. First Mortgage Bonds assumed	515,000.00	
Total Increase		11,357,000.00
Total Funded Debt December 31, 1918		$501,474,154.66
Of the total amount of Bonds as stated above, there remains in the Treasury		$117,247,200.00

SECURITIES OWNED

	Book Value
Investments in Affiliated Companies:	
Capital Stock:	
Davenport, Rock Island & Northwestern Ry. Co.	$ 1,750,000.00
Indiana Harbor Belt R. R. Co.	1,000,000.00
Butte, Anaconda & Pacific Ry. Co.	1,073,500.00
Milwaukee Land Co.	500,000.00
St. Paul Coal Co.	350,000.00
White Sulphur Springs & Yellowstone Park Ry. Co.	173,645.07
Excelsior Coal Co.	150,000.00
St. Paul Union Depot Co.	103,600.00
Kansas City Terminal Ry. Co.	100,000.00
Des Moines Union Ry. Co.	100,000.00
Braceville Coal Co.	100,000.00
Republic Coal Co.	100,000.00
Idaho Water & Electric Power Co.	49,035.55
Minneapolis Eastern Ry. Co.	15,475.00
Chicago Union Station Co.	7,000.00
Minnesota Transfer Ry. Co.	7,000.00
Reliance Power Co.	6,071.38
Northern Mining & Smelting Co.	1,040.99
Continental Telegraph Co.	299.30
	$ 5,586,667.29
Funded Debt:	
Minneapolis Eastern Ry. Co.	110,000.00
Total	$ 5,696,667.29

FUNDED DEBT, DECEMBER 31, 1918

Description of Bonds	Date of Maturity	Interest: Rate	Interest: Payable	Interest: Accrued During the Year	Amount of Bonds
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	249,960.00	4,123,000.00
Wisconsin Valley Division	July 1, 1920	6 %	Jan. and July	86,070.00	1,430,000.00
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
Tacoma Eastern R. R. First Mortgage	Jan. 1, 1923	5 %	Jan. and July	....	803,000.00
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.	523,855.50	13,076,496.42
Four per cent Gold of 1925	June 1, 1925	4 %	June and Dec.	1,404,006.32	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	4½%	June and Dec.	2,249,136.00	49,980,800.00
Bellingham & Northern Ry. First Mortgage	Dec. 1, 1932	5 %	June and Dec.	....	515,000.00
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	4½%	June and Dec.	95,265.00	2,117,000.00
Milwaukee & Northern R. R. Co. Consolidated	June 1, 1934	4½%	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	3½%	Jan. and July	313,250.00	8,950,000.00
General Mortgage	May 1, 1989	4½%	Jan. and July	1,916,865.00	42,597,000.00
General and Refunding Mortgage	Jan. 1, 2014	4½%	Apr. and Oct.	1,939,005.00	43,089,000.00
General and Refunding Mortgage Convertible	Jan. 1, 2014	5 %	Feb. and Aug.	1,456,490.00	29,129,800.00
				$16,696,502.82	$381,961,254.66
Bonds in the Treasury of the Company as shown on pages 18 and 26					117,247,200.00
Bonds in Insurance Reserve and Sinking Funds					2,265,700.00
TOTAL					$501,474,154.66

CHARGES TO PROPERTY INVESTMENT—ROAD & EQUIPMENT

During the Year Ended December 31, 1918

Additional Equipment Purchased or Built:		
1002 Box Cars		$ 2,192,249.78
754 Gondola Cars		1,124,608.83
25 Cinder Dump Cars		19,027.35
1 Derrick Car		11,895.21
1 Coach		5,600.00
1 Water Tank Car		1,107.15
1 Stock Car		600.00
Improvements to Locomotives and Cars		708,722.10
Gross Additions and Betterments—Equipment		$ 4,063,810.42
Less original cost of equipment destroyed, sold or taken down during the year		3,152,229.96
Net Additions and Betterments—Equipment		$ 911,580.46
New Branch Lines and Extensions		241,906.58
Cost of Roads and Equipment Purchased:		16,348,378.65
Tacoma Eastern R. R.	$5,333,896.60	
Gallatin Valley Ry	1,895,988.96	
Puget Sound & Willapa Harbor Ry	3,294,940.64	
Seattle, Port Angeles & Western Ry	2,488,160.84	
Bellingham & Northern Ry	2,284,467.79	
Milwaukee Terminal Ry	1,050,923.82	
New Additional Main Tracks and Reducing Grade and Perfecting Line		49,795.45
Other Additions and Betterments:		
Land for Transportation Purposes	$ 195,110.29	
Grading	10,511.98	
Tunnels and Subways	*13,726.55*	
Bridges, Trestles and Culverts	466,137.61	
Ties	226,879.36	
Rails	397,902.73	
Other Track Material	246,849.43	
Ballast	*165.48*	
Track Laying and Surfacing	445,861.25	
Right of Way Fences, etc	18,591.94	
Crossings and Signs	43,087.54	
Station and Office Buildings	345,323.95	
Roadway and Miscellaneous Buildings	91,202.14	
Water and Fuel Stations	368,326.56	
Shops and Enginehouses	472,638.43	
Grain Elevators and Storage Warehouses	17,990.31	
Wharves and Docks	176.56	
Telegraph and Telephone Lines	25,463.90	
Signals and Interlockers	364,204.04	
Power Stations, Transmission Systems, etc.	1,006,254.73	
Paving and Assessments	160,259.37	
Roadway Machines and Tools	6,058.23	
Shop Machinery	189,659.53	
Miscellaneous	840,184.61	5,924,782.46
Gross Additions and Betterments—Road and Equipment		$ 23,476,443.60
Credit—Property retired or converted		18,498.03
Net Additions and Betterments—Road and Equipment		$ 23,457,945.57
Road and Equipment, December 31, 1917		$ 604,578,835.94
Road and Equipment, December 31, 1918		$ 628,036,781.51

APPENDIX

STATEMENTS AND STATISTICS OF OPERATION OF THE RAILROAD BY THE UNITED STATES RAILROAD ADMINISTRATION

LIST OF OFFICERS

H. E. BYRAM	Federal Manager	Chicago
D. L. BUSH	Assistant Federal Manager	Chicago
J. W. TAYLOR	Assistant to Federal Manager	Chicago
G. J. BUNTING	Federal Auditor	Chicago
A. G. LOOMIS	Federal Treasurer	Chicago
J. T. GILLICK	General Manager, Lines East	Chicago
H. B. EARLING	General Manager, Lines West	Seattle
C. F. LOWETH	Chief Engineer	Chicago
H. R. WARNOCK	General Superintendent Motive Power	Chicago
H. E. PIERPONT	Traffic Manager	Chicago
C. A. LAHEY	General Freight Agent	Chicago
G. B. HAYNES	General Passenger Agent	Chicago
H. H. FIELD	General Solicitor	Chicago
O. W. DYNES	General Attorney	Chicago

STATEMENTS AND STATISTICS OF GOVERNMENT OPERATIONS.

For the purpose of acquainting you with the results of operation under Federal control and in order to preserve the continuity of statistics and other information heretofore published in the Company's annual reports, there is submitted on the following pages certain tables showing earnings, expenses, etc., during the year.

It will be noted that there has been an abnormal increase in Operating Expenses, which is largely accounted for by the large increase in wages, effective as of January 1, 1918, and on various other dates throughout the year, also to the high cost of material, supplies and fuel, due to the War.

Substantial increases in freight and passenger rates were put into effect in June, 1918, but they were not sufficient to provide for the increased cost of operation. Since the signing of the Armistice every effort has been made to limit these operating expenses to those essential for the proper maintenance of the property, and to meet immediate traffic demands.

The statements and statistics shown on the following pages are the results from operation of the Chicago, Milwaukee & St. Paul Railroad by the United States Railroad Administration for the fiscal year. They are presented to give the financial, operating and statistical information similar to that furnished in previous reports, thereby preserving the uniformity of the annual reports.

DETAILED STATEMENT OF OPERATING REVENUES, EXPENSES AND INCOME.

For the Years Ended December 31, 1917 and 1918.

OPERATING REVENUES.

Transportation	1917	1918	Increase	Decrease
Freight	$ 79,957,271.48	$ 96,623,657.60	$ 16,666,386.12	
Passenger	21,329,946.47	23,492,031.40	2,162,084.93	
Excess Baggage	183,841.04	171,195.33		$ 12,645.71
Sleeping Car	1,386,630.78	1,314,765.25		71,865.53
Parlor and Chair Car	78,004.40	42,179.03		35,825.37
Mail	2,217,622.97	1,867,130.77		350,492.20
Express	3,164,464.25	3,906,130.68	741,666.43	
Other Passenger Train	93,633.87	32,939.94		60,693.93
Milk	934,140.89	1,065,321.98	131,181.09	
Switching	2,169,375.73	1,990,277.94		179,097.79
Special Service Train	30,394.62	42,791.74	12,397.12	
Total—Transportation Revenue	$111,545,326.50	$130,548,421.66	$ 19,003,095.16	
Incidental				
Dining and Buffet	$ 725,650.24	$ 724,787.60		$ 862.64
Hotel and Restaurant	3,389.91	3,618.05	$ 228.14	
Station, Train and Boat Privileges	63,078.78	68,454.89	5,376.11	
Parcel Room	3,511.37	3,085.43		425.94
Storage—Freight	56,281.66	87,805.31	31,523.65	
Storage—Baggage	26,163.87	22,267.82		3,896.05
Demurrage	582,820.11	581,581.95		1,238.16
Telegraph and Telephone	110,830.12	105,674.40		5,155.72
Stock Yard	75,232.16	188,276.49	113,044.33	
Rents of Buildings and Other Property	132,025.48	119,363.44		12,662.04
Miscellaneous	284,448.15	284,608.50	160.35	
Total—Incidental Revenue	$ 2,063,431.85	$ 2,189,523.88	$ 126,092.03	
Joint Facility				
Joint Facility—Credit	$ 130,808.00	$ 156,794.88	$ 25,986.88	
Joint Facility—Debit	*364.69*	*285.77*	78.92	
Total—Joint Facility Revenue	$ 130,443.31	$ 156,509.11	$ 26,065.80	
Total—Operating Revenues	$113,739,201.66	$132,894,454.65	$ 19,155,252.99	

OPERATING REVENUES, EXPENSES AND INCOME—Continued

OPERATING EXPENSES.

Maintenance of Way and Structures	1917	1918	Increase	Decrease
Superintendence	$ 646,416.61	$ 901,496.65	$ 255,080.04	....
Roadway Maintenance	1,522,658.66	2,789,522.61	1,266,863.95	....
Tunnels and Subways	3,503.76	9,772.46	6,268.70	....
Bridges, Trestles and Culverts	680,260.44	941,586.51	261,326.07	....
Elevated Structures	107.16	....	....	$ 107.16
Ties	1,013,482.04	1,551,598.24	538,116.20	....
Rails	*172,167.92*	263,250.36	435,418.28	....
Other Track Material	258,267.44	508,405.42	250,137.98	....
Ballast	143,356.62	515,460.03	372,103.41	....
Track Laying and Surfacing	3,506,217.78	6,450,147.91	2,943,930.13	....
Right of Way Fences	98,398.95	225,995.54	127,596.59	....
Snow and Sand Fences and Snowsheds	22,926.09	32,895.09	9,969.00	....
Crossings and Signs	135,572.43	203,153.71	67,581.28	....
Station and Office Buildings	367,171.13	528,102.66	160,931.53	....
Roadway Buildings	27,007.62	55,079.56	28,071.94	....
Water Stations	181,627.35	274,086.95	92,459.60	....
Fuel Stations	89,881.55	135,151.22	45,269.67	....
Shops and Engine-houses	359,173.43	696,105.94	336,932.51	....
Storage Warehouses	126.10	122.50	....	3.60
Wharves and Docks	22,864.29	7,793.65	....	15,070.64
Coal and Ore Wharves	37,843.06	23,592.37	....	14,250.69
Telegraph and Telephone Lines	127,011.19	137,820.09	10,808.90	....
Signals and Interlockers	273,102.62	493,076.92	219,974.30	....
Power Plant Dams, Canals and Pipe Lines	....	122.90	122.90	....
Power Plant Buildings	2,774.99	8,435.80	5,660.81	....
Power Substation Buildings	468.64	622.38	153.74	....
Power Transmission Systems	1,000.68	4,265.44	3,264.76	....
Power Distribution Systems	81,944.74	75,277.70	....	6,667.04
Power Line Poles and Fixtures	14,573.92	20,810.72	6,236.80	....
Underground Conduits	....	2.40	2.40	....
Miscellaneous Structures	572.98	1,075.87	502.89	....
Paving	*1,217.97*	1,305.59	2,523.56	....
Roadway Machines	54,693.50	77,855.44	23,161.94	....
Small Tools and Supplies	154,065.54	242,297.82	88,232.28	....
Removing Snow, Ice and Sand	584,471.51	765,395.97	180,924.46	....
Assessments for Public Improvements	4,031.14	5,504.59	1,473.45	....
Injuries to Persons	209,988.97	232,928.66	22,939.69	....
Insurance	40,919.90	48,792.49	7,872.59	....
Stationery and Printing	17,859.85	32,888.21	15,028.36	....
Other Expenses	1,275.48	5,860.42	4,584.94	....
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	591,340.38	817,933.73	226,593.35	....
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	*150,263.82*	*178,612.19*	....	28,348.37
Total—Maintenance of Way and Structures	$10,953,308.83	$18,906,980.33	$ 7,953,671.50	....

OPERATING REVENUES, EXPENSES AND INCOME—Continued

Maintenance of Equipment	1917	1918	Increase	Decrease
Superintendence	$ 360,196.90	$ 645,330.34	$ 285,133.44	....
Shop Machinery	337,221.11	531,558.32	194,337.21	....
Power Plant Machinery	39,962.79	85,045.78	45,082.99	....
Power Substation Apparatus	10,034.37	25,914.23	15,879.86	....
Steam Locomotives—Repairs	8,351,370.32	13,220,689.26	4,869,318.94	....
Steam Locomotives—Depreciation	434,109.16	427,609.87	....	$ 6,499.29
Steam Locomotives—Retirements	14,198.60	37,561.06	23,362.46	....
Other Locomotives—Repairs	220,525.76	236,906.35	16,380.59	....
Other Locomotives—Depreciation	77,134.23	85,208.51	8,074.28	....
Freight Train Cars—Repairs	7,760,360.12	16,406,445.71	8,646,085.59	....
Freight Train Cars—Depreciation	1,090,460.99	1,144,456.52	53,995.53	....
Freight Train Cars—Retirements	176,577.12	183,807.35	7,230.23	....
Passenger Train Cars—Repairs	1,887,135.98	3,563,363.16	1,676,227.18	....
Passenger Train Cars—Depreciation	269,969.20	269,192.57	....	776.63
Passenger Train Cars—Retirements	7,313.64	21.01	....	7,292.63
Motor Equipment of Cars—Repairs	9,584.15	23,724.12	14,139.97	....
Motor Equipment of Cars—Depreciation	1,934.37	1,934.59	.22	....
Work Equipment—Repairs	496,683.65	701,797.00	205,113.35	....
Work Equipment—Depreciation	44,219.17	43,287.20	....	931.97
Work Equipment—Retirements	12,722.47	1,016.23	....	11,706.24
Injuries to Persons	215,650.97	238,109.16	22,458.19	....
Insurance	129,102.58	79,050.99	....	50,051.59
Stationery and Printing	24,956.52	47,511.32	22,554.80	....
Other Expenses	2,754.16	2,801.02	46.86	....
Maintaining Joint Equipment at Terminals—Debit	44,166.77	72,560.04	28,393.27	....
Maintaining Joint Equipment of Terminals—Credit	*3,144.47*	*4,914.39*	....	1,769.92
Total—Maintenance of Equipment	$ 22,015,200.63	$ 38,069,987.32	$ 16,054.786.69	....
Traffic				
Superintendence	$ 464,255.73	$ 433,902.72	....	$ 30,353.01
Outside Agencies	840,064.71	575,841.88	....	264,222.83
Advertising	279,453.40	79,861.83	....	199,591.57
Traffic Associations	31,932.54	29,981.18	....	1,951.36
Industrial and Immigration Bureaus	62,414.32	18,713.15	....	43,701.17
Insurance	44.60	....	....	44.60
Stationery and Printing	121,425.86	106,151.13	....	15,274.73
Other Expenses	4,372.49	204.30	....	4,168.19
Total—Traffic Expenses	$ 1,803,963.65	$ 1,244,656.19	....	$ 559,307.46

OPERATING REVENUES, EXPENSES AND INCOME—Continued

Transportation	1917	1918	Increase	Decrease
Superintendence	$ 432,179.55	$ 766,104.73	$ 333,925.18	
Dispatching Trains	513,831.85	744,250.20	230,418.35	
Station Employes	6,042,246.59	8,388,855.93	2,346,609.34	
Weighing, Inspection and Demurrage Bureaus	140,088.37	170,515.45	30,427.08	
Coal and Ore Wharves	86,815.14	84,911.25		$ 1,903.89
Station Supplies and Expenses	374,993.07	431,472.41	56,479.34	
Yardmasters and Yard Clerks	408,825.76	913,481.75	504,655.99	
Yard Conductors and Brakemen	3,052,614.18	3,756,257.67	703,643.49	
Yard Switch and Signal Tenders	177,896.61	265,531.54	87,634.93	
Yard Enginemen	1,765,640.01	2,299,075.28	533,435.27	
Yard Motormen	16,007.63	23,084.57	7,076.94	
Fuel for Yard Locomotives	2,169,952.11	2,564,385.62	394,433.51	
Yard Switching Power Produced	233.83			233.83
Yard Switching Power Purchased	8,321.86	12,250.88	3,929.02	
Water for Yard Locomotives	93,402.94	114,946.98	21,544.04	
Lubricants for Yard Locomotives	31,404.07	33,632.13	2,228.06	
Other Supplies for Yard Locomotives	43,424.80	42,806.87		617.93
Enginehouse Expenses—Yard	741,440.42	1,564,213.32	822,772.90	
Yard Supplies and Expenses	24,919.95	34,238.75	9,318.80	
Operating Joint Yards and Terminals—Debit	636,219.29	853,993.32	217,774.03	
Operating Joint Yards and Terminals—Credit	*173,974.55*	*204,613.16*		30,638.61
Train Enginemen	5,033,303.04	5,641,898.67	608,595.63	
Train Motormen	262,177.75	346,260.32	84,082.57	
Fuel for Train Locomotives	10,466,551.60	11,722,071.21	1,255,519.61	
Train Power Produced	49,402.15	94,580.46	45,178.31	
Train Power Purchased	544,224.25	683,997.96	139,773.71	
Water for Train Locomotives	506,587.92	561,644.26	55,056.34	
Lubricants for Train Locomotives	166,505.26	157,554.62		8,950.64
Other Supplies for Train Locomotives	164,409.70	184,481.66	20,071.96	
Enginehouse Expenses—Train	2,338,963.90	2,839,312.71	500,348.81	
Trainmen	5,441,166.94	6,798,396.54	1,357,229.60	
Train Supplies and Expenses	1,683,476.28	2,588,919.12	905,442.84	
Operating Sleeping Cars	301,868.50	375,729.65	73,861.15	
Signal and Interlocker Operation	283,744.57	348,761.73	65,017.16	
Crossing Protection	245,045.68	420,502.87	175,457.19	
Drawbridge Operation	38,180.81	49,752.27	11,571.46	
Telegraph and Telephone Operation	100,972.52	161,571.63	60,599.11	
Stationery and Printing	215,990.50	308,596.36	92,605.86	
Other Expenses	88,981.99	84,058.08		4,923.91
Operating Joint Tracks and Facilities—Debit	266,118.16	401,743.76	135,625.60	
Operating Joint Tracks and Facilities—Credit	*114,699.15*	*163,153.84*		48,454.69

OPERATING REVENUES, EXPENSES AND INCOME—Concluded.

	1917	1918	Increase	Decrease
Transportation—Concluded.				
Insurance	$ 43,526.59	$ 76,279.17	$ 32,752.58	
Clearing Wrecks	224,472.30	297,094.35	72,622.05	
Damage to Property	173,180.74	277,152.76	103,972.02	
Damage to Live Stock on Right of Way	94,767.25	91,605.54		$ 3,161.71
Loss and Damage—Freight	1,552,346.57	2,363,638.12	811,291.55	
Loss and Damage—Baggage	8,281.33	7,625.50		655.83
Injuries to Persons	1,317,094.67	1,161,463.53		155,631.14
Total—Transportation Expenses	$ 48,083,125.30	$ 60,740,934.50	$ 12,657,809.20	
Miscellaneous Operations				
Dining and Buffet	$ 743,731.44	$ 771,880.40	$ 28,148.96	
Hotels and Restaurants	4,188.80	3,985.20		$ 203.60
Stock Yards	65,758.60	156,256.06	90,497.46	
Total—Miscellaneous Operations	$ 813,678.84	$ 932,121.66	$ 118,442.82	
General				
Salaries and Expenses of General Officers	$ 378,308.89	$ 291,976.29		$ 86,332.60
Salaries and Expenses of Clerks and Attendants	968,748.85	1,769,449.92	$ 800,701.07	
General Office Supplies and Expenses	90,856.17	83,454.78		7,401.39
Law Expenses	295,152.77	263,961.75		31,191.02
Insurance	1,295.94	119.98		1,175.96
Stationery and Printing	94,408.95	124,694.24	30,285.29	
Valuation Expenses	231,774.60	399,634.53	167,859.93	
Other Expenses	70,592.83	46,975.53		23,617.30
General Joint Facilities—Debit	31,936.97	48,790.31	16,853.34	
General Joint Facilities—Credit	*883.62*	*2,235.92*		1,352.30
Total—General Expenses	$ 2,162,192.35	$ 3,026,821.41	$ 864,629.06	
Transportation for Investment—Credit	$ *635,505.86*	$ *725,396.56*		$ 89,890.70
Total—Operating Expenses	$ 85,195,963.74	$122,196,104.85	$ 37,000,141.11	

SUMMARY

	1917	1918	Increase	Decrease
Total Operating Revenues	$113,739,201.66	$132,894,454.65	$ 19,155,252.99	
Total Operating Expenses	85,195,963.74	122,196,104.85	37,000,141.11	
Net Operating Revenue	$ 28,543,237.92	$ 10,698,349.80		$ 17,844,888.12
Taxes Accrued	6,517,211.97	6,185,935.21		331,276.76
Operating Income	$ 22,026,025.95	$ 4,512,414.59		$ 17,513,611.36

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES.

FOR THE YEARS ENDED DECEMBER 31, 1917 AND 1918.

OPERATING REVENUES.

	1917		1918	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight Revenue	$ 79,957,271.48	70.30	$ 96,623,657.60	72.71
Passenger Revenue	21,329,946.47	18.76	23,492,031.40	17.67
Other Transportation Revenue	10,258,108.55	9.02	10,432,732.66	7.85
Incidental Revenue	2,063,431.85	1.82	2,189,523.88	1.65
Joint Facility Revenue	130,443.31	.10	156,509.11	.12
Total Operating Revenues	$ 113,739,201.66	100.00	$ 132,894,454.65	100.00

OPERATING EXPENSES.

	1917		1918	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Maintenance of Way and Structures	$ 10,953,308.83	9.63	$ 18,906,980.33	14.23
Maintenance of Equipment	22,015,200.63	19.36	38,069,987.32	28.65
Traffic Expenses	1,803,963.65	1.58	1,244,656.19	.94
Transportation Expenses	48,083,125.30	42.28	60,740,934.50	45.70
Miscellaneous Operations	813,678.84	.71	932,121.66	.70
General Expenses	2,162,192.35	1.90	3,026,821.41	2.28
Transportation for Investment—Credit	*635,505.86*	*.56*	*725,396.56*	*.55*
Operating Expenses	$ 85,195,963.74	74.90	$ 122,196,104.85	91.95

RECAPITULATION.

	1917		1918	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Operating Revenues	$ 113,739,201.66	100.00	$ 132,894,454.65	100.00
Operating Expenses	85,195,963.74	74.90	122,196,104.85	91.95
Net Operating Revenue	$ 28,543,237.92	25.10	$ 10,698,349.80	8.05
Average miles in operation during the year, including miles of main track used under contracts	10,256.53	....	10,302.89	....

COMPARATIVE SUMMARY OF OPERATION

FOR THE YEARS ENDED DECEMBER 31, 1917 AND 1918

	1917	1918	INCREASE	DECREASE
Operating Revenues	$113,739,201.66	$132,894,454.65	$ 19,155,252.99	....
Operating Expenses	85,195,963.74	122,196,104.85	37,000,141.11	....
Net Operating Revenue	$ 28,543,237.92	$ 10,698,349.80	....	$ 17,844,888.12
Freight Revenue per mile of road	$ 7,795.74	$ 9,378.30	$ 1,582.56	....
Passenger Revenue per mile of road	2,079.65	2,280.14	200.49	....
Miscellaneous Revenues per mile of road	1,214.05	1,240.31	26.26	....
Operating Revenues per mile of road	$ 11,089,44	$ 12,898.75	$ 1,809.31	....
Operating Expenses per mile of road	8,306.51	11,860.37	3,553,86	....
Net Operating Revenue per mile of road	$ 2,782.93	$ 1,038.38	....	$ 1,744.55
Average miles in operation during the year, including miles of main track under contracts	10,256.53	10,302.89	46.36	....

OPERATING REVENUES, EXPENSES AND TAXES—MONTHLY

Year Ended December 31, 1918.

Month	Operating Revenues	Operating Expenses	Net Operating Revenue	Taxes Accrued	Operating Income
January 1918	$ 7,492,518.91	$ 7,583,683.00	*$ 91,164.09	$ 510,905.80	*$ 602,069.89
February .... "	7,322,765.99	7,789,193.59	* 466,427.60	521,795.99	* 988,223.59
March .... "	9,925,214.98	7,947,992.09	1,977,222.89	516,348.37	1,460,874.52
April .... "	10,038,004.53	8,760,937.41	1,277,067.12	516,348.37	760,718.75
May .... "	9,676,132.61	8,560,942.88	1,115,189.73	516,348.37	598,841.36
June .... "	10,617,493.44	13,171,888.32	* 2,554,394.88	516,348.37	* 3,070,743.25
July .... "	12,599,857.91	9,854,675.35	2,745,182.56	514,554.70	2,230,627.86
August .... "	13,308,110.48	9,775,117.95	3,532,992.53	514,554.70	3,018,437.83
September .... "	13,392,215.86	10,811,855.05	2,580,360.81	514,810.57	2,065,550.24
October .... "	14,616,212.27	14,468,707.55	147,504.72	514,639.99	* 367,135.27
November .... "	11,571,382.77	10,921,109.04	650,273.73	514,639.99	135,633.74
December .... "	12,334,544.90	12,550,002.62	* 215,457.72	514,639.99	* 730,097.71
Total	$132,894,454.65	$122,196,104.85	$ 10,698,349.80	$ 6,185,935.21	$ 4,512,414.59

*Deficit.

TRANSPORTATION STATISTICS

For the Years Ended December 31, 1917 and 1918.

	1917	1918
Miles run by freight trains	20,959,947	19,847,202
Miles run by passenger trains	18,166,288	14,975,773
Miles run by mixed trains	1,595,799	1,623,511
Total miles run by revenue trains	40,722,034	36,446,486
Miles run by loaded freight cars	525,792,181	502,500,182
Miles run by empty freight cars	182,489,099	210,726,952
Total miles run by freight cars	708,281,280	713,227,134
Freight revenue	$79,957,271.48	$96,623,657.60
Tons of revenue freight carried	38,444,353	40,307,047
Tons of revenue freight carried one mile	10,545,443,466	11,504,301,469
Tons of Company freight carried one mile	1,479,690,429	1,371,824,385
Tons of all freight carried one mile	12,025,133,895	12,876,125,854
Tons of revenue freight per freight and mixed train mile	467.53	535.81
Tons of Company freight per freight and mixed train mile	65.60	63.89
Total tons of freight per freight and mixed train mile	533.13	599.70
Average revenue per ton of revenue freight per mile	.7582 ct.	.8399 ct.
Average distance haul of each ton of revenue freight—miles	274.30	285.42
Average amount received per ton of revenue freight	$2.0797	$2.3972
Average revenue from freight per freight and mixed train mile	$3.5449	$4.5002
Tons of revenue freight per loaded car	20.056	22.894
Tons of Company freight per loaded car	2.814	2.730
Total tons of freight per loaded car	22.870	25.624
Average number of loaded freight cars per train	23.311	23.404
Average number of empty freight cars per train	8.090	9.815
Average number of freight cars per train	31.401	33.219
Passenger Revenue	$21,329,946.47	$23,492,031.40
Passengers carried	15,484,374	13,175,371
Passengers carried one mile	980,728,974	885,254,305
Passengers carried per passenger and mixed train mile	49.63	53.33
Average revenue per passenger per mile	2.174 cts.	2.654 cts.
Average distance traveled by each passenger—miles	63.34	67.19
Average amount received per passenger	$1.3775	$1.7830
Average revenue from passengers per passenger and mixed train mile	$1.0793	$1.4152
Operating expenses per revenue train mile	$2.0921	$3.3513

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ended December 31, 1917 and 1918.

Commodities	1917 Tons	1917 Per Cent	1918 Tons	1918 Per Cent
Products of Agriculture:				
Grain	4,079,581	10.612	5,069,525	12.577
Flour	1,049,265	2.729	847,621	2.103
Other Mill Products	477,840	1.243	427,856	1.062
Hay	246,183	.640	261,254	.648
Tobacco	46,253	.120	51,002	.127
Cotton	28,249	.074	35,222	.087
Fruit and Vegetables	759,785	1.976	722,253	1.792
Other Products of Agriculture	322,746	.840	342,962	.851
Total	7,009,902	18.234	7,757,695	19.247
Products of Animals:				
Live Stock	1,452,407	3.778	1,726,649	4.284
Dressed Meats	209,906	.546	356,882	.885
Other Packing House Products	90,710	.236	86,338	.214
Poultry, Game and Fish	67,330	.175	74,507	.185
Wool	11,862	.031	10,317	.026
Hides and Leather	79,794	.208	103,425	.256
Other Products of Animals	257,670	.670	274,845	.682
Total	2,169,679	5.644	2,632,963	6.532
Products of Mines:				
Anthracite Coal	895,999	2.331	507,558	1.259
Bituminous Coal	4,988,257	12.975	6,297,184	15.623
Coke	323,854	.842	456,639	1.133
Ores	3,025,128	7.869	3,171,276	7.868
Stone, Sand and Other Like Articles	2,239,313	5.825	1,864,508	4.626
Other Products of Mines	242,824	.632	253,095	.628
Total	11,715,375	30.474	12,550,260	31.137
Products of Forests:				
Lumber	5,677,991	14.769	5,688,882	14.114
Other Products of Forests	752,366	1.957	675,551	1.676
Total	6,430,357	16.726	6,364,433	15.790
Manufactures:				
Petroleum and Other Oils	747,148	1.943	840,178	2.084
Sugar	141,357	.368	123,394	.306
Naval Stores	13,268	.035	10,311	.026
Iron, Pig and Bloom	507,417	1.320	566,545	1.406
Iron and Steel Rails	81,104	.211	208,725	.518
Other Castings and Machinery	545,646	1.419	617,325	1.532
Bar and Sheet Metal	635,689	1.654	871,669	2.162
Cement, Brick and Lime	1,577,954	4.105	1,162,229	2.883
Agricultural Implements	270,686	.704	292,645	.726
Wagons, Carriages, Tools, etc.	256,169	.666	207,272	.514
Wines, Liquors and Beers	496,497	1.291	350,170	.869
Household Goods and Furniture	169,735	.441	177,865	.441
Other Manufactures	1,522,988	3.962	1,582,761	3.927
Total	6,965,658	18.119	7,011,089	17.394
Commodities not Specified	4,153,382	10.803	3,990,607	9.900
Grand Total	38,444,353	100.000	[illegible]0,307,047	100.000

INDEX

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Fifty-fifth Annual Meeting of Stockholders.

MILWAUKEE, WISCONSIN, May 20, 1919.
12 o'clock Noon.

Pursuant to the Articles of Association and to call of the Board of Directors, and to notice duly given,—copies of which notice are hereto attached,—the annual meeting of the stockholders was held at the office of the Company in this city, at 12 o'clock noon of this day.

The meeting was called to order by the President, and the call for the meeting was read by the Secretary of the Company, who acted as secretary of the meeting.

The Secretary laid before the meeting a certified list of the stockholders of the Company, and the number of shares held by them, and each of them, respectively, and a list of the stockholders represented in person and by proxy at said meeting, 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 that there were present, in person or by proxy, stockholders owning 641,965 shares of Common Stock, and 716,261 shares of Preferred Stock.

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

The Chairman submitted the Annual Report of the Board of Directors for the year ending December 31, 1918, 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

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.

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

RESOLVED, by a vote of 1,357,820 shares of stock, 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. P. L. Callahan, owning 56 shares of stock, voted against this resolution.

At 12:37 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 Tuesday, the twentieth day of May, A. D. 1919, DO HEREBY CERTIFY: that 1,358,226 votes were cast at said election for Directors; and that

J. Ogden Armour ... received 1,358,226 votes,
Stanley Field ..... received 1,358,226 votes,
L. J. Petit .... received 1,358,226 votes,
P. A. Rockefeller . received 1,358,226 votes,

being in each case a majority of the whole number of votes cast, and were severally elected Directors 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 12:37 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. J. Ogden Armour, Stanley Field, L. J. Petit, and P. A. Rockefeller, duly elected Directors of this Company, to serve for three years and until their successors are elected and qualified.

Mr. Fisher offered the following resolution:

RESOLVED, that the second paragraph of Article Seventh of the Articles of Association of this Company, as amended, be, and the same is hereby modified, altered, and amended so as to read as follows:

The Board of Directors shall elect one of their number as Chairman of the Board and one of their number as President of the Company, and also elect from their number an Executive Committee of six (6) members. The Board of Directors shall also elect one or more Vice Presidents, who shall perform such duties as may from time to time be assigned to them by the President or the Board of Directors. The Board of Directors shall also elect a Secretary, such Assistant Secretaries as may be necessary, and such other officers as the By-Laws of the Company provide shall be elected by the Board of Directors. A majority of the Directors of the Company shall constitute a quorum to transact business, and three members of the Executive Committee shall constitute a quorum for the transaction of business; a less number of each may adjourn from time to time.

A stock vote being called for and taken upon the adoption of the foregoing resolution, it appeared that the holders of 641,645 shares of the 1,174,113 shares of Common Stock, and 716,231 shares of the 1,162,749 shares of Preferred Stock, being a majority in interest of each class of the capital stock of the Company, had voted in favor of the adoption of the foregoing resolution, and that there were no shares opposed thereto.

Whereupon the Chairman declared the said resolution unanimously adopted.

The Chairman of the meeting presented six agreements, which, pursuant to the action of the Board of Directors of the Company, had been executed by the proper officers of the Company, which agreements were dated December 31, 1918, and provided for the terms, conditions and consideration of the purchase by this Company of the railroad, property and franchises of the six Companies named in said agreements, to-wit: Bellingham & Northern Railway Company, Gallatin Valley Railway Company, Milwaukee Terminal Railway Company, Puget Sound & Willapa Harbor Railway Company, Seattle, Port Angeles & Western Railway Company, and Tacoma Eastern Railroad Company.

The Chairman also presented to the meeting six deeds of conveyance from said six Companies to this Company, which deeds of conveyance were made, executed and delivered pursuant to the terms and conditions of said agreement, and which said deeds were dated December 31, 1918.

The Chairman thereupon stated that it would be proper for this meeting to adopt appropriate resolutions ratifying and approving the purchase, sale and transfer of the railways of said six Companies to this Company.

Whereupon, on motion of Mr. Ryan, seconded by Mr. Armour, the following resolution was presented to the meeting:

RESOLVED, that the purchase, sale and transfer of the whole of the railroad and branches of the Bellingham & Northern Railway Company, Gallatin Valley Railway Company, Milwaukee Terminal Railway Company, Puget Sound & Willapa Harbor Railway Company, Seattle, Port Angeles & Western Railway Company, and Tacoma Eastern Railroad Company, to this Company, together with all property, rights, privileges and franchises appertaining thereto, and all leases, ordinances, trackage, traffic, operating and other agreements, and all rights, privileges and benefits secured thereby, and all cash on hand and in bank, accounts and bills receivable, choses in action, and all other assets and property of whatsoever kind or nature, of each said six Companies, and the consideration, terms and conditions of said purchase, sale and transfer as stated in said agreement and in said deeds of conveyance, be, and the same are hereby in all things ratified and approved.

A stock vote having been taken, and the vote canvassed, the Chairman announced that stockholders present in person or by proxy, owning 1,357,876 shares of the 2,336,862 shares (being all the capital stock of the Company) voted in favor of said resolution. No votes were cast against said resolution.

Whereupon the Chairman declared said resolution adopted.

13 The Chairman laid before the meeting the agreement between this Company and its six subsidiary or affiliated Railway Companies, with the Director General of Railroads, which agreement bears date March 29, 1919, and stated that this agreement had been executed by and in behalf of this Company and of the six subsidiary or affiliated Railway Companies, pursuant to resolutions adopted by the stockholders of this Company at their annual and adjourned meetings held May 18, 1918, and August 15, 1918, respectively. He also stated that the said agreement had been executed by the Director General of Railroads and had been delivered to the Company, and since March 29, 1919, had been in effect.

The Chairman also suggested that it would be proper for this meeting to adopt an appropriate resolution, ratifying and confirming the action of the Board and the officers of the Company in executing said agreement and accepting delivery thereof from the Director General of Railroads.

Whereupon, on motion duly seconded, the following resolution was offered:

RESOLVED, that the action of the Board of Directors of this Company taken at their meeting held on March 13, 1919, as well as the action of the Boards of Directors or Trustees of the six subsidiary or affiliated Railway Companies, also held on March 13, 1919, authorizing the execution and delivery of said agreement with the Director General of Railroads, and the action of the officers of this Company and of the six subsidiary or affiliated Railway Companies, in executing said agreement and accepting delivery thereof from the Director General of Railroads, be and the same is hereby in all things and in all respects approved, ratified and confirmed, and said agreement is hereby accepted and said agreement as executed and delivered is hereby declared to be the binding and legal obligation of this Company and of the six subsidiary or affiliated Railway Companies.

A stock vote was taken on the adoption of said resolution, and it was found and reported that 1,357,876 shares, being a majority of all the issued and outstanding shares of the capital stock of the Company, had been cast for said resolution, and that no shares had been voted against it; and the resolution was thereupon declared duly adopted.

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

Attest: [signature], Secretary.

138 to 140

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Annual Meeting of Directors.

MILWAUKEE, WISCONSIN, May 20, 1919.
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 President of the Company presiding.

There were present: Messrs. J. Ogden Armour, Walter P. Bliss, R.M.Calkins, A.J.Earling, Samuel H. Fisher, Stanley Field, Donald G. Geddes, Edward S. Harkness, L.J.Petit, P.A.Rockefeller, and J.D.Ryan, 11.

And Absent: Messrs. William Rockefeller and John A. Stewart, 2.

The minutes of the meetings of the Board of Directors and Executive Committee, from April 24, 1919, to the present time, were read, and on motion, duly seconded, were approved.

The President 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 GREAT NORTHERN RAILWAY COMPANY, 7-336.

Dated April 26, 1918.
Consideration: $1.00.

CONVEYS: Small portion of SW¼, Section 23, Township 23, Range 4 west, Teton County, Montana.

Deed given to clear title due to erroneous surveys.

2. Q. C. D. to M. M. HEAD, 7-375.

Dated May 31, 1918.
Consideration: $5000.

CONVEYS: Twenty acres of land off the north side of the SW¼ NE¼ of Section 20, Township 83 north, Range 30 west, Green County, Iowa.

Premises were formerly used for gravel pit purposes but now abandoned and of no further use to the Railway Company. Price received is all the land is worth, being at the rate of $250 per acre.

---

3. Q. C. D. to STANDARD OIL COMPANY, 7-377.

Dated June 3, 1918.
Consideration: $1.00.

CONVEYS; Part of NE¼, Section 31, Township 27 north, Range 8 east, Stephenson County, Illinois, at Freeport.

Deed was given in exchange for deed from the Standard Oil Company in favor of the Railway Company, conveying a part of said NE¼ for the purpose of specifically establishing the boundary line between the Railway Company's right of way and the premises of the Oil Company.

---

4. Q. C. D. to GENERAL MOTORS CORPORATION, 7-389.

Dated November 14, 1918.
Consideration: $300.00.

CONVEYS: All of Lot 9 in Conger's Addition to Janesville, Rock County, Wisconsin.

Premises not required by the Railway Company and price received is all the lot is worth.

---

5. Q. C. D. to NEIL C. DRISCOLL, 7-395.

Dated December 21, 1918.
Consideration: $125.00.

CONVEYS; Part NW¼ NW¼ of Section 17, Township 83, Range 4, Clinton County, Iowa, being the old station grounds at Riggs, no longer required by or of any use to the Railway Company, account change of line.

---

6. Q. C. D. to WILLIAM L. KOCH, 7-397.

Dated January 14, 1919.
Consideration: $325.00

CONVEYS: That part of the SE¼ NW¼ of Section 4, Township 83, Range 4 east, Clinton County, Iowa, lying southerly of right of way.

Premises not required for railway purposes, being originally acquired to avoid constructing a farm crossing. Price received is all the land is worth.

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 said quitclaim deeds, is hereby ratified, approved, and confirmed.

On motion, duly seconded, it was unanimously

RESOLVED, that C. B. Ferry, Vice President, be, and he is hereby, authorized to execute, in behalf of this Company, a certain proxy, appointing R. M. Calkins, Samuel H. Fisher, Edward S. Harkness, William Rockefeller, and John A. Stewart, or either of them, attorneys to vote the stock owned by this Company and held in its Insurance Fund, at the annual meeting of the stockholders of the Company to be held in the City of Milwaukee at twelve o'clock noon of Tuesday, May 20, 1919.

The Chairman presented to the meeting the interest requirements of the Company for June 1, 1919:

European Loan of 1910, ...	$ 262,927.50
4% Gold Bonds of 1925, ...	702,003.16
Convertible Gold Bonds, ...	1,124,568.00
Milwaukee & Northern R.R., First Mortgage Bonds, ...	47,632.50
Milwaukee & Northern R.R., Consolidated Bonds, ...	114,120.00
Bellingham & Northern Ry., First Mortgage Bonds, ...	12,875.00
	$2,264,126.16
Guaranty Trust Co., Interest on Notes, ..	22,500.00
Central Union Trust Co., " " "	7,500.00
Farmers Loan & Trust Co., " " "	7,500.00
	$2,301,626.16

The Chairman stated to the meeting that he had made arrangements with the Continental & Commercial National Bank of Chicago to loan the Company $1,550,000 on promissory notes of the Company, bearing interest at the rate of 6% per annum, secured by Certificates of Indebtedness of the United States Railroad Administration of the face value of 125% of said amount; and that he had also made arrangements with the Central Trust Company of Illinois to loan the Company $750,000 on promissory notes of the Company, bearing interest at the rate of 6% per annum, secured by Certificates of Indebtedness of the United States Railroad Administration of the face value of 125% of said amount; and asked that appropriate resolutions be adopted by the Board authorizing the proper officers of the Company to execute proper notes and to secure their payment by the deposit with the banks of said Certificates of Indebtedness as collateral.

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

RESOLVED, that the President of the Company be, and he is hereby, authorized by and on behalf and in the name of this Company, to borrow from the Continental & Commercial National Bank of Chicago an amount not exceeding $1,550,000, and from the Central Trust Company of Illinois an amount not exceeding $750,000; that for the purpose of such borrowings the President and the Secretary of the Company be, and they hereby are, authorized, by and on behalf of this Company and in the name of the Company, to execute and deliver such promissory note or notes to a total aggregate principal amount of not to exceed $1,550,000 to said Continental & Commercial National Bank of Chicago, in such form as may be required in respect thereof, and to execute and deliver such promissory note or notes to a total aggregate principal amount of not to exceed $750,000 to said Central Trust Company of Illinois, in such form as may be required in respect thereof, such note or notes to bear interest at the rate of 6% per annum, both the principal and interest of said notes to be payable at such times as may be arranged between the President of this Company and said banks

RESOLVED, that the President of this Company be, and he is hereby, authorized to deliver and pledge as security for the amount so to be borrowed from the Continental & Commercial National Bank, and the note or notes to be issued in respect thereof, Certificates of Indebtedness of the United States Railroad Administration of the face value of 125% of said amount; and that he likewise is hereby authorized to deliver and pledge as security for the amount so to be borrowed from the Central Trust Company of Illinois, and the note or notes to be issued in respect thereof, Certificates of Indebtedness of the United States Railroad Administration of the face value of 125% of said amount.

RESOLVED, that the proper officers of this Company be, and they hereby are, authorized, by and on behalf of this Company and in the name of this Company, to enter into any and all such agreement or agreements, and to execute such instrument or instruments, and to do all such acts and things as in their judgment may be necessary or desirable in order to carry out and to give effect to the purposes and intentions of these resolutions.

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

Attest: E Williams

Secretary.

143-14

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

Directors' Meeting.

MILWAUKEE, WISCONSIN, May 20, 1919.

1:30 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, R. M. Calkins, A. J. Earling, Samuel H. Fisher, Stanley Field, Donald G. Geddes, Edward S. Harkness, L. J. Petit, P. A. Rockefeller, and John D. Ryan, ... 11.

And absent; Messrs. William Rockefeller and John A. Stewart, 2.

Mr. L. J. 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. Fisher nominated Mr. R. M. Calkins for President of the Company.

The nomination being seconded, a vote was called for and taken, from which it appeared that Mr. Calkins had received ten 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. Calkins then took the chair.

Mr. Ryan nominated Messrs. E. D. Sewall and C. B. Ferry for Vice Presidents of the Company.

The nomination being seconded, a vote was called for and taken, and it appeared that Mr. Sewall and Mr. Ferry had each received ten votes, being all the votes cast, and they were thereupon declared duly elected Vice Presidents of the Company, each to hold office for one year and until his successor is elected and qualified.

Mr. Earling 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 ten 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. Ryan 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 ten votes, being all the votes cast, and each was thereupon declared duly elected an Assistant Secretary of the Company, to hold office for one year and until his successor is elected and qualified.

Mr. Field nominated Mr. F. B. Simpson for Treasurer and Mr. R. J. Marony and Mr. J. A. Peterson for Assistant Treasurers.

The nomination being seconded, a vote was called for and taken, and it appeared that Mr. Simpson, Mr. Marony, and Mr. Peterson had each received ten 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. Rockefeller nominated Mr. Burton Hanson for General Counsel, Mr. J. Welch for Comptroller, Mr. Frank Lethenstrom for Auditor, and Mr. W. W. K. Sparrow 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 ten 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. Field nominated Messrs. John A. Stewart, William Rockefeller, Samuel H. Fisher, R. M. Calkins, P. A. Rockefeller, and Edward S. Harkness 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 ten 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.

The Chairman stated to the meeting that on account of the amendment of the second paragraph of Article Seventh of the Articles of Association, respecting the membership of the Executive Committee, it was necessary to amend Section 4 of Article III of the By-Laws of the Company so that they would be in harmony with the Articles of Association with reference to such membership.

Whereupon, on motion duly made and seconded, the following resolution was presented to the meeting:

RESOLVED, that Section 4 of Article III of the By-Laws of this Company of October 31, 1918, as amended December 3, 1918, be and the same is hereby repealed and the following enacted in lieu thereof:

"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 six (6) members. They shall also elect a Vice President, who shall have charge of the Financial and Transfer Office of the Company; also 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."

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 of Directors present, and that said Section 4 of Article III of the By-Laws of this Company was amended as by said resolution provided, effective at once.

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

Attest: E W Adams

Secretary.