

January 26, 1901

Memorandum

It would seem advisable to operate the Chicago, Milwaukee, and St. Paul Railway under the name, control, and charter of that Company, provided there are no reasons why this cannot be done.

The rental as proposed is the interest on outstanding bonds and certain stated payments on the Preferred and Common stock by way of dividends to the stockholders of record from time to time as shown on the books of the Company.

How would any surplus beyond the sum of the payments provided in the lease be brought to the respective Treasuries of the Northern Pacific and Great Northern?

In order to enable the Northern Pacific and Great Northern to divide between themselves any surplus earnings of the Chicago, Milwaukee, and St. Paul Company after rentals have been paid, will it be necessary to make proposed lease run to a leasing Company, which Company shall be guaranteed by the Northern Pacific and Great Northern Companies, or can it be arranged to carry on the business contemplated in the lease through the corporate organization of the present St. Paul Company?

Are there any legal complications or questions likely to arise which might cause delay or prevent the completion of the transaction as now being considered?

J. J. A.
S.P. M. & Co.
1/26/1901