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On Line, Montana Division

May 23, 1927

Mr. W. P. Kenney:

Your letter of May 19 about the Milwaukee's attempt to have proposed lines of railway shown on the Railroad Commission's map is received. They cannot get the money for these extensions without prohibitive interest charges, which would put them in receivership again.

Ralph Budd

Kenney

PROCESSED
MAY 20 1927
G. N. R.

St. Paul, May 19, 1927.

Mr. Ralph Budd:

I wrote you from Washington on May 12th regarding the Milwaukee's proposed lines in Montana.

Have just looked over the map of Montana, and you will note that the Milwaukee evidently are having placed on the Railroad Commission map of Montana, presumably, an extension Winnett to Wason Flats, thence southeast to Saugus, and then northeast from Wason Flats to Riverside, which is just north of Richey, on our line, and just south of Poplar. They also have again included the line from the end of the branch out from Bonner, just east of Missoula, to Clearwater, showing from Clearwater to Dracut (on their Agawam Line) just west of Great Falls, and also the line from Sunset just west of Clearwater, on the same branch, up to Kalispell and on to Canada, as well as the line south from Miles City to Casper, to connect with the railroad out from the oil fields at Casper.

It is quite evident from this that the Milwaukee sees some value in having the maps show these locations. If the line was built, as contemplated, from Winnett to Wason Flats, and thence to Saugus, and also from Clearwater to Dracut, it would give them an alternate main line through Great Falls. I don't know where they figure the money is coming from.

W. P. Kenney. ✓

P.S. I enclose a map of the State of Montana, on which I have drawn in blue (in straight line between the points mentioned) the roads mentioned by the Milwaukee.

*Mr Kenney
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A Great Railroad's Future— and Ours.

The Chicago, Milwaukee & St. Paul is a well built, efficiently operated railroad, and is deserving of better earnings than it has had in recent years.

It just about "broke even" in 1923. After all operating expenses, fixed charges and taxes had been paid, there remained a small net income of \$207,636, equivalent to 17 cents a share on the company's outstanding stock.

But that was considerably better than the earnings in 1922, when the company was left with a deficit of \$8,143,163.

There is encouragement in the fact that for the first time since 1917, operations of the road yielded sufficient income to meet interest requirements.

The Milwaukee made the pardonable mistake of prematurely pushing its extension through to Puget sound. That progressive step was taken in anticipation of a continuing growth in the northern tier of states that failed of realization. Immigration and the inflow of new capital, which had been abundant between 1910 and 1920, slacked off in the next decade.

But time will rectify all that. The pendulum is due to swing this way again, for the resources and potentialities of the Pacific northwest have been but little more than started on the way to their ultimate development.

From the beginning of settlement in this region, its industries have expanded or marked time in close accord with the inflow of immigration and capital. In recent years immigration and capital have been departing in the southwest, and to a considerable extent the Pacific northwest has been overlooked. But our magnificent resources are here—of agriculture in its varied lines; of wealth of mines and forests and other building materials; of fisheries and water power; of climate and noble scenery; of great rivers that run down to the sea, and harbors that compel the wonder and admiration of all the navigators that sail into them.

Just a little quickening up, and the Chicago, Milwaukee & St. Paul will come in for the prosperity that it deserves.

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