1935

EIGHTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

FOR THE

YEAR ENDED DECEMBER 31, 1935

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Owing to the depletion of its cash resources the Company did not pay $1,457,000 of equipment obligations which matured April 1 and June 1, 1935, and with a balance of income available for interest on funded debt during the first six months of the year, at the time estimated at approximately $1,400,000, the conclusion was reached that the Company would be unable to meet interest payable July 1, 1935, upon its general mortgage bonds, amounting to $2,699,556.25, and would also be unable to provide for payment of $3,275,900 (and accrued interest of $133,118) due June 30, 1935, on Reconstruction Finance Corporation loans, and for payment of $609,000 of equipment obligations maturing July 1, 1935. It was the belief of the Board of Directors that further borrowings for the purpose of meeting fixed charges upon the present capital structure were undesirable and that a readjustment of the present capital structure was necessary.

On June 29, 1935, the Company filed a petition in bankruptcy, stating its desire to effect a plan of reorganization pursuant to Section 77 of the act entitled "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and submitted a plan of reorganization. In accordance with the requirements of the bankruptcy act the plan was also submitted to the Interstate Commerce Commission on the same date. Hearing was had on the plan before the Commission on August 5, 6 and 7, 1935. At the conclusion of the hearing, the Commission announced additional hearings would be held at a later date.

The order of the court, entered June 29, 1935, authorized and directed the Company, pending the further order of the court, to continue in possession and control of its properties and to operate the same.

By an order entered October 17, 1935, amended November 29, 1935, the court appointed Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of the Company, effective on the first day of the month next succeeding the date of ratification of their appointment by the Interstate Commerce Commission. Their appointment was ratified by the Interstate Commerce Commission on December 28, 1935, and the Trustees filed their bonds and took title to and control of the property January 1, 1936.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DIRECTORS

TERM EXPIRES MAY 12, 1936

MORTIMER N. BUCKNER	New York
HARRY E. BYRAM	New York
WALTER W. COLPITTS	New York
HOWLAND S. DAVIS	New York
FAIRMAN R. DICK	New York
FREDERICK H. ECKER	New York
JOSHUA GREEN	Seattle
HENRY A. SCANDRETT	Chicago
W. W. K. SPARROW	Chicago
ROBERT T. SWAINE	New York

EXECUTIVE COMMITTEE

MORTIMER N. BUCKNER
HARRY E. BYRAM
WALTER W. COLPITTS
FAIRMAN R. DICK
FREDERICK H. ECKER
HENRY A. SCANDRETT
ROBERT T. SWAINE

OFFICERS

H. E. BYRAM	Chairman of the Board	New York
H. A. SCANDRETT	President	Chicago
W. W. K. SPARROW	Vice President	Chicago
J. T. GILLICK	Vice President	Chicago
H. E. PIERPONT	Vice President	Chicago
H. B. EARLING	Vice President	Seattle
R. J. MARONY	Vice President	New York
F. H. JOHNSON	Executive Assistant	Chicago
O. W. DYNES	General Counsel	Chicago
C. S. JEFFERSON	General Solicitor	Chicago
H. H. FIELD	Special Counsel	Chicago
R. T. SWAINE F. H. WOOD D. C. SWATLAND	Counsel for the Board of Directors	New York
D. C. CURTIS	Chief Purchasing Officer	Chicago
W. V. WILSON	Comptroller	Chicago
J. DICKIE	Treasurer	Chicago
S. GREENGARD	Assistant Treasurer	Seattle
R. P. ROCKEFELLER	Assistant Treasurer	Chicago
L. G. WEIFFENBACH	Asst. Treasurer-Asst. Secretary	New York
T. W. BURTNESS	Secretary	Chicago
A. C. HAGENSICK	Assistant Secretary	Chicago
J. WELCH	Asst. Secretary-Asst. Treasurer	New York
G. GRIFFIN	Transfer Agent	New York
O. N. HARSTAD	General Manager—Lines East	Chicago
C. H. BUFORD	General Manager—Lines West	Seattle
W. H. PENFIELD	Chief Engineer	Chicago

THE

EIGHTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

FOR THE YEAR ENDED DECEMBER 31, 1935

To the Stockholders of Chicago, Milwaukee, St. Paul and Pacific Railroad Company:

The Board of Directors submits the following report of operations and affairs of Chicago, Milwaukee, St. Paul and Pacific Railroad Company for the year ended December 31, 1935:

Net income of the Company available for fixed charges was $6,035,714. Fixed charges in compliance with an order of the Interstate Commerce Commission, effective for the form of income statements issued on and after June 1, 1935, include interest on funded debt and also rent for leased roads, interest on unfunded debt, and amortization of discount on funded debt. On the same basis the net income available for fixed charges for the year 1934 amounted to $7,852,134. Included in operating expenses for 1934 were charges amounting to $746,043, representing accruals for the Company's contribution required by the Federal Act of 1934 providing for a retirement and pension system of railroad employees. As this Act was declared unconstitutional by the United States Supreme Court on May 6, 1935, operating expenses for 1935 were credited with the amount accrued in 1934. Adjusting the figures for both years by omitting the charges in 1934 and the credits in 1935, income available for fixed charges for 1935 was $5,289,671 and for 1934, $8,598,177. Fixed interest on funded debt for 1935 plus interest after maturity on obligations matured during 1935 but not paid was $13,453,663, as compared with $13,494,589 for 1934.

RAILWAY OPERATING REVENUES increased $4,614,001 over 1934 or 5.3%. RAILWAY OPERATING EXPENSES increased $6,760,970 or 9.7%.

TOTAL OPERATING REVENUES in 1935, detail of which will be found on page 41 of this report, compared with those of all other Class I roads in the Northwestern Region and with the total operating revenues for 1929 and subsequent years were as follows:

Year	C.M.St.P.& P.	Percentage of Decrease from 1929	Northwestern Region excluding C.M.St.P.& P.	Percentage of Decrease from 1929
1935	$ 92,473,793	46.04	$316,844,427	44.79
1934	87,859,792	48.73	294,856,371	48.62
1933	85,495,220	50.11	275,791,022	51.94
1932	84,900,833	50.46	260,011,746	54.69
1931	111,423,772	34.98	362,826,109	36.78
1930	142,569,632	16.80	479,436,759	16.46
1929	171,361,385	.....	573,898,693	.....

FREIGHT REVENUE for 1935 compared with the freight revenue of all other Class I roads in the Northwestern Region and with freight revenue for 1929 and subsequent years was as follows:

Year	C.M.St.P.& P.	Percentage of Decrease from 1929	Northwestern Region Excluding C.M.St.P.& P.	Percentage of Decrease from 1929
1935	$ 77,311,239	43.64	$265,545,727	41.13
1934	73,382,543	46.50	245,427,904	45.59
1933	71,571,456	47.83	229,256,980	49.18
1932	70,302,779	48.75	209,998,327	53.45
1931	91,392,070	33.38	291,257,418	35.43
1930	115,638,093	15.70	383,399,848	15.01
1929	137,176,431	.....	451,098,461	.....

The average revenue per ton of freight in 1935 was $2.60 as compared with $2.61 in 1934. The average distance haul in 1935 was 269 miles as compared with 268 miles in 1934 and the average revenue per ton mile in 1935 was 9.69 mills as compared with 9.73 mills in 1934.

A statement showing the increases or decreases in 1935 as compared with 1934 in revenues and tonnages by general classes of commodities follows:

	Revenue Increase + Decrease–	Percent Increase + Decrease–	Tonnage Increase + Decrease–	Percent Increase + Decrease–
Products of Agriculture	– $ 324,642	– 2.63	– 253,705	– 4.88
Animals and Products	– 3,314,548	–30.02	– 617,015	–29.12
Products of Mines	+ 981,771	+ 7.94	+ 192,020	+ 1.92
Products of Forests	+ 2,054,904	+34.55	+1,028,271	+40.48
Manufactures and Miscellaneous	+ 4,646,151	+18.43	+1,236,886	+16.16
Less Carload Merchandise	– 114,940	– 1.78	– 2,273	– .38

The decrease in Products of Agriculture was due principally to the 1934 crop failure of corn caused by drought, with the result that less tonnage of that grain was hauled in 1935. The major portion of the season's crop of corn is hauled in the following year. According to the United States Department of Agriculture report, "Crops and Markets," the production of corn in our territory in 1934 was but 49% of the average production in the previous five years. The 1935 crop was 89% of the same five year average.

The wheat hauled in 1935 was 1,145,241 tons and the revenue $3,253,687, an increase of 18% in tonnage and 30% in revenue over 1934. The total production of wheat in our territory in 1934 was 63% of the average for the years 1929 to 1933, inclusive, while the production for 1935 was 91% of the same average.

The tonnage of oats, barley and rye in 1935 was 900,448, a 35% increase over 1934 and a 13% increase over the average of the five year period 1929 to 1933, inclusive. Revenue from these commodities in 1935 was $2,023,958, an increase of 52% over the revenues for 1934. The production of oats, barley and rye in our territory in 1934 was 41% of the average for the years 1929 to 1933, inclusive, and for 1935, 112% of the same average.

The tonnage of alfalfa and hay for 1935 decreased 126,636 and the revenue $351,064, a decrease of 53% in tonnage and 49% in revenue as compared with 1934, although the total production of alfalfa and hay in the territory served during 1935 was in excess of previous years. The reason for this is that in 1934 large quantities were hauled long distances into drought stricken territory.

The principal decreases in Animals and Products were in cattle, hogs and fresh meats. As compared with 1934, the tonnage of cattle decreased 293,373 or 44% and the revenue decreased $1,432,401 or 43%; the tonnage of hogs decreased 145,638 or 40% and the revenue decreased $779,073 or 50%; fresh meats decreased 101,569 tons or 22% and the revenue decreased $413,961 or 17%. The excessive decrease in the haul of these commodities is a direct result of the drought in 1934 in which year cattle were shipped out of our territory for grazing purposes and large numbers of meat animals were purchased by Relief Agencies and slaughtered for disposal on farms and ranches.

The principal increase in Products of Mines was in coal and coke. The tonnage for these commodities was 7,624,453, an increase of 6% over 1934, and the revenue an increase of $975,890 or 10%.

In Products of Forests the principal increase was in lumber, shingles and lath, the tonnage of which increased 383,298, or 44%, over 1934, and the revenue increased $1,651,107, or 37%. The tonnage of logs also increased 582,727, or 59%, over 1934, and the revenue from that commodity increased $279,330, or 62%, over 1934.

The largest increase was in the Manufactures and Miscellaneous group. Automobiles, auto trucks and their parts increased in tonnage 138,613, or 46%, and revenue increased $999,191, or 45%, over 1934. Petroleum oils refined increased in tonnage 142,946, or 8%, and revenue increased $582,125, or 10%, over 1934. Iron and steel and their products increased in tonnage 315,357, or 38%, and revenue increased $519,978, or 31%, over 1934. Agricultural implements including tractors increased in tonnage 88,073, or 88%, and revenue increased $564,576, or 113%, over 1934. While slightly lower than in 1934, beverages produced 374,391 tons of freight, yielding a revenue of $1,318,955, a decrease of 1% in tonnage and 2% in revenue compared with 1934.

The most important rate changes during the year were the emergency freight charges, 1935, authorized by the Interstate Commerce Commission, effective April 18, 1935. The general basis of the emergency charges on interstate carload traffic was an increase of 7% of the previous total line haul transportation charges but not more than 5c per hundred pounds excepting that practically no increases were applicable to products of agriculture and products of forests. Emergency charges authorized on many commodities were less than 5c per hundred pounds and less than 7% increase. On the less than carload traffic no increases were applicable to short haul movements up to approximately 200 miles. Increases for hauls in excess of this distance amounted to approximately 10%, with a maximum of 11c per hundred pounds.

Subsequent to April 18, 1935, rates on intrastate traffic received similar increases except for movements within the States of Montana, Minnesota and Idaho.

During 1935 industrial sites were leased to 81 industries not previously located on the Company's lines. Of these new industries 50 are bulk oil and gasoline stations, 17 coal, lumber and material yards and 7 beer and wine distributing stations located mainly in the states of Wisconsin, Iowa and South Dakota.

PASSENGER TRAIN REVENUE, which includes mail, express, sleeping car and other earnings on passenger trains, in addition to the revenue from passengers carried, showed an increase over the preceding year. In 1935 it amounted to $11,145,904 as compared with $10,703,553 in 1934, an increase of $442,351 or 4.1%. Revenue from passenger traffic in 1935 was $6,041,992, an increase of $425,042 or 7.6% over 1934.

The experimental one-way basic fares of 3 cents per mile in sleeping and parlor cars and 2 cents per mile in coaches, which were placed in effect December 1, 1933, are now published without expiration date. The experimental round trip fares of 2 cents

per mile with 10-day limit and 2½ cents per mile with longer limit, in sleeping and parlor cars, and of 1.8 cents per mile for travel in coaches, have been continued to September 30, 1936.

A tabulation showing for each of the years 1929 to 1935, inclusive, the passenger revenue of your Company and that of all other Class I roads in the Northwestern Region, excluding C. M. St. P. & P. R. R., and the decrease as compared with 1929, follows:

Year	C.M.St.P.& P.	Percentage of Decrease from 1929	Northwestern Region excluding C.M.St.P.& P.	Percentage of Decrease from 1929
1935	$ 6,041,992	63.94	$22,347,002	64.15
1934	5,616,950	66.47	21,415,443	65.64
1933	5,699,841	65.98	20,921,602	66.44
1932	5,947,700	64.50	23,451,309	62.38
1931	8,952,421	46.56	35,301,259	43.37
1930	12,681,684	24.30	49,084,157	21.26
1929	16,753,297	.....	62,335,360	.....

On May 29, 1935, a new day-time train service between Chicago and the Twin Cities (St. Paul and Minneapolis) was inaugurated to compete with high speed service of other roads. The new service consists of two trains, one northbound and one southbound, named "Hiawatha." Their equipment includes high speed streamlined locomotives purchased and new steel passenger train cars constructed in the Company's shops at Milwaukee. The schedule, which includes six other intermediate stops, is 6½ hours to St. Paul, a distance of 410 miles, and 7 hours to Minneapolis, which is an additional 11 miles.

The trains have been a pronounced success. For the first seven months of operation, June to December, inclusive, the gross revenue of these trains averaged $3.23 per train mile, the cost of operation, including interest, depreciation and maintenance of equipment, $1.05 per train mile, and the net revenue, $2.18 per train mile.

Passenger train miles-locomotive service in 1935 were 10,221,345, an increase of 451,841 or 4.6% over 1934. Passenger train miles-motor car service in 1935 were 915,480, a decrease of 188,948 or 17.1% from 1934. Passenger train car miles in 1935, including mail, express, milk, etc., in addition to passenger service cars, increased 498,736 or .7% over 1934. Total passenger car miles increased 203,592 or .4% over 1934.

Excluding commutation passengers, the average miles per revenue passenger carried in 1935 were 155 as compared with

167 in 1934, the average revenue per passenger in 1935 was $2.80 as compared with $2.87 in 1934, and the revenue per passenger per mile in 1935 was 1.8 cents as compared with 1.71 cents in 1934. While passenger revenues are still at a very low level, there is encouragement in the fact that the long continued decline was arrested in 1935 and a small increase shown over 1934.

OPERATING EXPENSES for the year 1935 were $76,416,517 as compared with $69,655,547 for 1934, an increase of $6,760,970, or 9.7%.

Reference was made in the report for 1934 to an agreement dated April 26, 1934, between the Conference Committee of Railroad Managers and the Railway Labor Executives Association providing for the restoration of the 10% deduction from the basic rates which went into effect February 1, 1932, as follows: 2½% July 1, 1934; 2½% January 1, 1935; 5% April 1, 1935, with corresponding restorations of deductions from basic rates to other employees up to a maximum of $400 a month. Such restorations in 1935 increased operating expenses approximately $3,270.000.

Maintenance of Way and Structures increased $4,172,349 or 32.5% over 1934. In addition to an increase of approximately $460,000 in the cost of labor resulting from wage restorations, the increase was principally due to expenses incurred in connection with relaying rail and replacing ties. In 1935, 32,885 gross tons of new rail were laid, replacing rail of the same or lighter weight, which compares with 325 tons laid in 1934, 278 in 1933, and with the yearly average of the period from 1929 to 1933, inclusive, of 26,383 tons. In 1935 the number of cross ties replaced was 3,493,485 which was 793,692 in excess of the replacements in 1934 and compares with 1,975,923 in 1933 and with the average of 2,945,443 in the five year period, 1929 to 1933. Maintenance of Equipment, exclusive of depreciation and retirement charges, increased $1,636,116 or 15.2% and of this amount approximately $610,000 was due to wage restorations. Depreciation charges were less by $590,000, of which $165,411 was due to change in accrual rates and $424,589 was due to decrease in investment in equipment. Traffic expenses increased $89,662 or 3.7%. Wage restorations accounted for an increase of $105,000 while other items showed a decrease.

Transportation expenses increased $2,838,313 or 8.5% over 1934. Of this amount approximately $1,880,000 was due to labor rate restorations. Injuries to persons decreased $210,930. The balance of the increase $1,169,243 was principally due to the expense of additional station, yard and train service. Freight and passenger transportation train miles increased 587,322 or 2.3% and yard switching locomotive miles increased 124,761 or 1.9% over 1934.

Miscellaneous Operations, which include dining and buffet service, increased $70,617 or 12.6% due in part to restorations aggregating $25,000.

General Expenses decreased $1,226,600 or 32.1% under 1934, the decrease being principally caused by a credit in the account for pensions caused by the reversal of a charge of $739,929 in 1934 as the Company's contribution under the Railroad Retirement Act which was declared unconstitutional by the United States Supreme Court on May 6, 1935. Payments on account of wage restorations approximated $190,000.

There was an increase in Credit for Transportation for Investment of $182,900, due to more additions and betterments made to the property.

There follows a tabulation showing railway operating expenses (excluding depreciation and retirements of equipment) and the percentage of decrease under 1929 for this Company compared with all other Class I roads in the Northwestern Region:

Year	C.M.St.P.& P.	Percentage of Decrease from 1929	Northwestern Region Excluding C.M.St.P.& P.	Percentage of Decrease from 1929
1935.....	$ 70,969,615	41.98	$223,638,734	42.62
1934.....	63,572,059	48.03	212,416,712	45.50
1933.....	57,263,084	53.18	189,902,052	51.28
1932.....	64,264,058	47.46	205,292,314	47.33
1931.....	82,122,739	32.86	273,132,086	29.93
1930.....	105,083,097	14.09	341,473,089	12.39
1929.....	122,314,025	.....	389,774,367	.....

RAILWAY TAX ACCRUALS in 1935 were $5,992,000 as compared with $6,405,000 in 1934, a reduction of $413,000 or 6.4%.

EQUIPMENT RENTS for 1935 compared with 1934 were as follows:

	1935	1934	Increase + Decrease− Amount	%
Rent for private cars..	$2,780,197	$2,939,445	− $159,248	− 5.4
Less-Net credit for interchange of railroad owned freight cars..............	185,782	348,790	− 163,008	−46.7
Plus-Net debit for all other equipment....	156,280	125,835	+ 30,445	+24.2
Net Equipment Rents	$2,750,695	$2,716,490	+ 34,205	+ 1.3

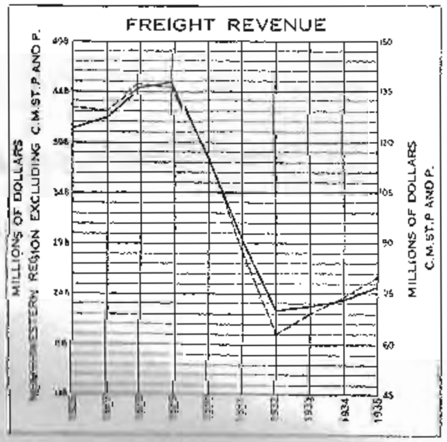
On May 1, 1935, by agreement among Class I railroads, the so-called average per diem plan intended to bring about economy by reducing the haul of empty box cars was placed in effect. This plan provides for a monthly settlement for the use of box cars on the basis of a fixed allowance to each railroad from each other railroad for each month of the year, determined on an average of the actual detention of its box cars by such road in the corresponding months of the years 1932, 1933 and 1934. It supersedes the previous plan of paying $1.00 a day per car for the use of other lines' box cars. There has not been sufficient time to determine definitely for this railroad the results of the plan.

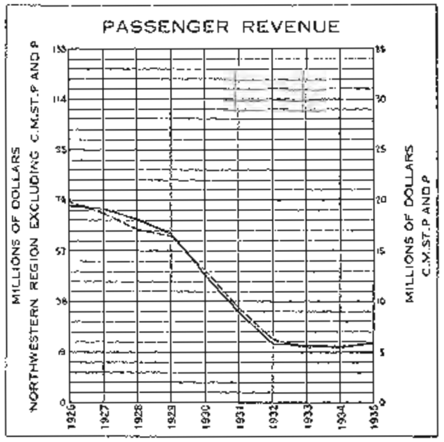
OPERATED MILEAGE

The operated mileage at the close of the year was as follows:

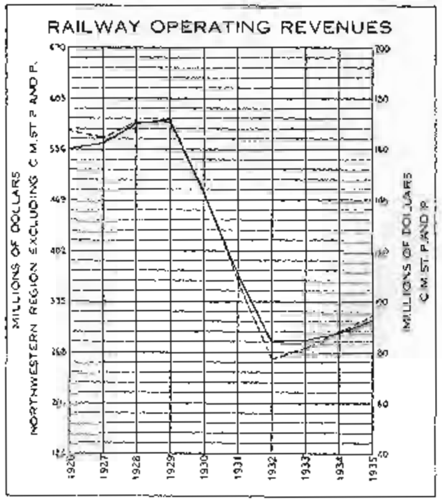
Miles of road	11,123.54
Miles of additional main tracks	1,201.18
Miles of yard tracks and sidings	4,338.13
Total Mileage Operated (page 59)	16,662.85

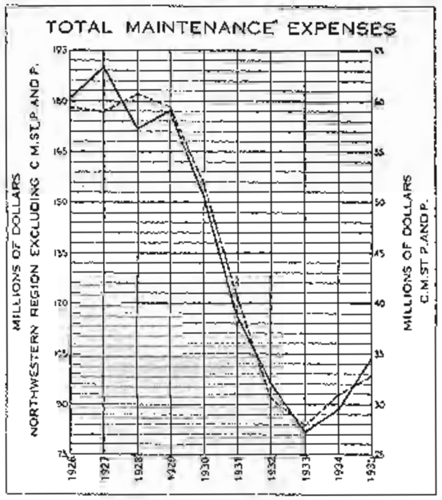
The seven charts next following show the revenue, expenses and income of the Milwaukee Road compared with all other Class I roads of the Northwestern Region combined, for the ten year period ended December 31, 1935:

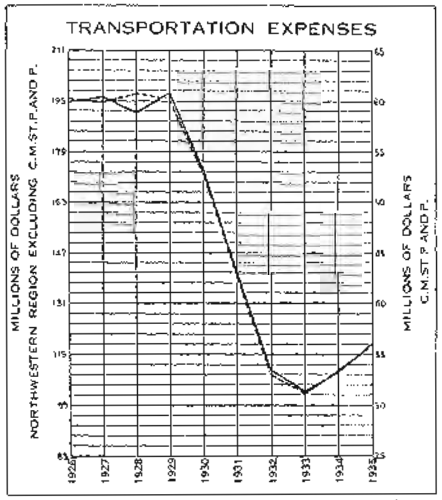


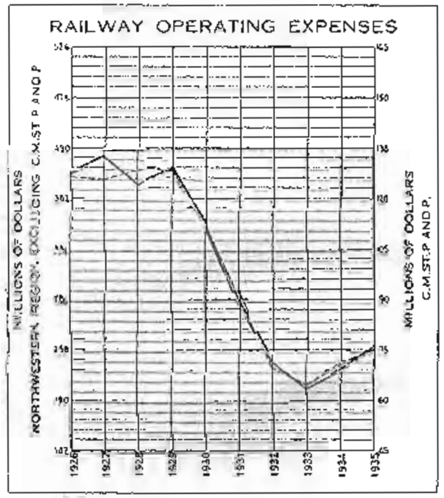


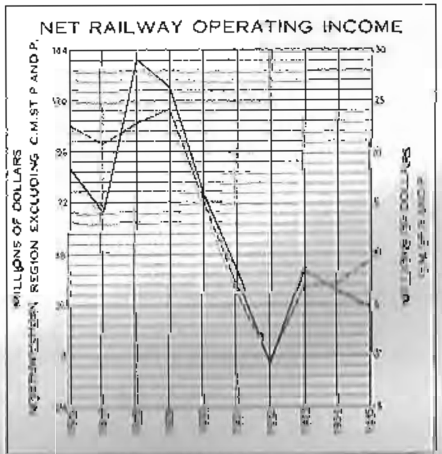
Legend—C. M. St. P. & P.—solid line; Northwestern Region, excluding C. M. St. P. & P.—broken line.





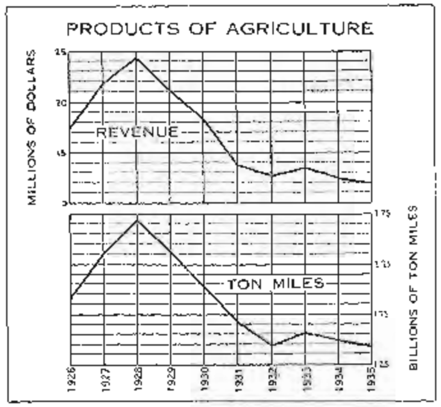


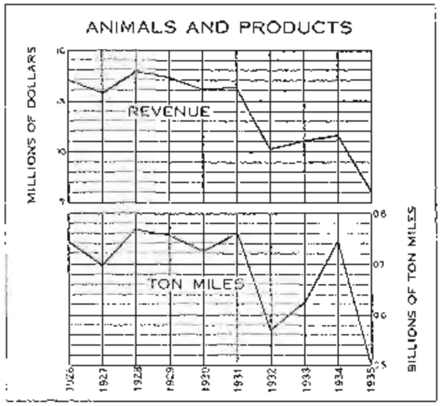


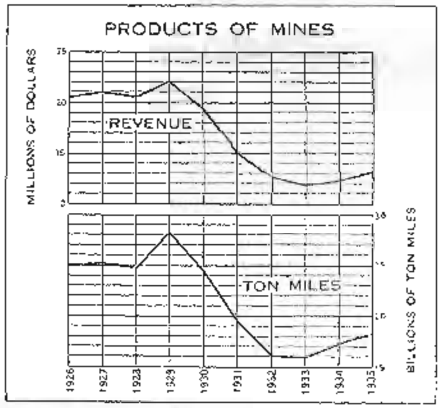


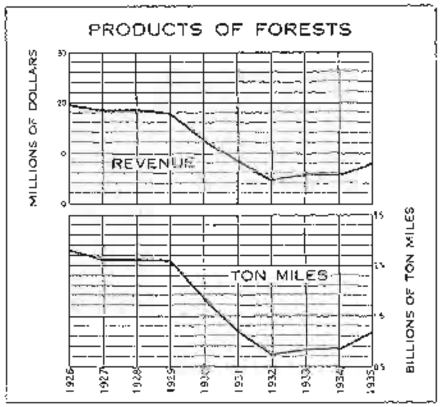
Legend—C. M. St. P. & P.—solid line; Northwestern Region, excluding

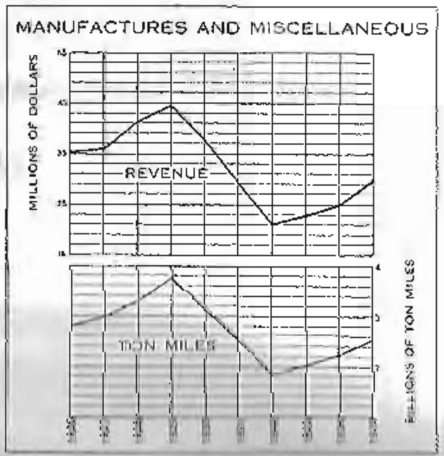
The following charts show the trend of commodity revenue and ton miles, equipment rents, tax accruals, average number of employees and payrolls for the past ten years:

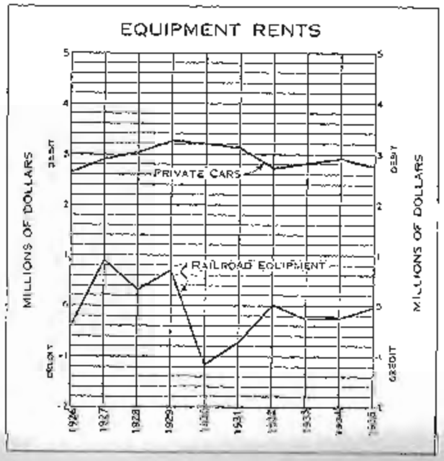


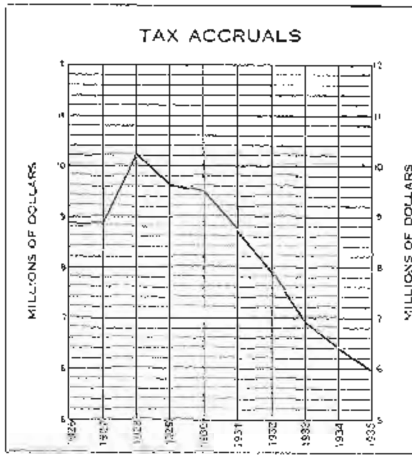


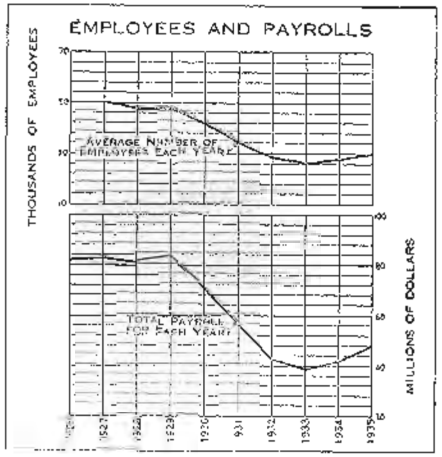












RATE OF RETURN

The rate of return earned for the year 1935 on investment in road and equipment, including material and supplies and cash, at the beginning of the year was .65% as compared with .85% earned for the year 1934. For the entire Western District the average rate of return for 1935 was 1.32% as compared with 1.24% for 1934. For the Northwestern Region in which this Company is grouped, the rate of return for 1935 was 1.43% as compared with 1.16% for 1934.

FINANCE

On December 31, 1934, the balance due on the Company's note to The Railroad Credit Corporation dated June 27, 1934, was $1,393,401. There was also a note dated May 29, 1933, in the amount of $1,710,000, making the total balance due The Railroad Credit Corporation for loans, $3,103,401. Your Company's share of the distributions made by The Railroad Credit Corporation under the Marshalling and Distributing Plan, 1931, during 1935 was $249,257 which was applied in reduction of the note dated June 27, 1934, leaving the amount unpaid as of December 31, 1935, $1,144,144. The amount of the note dated May 29, 1933, was reduced $25,000 by a payment May 27, 1935, and further reduced by payments of $50,000 each on September 28, 1935 and December 12, 1935 from the funds of the Milwaukee Land Company paid in accordance with agreement dated July 27, 1932.

The amounts of unpaid loans from The Railroad Credit Corporation at the end of the year were as follows:

Note dated June 27, 1934 due June 26, 1936	$ 1,144,144
Note dated May 29, 1933 due May 28, 1935	1,585,000
Total	$ 2,729,144

The balance of the advances by your Company to The Railroad Credit Corporation, subject to distribution in accordance with the Marshalling and Distributing Plan, 1931, as of December 31, 1935, was $1,246,283.

In June, 1935, Equipment Trust N certificates of a face amount of $120,000 were sold at par to the Federal Emergency Administrator of Public Works. The certificates were issued in temporary form, exchangeable after April 30, 1936, for definitive certificates and bear interest at the rate of 4% beginning one year after the date of issue. They mature serially in principal amount of $12,000 each year, the first maturity being May 1, 1936, and the last, May 1, 1945. The proceeds of this sale were applied toward the contract price of $175,000 of the two stream-line locomotives acquired for use in the Hiawatha train service, mentioned in the report for 1934 as being financed under Equipment Trust M, which was modified in May, 1935, to exclude the locomotives.

On November 13, 1934, agreement was entered into with the Austin-Western Road Machinery Company of Aurora, Illinois, for the lease of twenty-one standard gauge 30-cubic yard dump cars with drop doors, for a term of six months at a monthly rental of $125.00 per car, with an option to purchase the equipment. The equipment was delivered on November 24, 1934, and on January 30, 1935, lease and purchase agreement were entered into covering the cars, in consideration of which the Railroad Company agreed to pay $84,000, payable at the rate of $2,625.00 a month for a term commencing November 24, 1934, and ending July 23, 1937. The Railroad Company had already paid $5,250.00 rental and agreed to pay the remainder, $78,750.00 in thirty installments. Upon the completion of the rental payments by the Railroad Company, the cars are to become its property.

FEDERAL RETIREMENT ACT

The Railroad Retirement Act approved by the President of the United States on June 27, 1934, providing for a retirement and pension system for railroad employees of carriers subject to the Interstate Commerce Act, was declared unconstitutional by the Supreme Court of the United States May 6, 1935. On August 29, 1935, the President of the United States approved a new Railroad Retirement Act, designated as the Railroad Retirement Act of 1935, and on the same date approved an act levying an excise

tax upon carriers and an income tax upon their employees, the obvious purpose being to provide funds for the payment of annuities. Both of these acts became effective March 1, 1936, and are applicable to all persons who were in the service of the railroad at the time of the enactment of the laws or at any time after their enactment. Financial obligations of railroad companies under these laws are quite similar to those of the 1934 Railroad Retirement Act.

The Act levying the excise tax provides an annual tax upon the income of every employee equal to $3\frac{1}{2}$% of his or her compensation not in excess of $300 per month paid after March 1, 1936, and requires the railroad company to pay an excise tax of $3\frac{1}{2}$% of compensation not in excess of $300 paid monthly by it to each of its employees. It requires the company to deduct the tax on employees from their compensation and pay it to the Treasurer of the United States. The validity of these acts is being contested in the courts. The estimated excise tax payable by the company for the period March 1 to December 31, 1936, is $1,486,000.

FEDERAL SOCIAL SECURITY ACT

On August 14, 1935, the President of the United States approved an Act known as the Social Security Act, to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The Act, Title VIII, imposes an income tax on employees and an excise tax on employers with respect to employment but railroads and their railroad employees are exempt therefrom. The Act, Title IX, also imposes a tax on employers of eight or more persons equal to 1% for the calendar year 1936, 2% for the calendar year 1937, and thereafter at the rate of 3%, of the total wages payable during each calendar year. The taxpayer may credit against the taxes so imposed contributions paid by him into unemployment funds under state laws, which have been approved by the Federal Social Security Board, but such credits are not to exceed 90% of the federal tax against which they are credited.

The estimated amount of taxes required to be paid for 1936 by this Railroad under the Act is $515,000.

MOTOR CARRIER ACT OF 1935

On August 9, 1935, the President of the United States approved an Act to amend the Interstate Commerce Act by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce. Regulation of this interstate transportation of passengers and property under the Act is by the Interstate Commerce Commission and is quite similar to the Commission's regulation of railroads.

No common carrier by motor vehicle may engage in interstate or foreign operation until a certificate of public convenience and necessity has been issued to it by the Commission authorizing such operations. No person may engage in the business of a contract carrier by motor vehicle in interstate or foreign commerce without a permit therefor issued by the Commission. A few unimportant operations are excepted from these provisions. Brokers acting for shippers or passengers are required to obtain a license from the Commission to authorize their transactions.

The Commission is authorized to fix maximum and minimum rates for common carriers and to approve or disapprove minimum contract rates of contract carriers, both classes being forbidden to discriminate unduly. Intrastate rates are not subject to regulation by the Commission, even where such rates affect the interstate rates.

INCOME

The following is a condensed income account of the Company for the year 1935 as compared with 1934.

CONDENSED INCOME ACCOUNT
YEAR ENDED DECEMBER 31, 1935

	YEAR 1935	COMPARISON WITH 1934 +Increase —Decrease
RAILWAY OPERATING INCOME:		
Railway operating revenues	$ 92,473,793.29	$+ 4,614,001.24
Railway operating expenses	76,416,517.08	+ 6,760,970.05
Net revenue from railway operations	$ 16,057,276.21	$— 2,146,968.81
Railway tax accruals	5,992,000.00	— 413,000.00
Uncollectible railway revenues	27,096.03	+ 3,596.24
Railway operating income	$ 10,038,180.18	$— 1,737,565.05
Equipment rents—Debit balance	2,750,694.89	+ 34,204.70
Joint facility rents—Debit balance	2,563,502.51	+ 43,301.46
Net railway operating income	$ 4,723,982.78	$— 1,815,071.21
NON-OPERATING INCOME:		
Rents from lease of road	$ 424,921.04	+ 62.47
Rents received—Other (net after expenses)	518,680.11	+ 22,780.20
Dividends on stocks	342,204.00	— 6,178.58
Income from funded securities:		
Interest on bonds, notes and certificates	87,002.29	+ 975.06
Interest on advances to affiliated companies	15,820.66	— 191.27
Income from unfunded securities and accounts	11,587.77	— 14,024.45
Miscellaneous income	*1,879.16*	— 8,080.65
Total	$ 1,398,351.71	— 3,657.22
Net railway and non-operating income	$ 6,122,334.49	$— 1,818,728.43
DEDUCTIONS:		
Rents paid—Other	$ 83,658.48	— 3,364.43
Miscellaneous tax accruals	28,478.07	— 2,047.14
Miscellaneous income charges	24,484.07	+ 3,103.70
Total	$ 86,620.62	— 2,307.87
Income available for fixed charges	$ 6,035,713.87	$— 1,816,420.56
FIXED CHARGES:		
Rents paid—Lease of road	$ 1,109,413.98	$— 978.23
Interest on funded debt—Fixed interest	13,227,619.08	— 266,969.74
Interest on unfunded debt	# 543,390.07	+ 214,088.55
Amortization of discount on funded debt	20,354.26	— 1,433.83
Total fixed charges	$ 14,900,777.39	— 55,293.25
Net income before deduction for interest on Convertible Adjustment Mortgage Bonds [*deficit*]	$ *8,865,063.52*	$+ *1,761,127.31*
Contingent charges:		
Interest on Convertible Adjustment Mortgage Bonds (5% accrued)	9,143,684.65	
Net income [*deficit*]	$ *18,008,748.17*	$+ *1,761,127.31*
Debit balance transferred to Profit and Loss	$ *18,008,748.17*	$+ *1,761,127.31*

#Includes $226,044.19 interest after maturity on Reconstruction Finance Corporation Loans and Equipment Trust Certificates matured during 1935 but not paid.
See page 36.

CAPITAL STOCK

On December 31, 1934, the share capital of the Company consisted of 1,193,073 shares of Preferred Stock, par value $100.00 per share, and 1,174,060 shares of Common Stock, without par value.

There has been no change during the year.

The Capital Stock outstanding as of December 31, 1935, was as follows:

Preferred Stock, 1,193,073 Shares	$119,307,300.00
Common Stock, 1,174,060 Shares	(No par value)

FUNDED DEBT

On December 31, 1935, funded debt outstanding in the hands of the public amounted to $475,048,901.25 as compared with $476,452,181.97 on December 31, 1934 as shown on page 38, or a decrease of $1,403,280.72 explained as follows:

Decreases:		
Equipment Trust Notes and Certificates paid during the year		$1,509,500.00
General American Tank Car Corporation Sub-Lease, principal payments		57,637.38
Austin-Western Road Machinery Company Equipment Lease, principal payments		30,631.63
Matured Bonds covered by deposit with Trustee transferred to Other deferred liabilities		4,000.00
Total Decreases		$1,601,769.01
Increases:		
Equipment Trust Certificates Series N, 4%	$120,000.00	
Austin-Western Road Machinery Co. Equipment Lease	78,488.29	
Total Increases		198,488.29
Net Decrease		$1,403,280.72

ADDITIONS AND BETTERMENTS

Rail:

32,860 gross tons of new rail ranging in weight from 90 to 131 pounds were laid in main tracks, replacing rail of the same or lighter weight; 18,794 gross tons of second hand rail ranging in weight from 50 to 130 pounds were laid in main tracks replacing rail of the same or lighter weight; 25 gross tons of new rail ranging in weight from 90 to 131 pounds were laid in yard and side tracks, replacing rail of the same or lighter weight; and 9,506 gross tons of second hand rail, ranging in weight from 56 to 130 pounds were laid in yard and side tracks, replacing rail of the same or lighter weight. Of the above second hand rail, 902 gross tons were relaid in main tracks and 551 gross tons in yard and side tracks on the Chicago, Terre Haute & Southeastern Railway.

Ballast:

Main tracks were improved by the application of 207,840 cubic yards of additional gravel ballast on 201.1 miles of track as follows: 96 miles on the Iowa Division in Iowa, 4.8 miles on the Kansas City Division in Iowa; 17.4 miles on the Kansas City Division in Missouri; 12.14 miles on the LaCrosse and River Division in Minnesota, 27.16 miles on the LaCrosse and River Division in Wisconsin, 33.6 miles on the Superior Division in Wisconsin and 10 miles on the Coast Division in Washington.

Tracks:

Extensive improvements have been made in the Chestnut Street Yard and Cherry Street Yard in Milwaukee to provide better facilities for team and truck loading. The improvements consisted of rearrangement and respacing of tracks and the placing of concrete paving in the driveways.

Bridges, Trestles and Culverts:

During the year 6,737 lineal feet of open deck untreated timber bridges were replaced with permanent work as follows: 257 lineal feet with steel structures, 1,494 lineal feet with creosoted pile and timber ballasted deck bridges, 2,463 lineal feet with culvert pipe and 2,523 lineal feet with embankment. Included in the above are 113 lineal feet of timber bridges on the Chicago, Terre Haute and Southeastern Railway, of which 58 lineal feet were replaced with culvert pipe and 55 lineal feet with embankment.

A total of 1,463 lineal feet of steel bridge superstructures were replaced with structures designed for heavier loading, of which 54 lineal feet are located on the Chicago, Terre Haute and Southeastern Railway.

Station and Office Facilities:

At Winona, Minnesota, improvements were made to the passenger station facilities by constructing new platforms and a shelter adjacent to the double track line.

New produce warehouses were constructed at Sequim and Kittitas, Washington for the receipt, storage and loading of vegetables and fruits. Alterations and improvements have been made to several storage warehouses at Kent, Washington to provide better facilities for shippers.

WATER STATIONS:

A new electrically operated locomotive water supply station was constructed at Maytown, Washington replacing obsolete and wornout facilities. The water supply situation at LaCrosse, Wisconsin has been materially improved by the installation of a 100,000 gallon elevated steel storage tank and new service tanks, thereby assuring an adequate supply of water at all times. The station at Milbank, South Dakota has been improved by the installation of electrically operated pumping equipment which replaced steam operated equipment. Improvements were completed at Lemmon, South Dakota, consisting of a new deep well, pump house and electrically operated pumping equipment.

FUEL STATIONS:

At Western Avenue, Chicago, Illinois, a new fuel oil station consisting of steel storage tanks and electrically operated pumping equipment was constructed to provide fueling facilities for oil burning locomotives used with high speed trains. Similar facilities have also been completed at Minneapolis, Minnesota.

SIGNALS AND INTERLOCKERS:

The manually operated interlocking plant at Wilkinson Illinois, at the crossing of our line with the Chicago Great Western Railroad was converted into an automatic plant resulting in a reduction of operating costs. To avoid necessity of trains making statutory stops for non-interlocked crossings, modified protection consisting of railroad crossing gates and signals were installed at Watertown, Madison and Forest Junction, Wisconsin; Ossian and Marquette, Iowa and Yankton, South Dakota.

Highway crossing protection consisting of duplex flashing light signals with rotating stop discs (Griswold Type) were installed at highway grade crossings on the Chicago and Evanston Line, Chicago, Illinois; at Sioux Falls and Aberdeen, South Dakota; Minneapolis and St. Paul, Minnesota thereby eliminating gate tenders and crossing watchmen. There was a total of 40 signals of this type and 16 of the A. A. R. flashing light type installed at 28 crossings during 1935.

The inauguration of high speed train service between Chicago, Illinois and St. Paul, and Minneapolis, Minnesota necessitated changes in the automatic block signal system. Certain automatic block signals were eliminated, automatic blocks and operating time for crossing signals were lengthened and other additions and alterations were made where necessary in the signal system and interlocking plants.

Spring switches with signal protection were installed at Madison, Wisconsin; Harlowton, Montana; Marquette and Sioux City, Iowa, thereby eliminating the necessity of trains stopping after passing through the switches. Facing point locks were installed on the spring switches at the ends of double track on the Iowa Division in Iowa, making it possible to remove the speed restrictions which were formerly necessary.

TELEGRAPH AND TELEPHONE LINES:

Reconstruction of line and wire renewals between Rondout, Illinois and Milwaukee, Wisconsin; Forest Junction and Green Bay, Wisconsin; National Avenue and North Milwaukee, Wisconsin; Minneapolis and Hopkins, Minnesota and Cedar Falls and Easton, Washington were completed. Rectifiers were installed at Ringling, Montana; Metaline Falls, Washington; Montevideo, Minnesota and Aberdeen, South Dakota resulting in a reduction in the cost of maintenance and operation.

SHOPS AND ENGINE HOUSES:

A new Autocall-Howe Night Watch and Fire Alarm System was installed at Milwaukee Shops replacing an old obsolete fire alarm system which was no longer functioning in a satisfactory manner. In conjunction with this improvement the plan of completely rewiring shop buildings with a new closed conduit type of electric wiring was continued thereby reducing the fire hazard from this source.

Fire prevention conditions at Milwaukee Shops have been further improved by the construction of a new hollow tile pumphouse and valve control room and the relocation of storage tanks for fuel oil.

At Dubuque, Iowa facilities for the manufacture of acetylene gas consisting of a fireproof brick building and generating equipment have been constructed. Large quantities of gas are used in connection with the dismantlement of cars and locomotives at this point.

At Nahant, Iowa, enginehouse and terminal facilities were electrified, replacing steam operation. This change will produce a substantial saving in the cost of operation.

At Minneapolis, Minnesota, 5 stalls of the enginehouse were rebuilt and lengthened to provide additional space for housing and inspecting large passenger and freight locomotives.

Locomotive and Car Department shop facilities at Milwaukee and Minneapolis have been improved by the purchase of a number of new machines, the motorizing of existing machines and a regrouping of facilities. These improvements will result in a substantial increase in shop output and a reduction in maintainance cost.

Improvements at less important repair points were confined to minor items and the transfer of machines to points where they can be used most advantageously.

Improvement of the engine terminal facilities at Western Avenue (Chicago), Galewood and Bensenville, Illinois was started and will be completed in 1936. The plan involves the construction of a new machine shop and storehouse at Bensenville, the electrification of all facilities at that point and some additional facilities at Galewood and Western Avenue, Illinois. Heavy repair work on locomotives will hereafter be performed at Bensenville and only light running repairs will be handled at Galewood and Western Avenue. The project is estimated to cost $206,000 and the annual saving in labor and cost of producing power will amount to approximately $90,000.

ELIMINATION OF GRADE CROSSINGS:

Reports for the past several years have referred to the agreement entered into by the Governor of Wisconsin, the Unemployment Commission of the State and the Railroad, whereby your Company agreed to the separation of not less than twenty-two grade crossings with a maximum obligation to it of $400,000 and the discontinuance of the program with the separation of eighteen crossings at a total cost of $327,273 to your Company. The amount remaining to be paid at the beginning of the year was $65,727 of which $37,500 was paid, leaving $28,227 to be paid in 1936.

An extensive program for the elimination of highway grade crossings has been followed out by the various State Highway Departments working in conjunction with the United States Bureau of Public Roads. The cost of this work has been financed largely through Federal funds, the expense to the Railroad Company consisting, for the most part, of minor expenditures for preparation of plans and changes in existing telegraph and telephone facilities. Grade separations of this nature completed during the current year consisted of four overhead highway bridges located in Illinois, Indiana, Iowa and South Dakota and eleven undergrade crossings or subway bridges of which four are located in Illinois, four in Minnesota, one in Missouri, one in Montana and one in Washington.

MILWAUKEE GRADE SEPARATION:

Separation of grades on the northwest side of the City of Milwaukee, mentioned in the reports for several years past, was completed on September 30, 1935. The total expenditure by your Company was $3,228,405 of which $4,107 was made in the current year. The City of Milwaukee has not presented its final bill for your Company's proportion of work performed by the City. It is expected this bill will be received in 1936 and will not exceed $2,000.

NEW BRANCH LINES:

The extension of the Big Blackfoot branch in Montana, mentioned in last year's report, was completed at a total cost of $155,287. The expenditure in the current year was $8,332.

EQUIPMENT:

Two high speed stream-lined locomotives were purchased and two modern cafe-baggage cars were constructed in the company's shops at Milwaukee and placed in service during the year.

Twenty-one air dump cars were purchased, and fifteen snow plow cars were constructed in the company's shops.

Evans auto-loaders were installed in 308 automobile cars at a cost of $147,684. This device increases the loading capacity of such cars for small automobiles, facilitates loading and unloading of automobiles and is necessary to attract automobile shipments.

Nine steam freight locomotives were equipped with feed water heaters for preheating water with exhaust steam, effecting a reduction in the amount of fuel and water used.

Air conditioning equipment was installed in 68 passenger cars at a cost of $370,882.

LINES ABANDONED

The following branch lines were taken up or abandoned during the year, the approval of the Interstate Commerce Commission having been obtained for their abandonment.

Vader Jct. to Longview, Washington	19.35	miles
Colton to Madison, South Dakota	16.36	"
Chehalis Jct. to Dryad, Washington	16.09	"
Doering to Kalinke, Wisconsin	14.88	"
Hastings to Farmington, Minnesota	14.29	"

The line between Vader Jct. and Longview was jointly and equally owned with the Northern Pacific Railway Company, Great Northern Railway Company, and the Oregon, Washington Railroad & Navigation Company. Longview is now served by your company through additional trackage rights over 20.43 miles of the Northern Pacific Railway between Olequa and Longview Jct.

The line between Colton and Madison was abandoned as a result of co-ordination of facilities with the Great Northern Railway by which each company abandoned parts of its trackage and combined the remainder to form a jointly owned line between Colton and Wentworth.

The line between Chehalis Jct. and Dryad has been replaced by trackage rights over 16.83 miles of the Northern Pacific Railway between the same points.

INVESTMENT IN ROAD AND EQUIPMENT AND MISCELLANEOUS NON-OPERATING PHYSICAL PROPERTY

The expenditures chargeable to Investment in Road and Equipment and Miscellaneous Non-Operating Physical Property during the year ended December 31, 1935, and the Total Investment in Road and Equipment and Total Miscellaneous Non-Operating Physical Property December 31, 1935, were as follows:

	C.M.St.P.& P. R. R. Co.	C.T.H.& S.E. Ry. Co.
ROAD:		
Additions and Betterments—Road:		
Land for transportation purposes	$ 28,976.37	$ 1,053.85
Grading	313,403.08	16,324.53
Tunnels and subways	20,000.98	....
Bridges, trestles and culverts	866,522.52	26,869.38
Ties	58,902.84	8,599.24
Rails	379,442.29	8,244.29
Other track material	1,010,885.26	35,665.22
Ballast	281,265.92	4,431.35
Track laying and surfacing	87,677.33	9,718.22
Right of way fences, etc.	4,921.17	....
Crossings and signs	155,168.62	5,350.59
Station and office buildings	199,892.66	1,397.40
Roadway and miscellaneous buildings	10,863.91	195.46
Water and fuel stations	98,516.77	2,194.12
Shops and enginehouses	268,027.84	3,066.33
Storage warehouses	22,373.10	....
Wharves and docks	19,915.33	....
Telegraph and telephone lines	31,493.92	....
Signals and interlockers	93,403.69	1,276.97
Power stations, transmission systems, etc.	37,707.27	....
Assessments for public improvements	2,024.92	225.05
Roadway machines and tools	55,641.12	....
Shop machinery	159,093.28	3,814.04
Miscellaneous	75,017.30	2,734.26
Completion of extension of Big Blackfoot branch from Sunset to Cottonwood Creek, Montana	8,332.23	....
Gross Additions and Betterments—Road	$ 4,289,469.72	$ 131,160.30
Credit—		
Adjustments between Investment In Road and Miscellaneous Physical Property	251,340.03	....
Road property retired	4,396,329.84	182,693.34
Net Additions and Betterments—Road	$Cr. 358,200.15	$Cr. 51,533.04
EQUIPMENT:		
Equipment purchased and constructed:		
2 High speed, semi-streamlined locomotives, purchased	$ 185,308.00	....
2 Modern semi-streamlined cafe-baggage cars, constructed	46,541.52	....
21 Air dump cars, purchased	78,488.29	....
15 Snow plow cars, constructed	11,991.08	....
Gross Additions and Betterments—Equipment Carried forward	$ 322,328.89	....

INVESTMENT IN ROAD AND EQUIPMENT AND MISCELLANEOUS NON-OPERATING PHYSICAL PROPRETY (Concluded)

	C.M.St.P.& P. R. R. Co.	C.T.H.& S.E. Ry. Co.
Net Additions and Betterments—Road—Brought Forward	$Cr. 358,200.15	$Cr. 51,533.04
Gross Additions and Betterments—Equipment—Brought Forward	$ 322,328.89	....
MISCELLANEOUS EQUIPMENT:		
1 Automobile truck, purchased	....	837.59
12 Automobile trucks, purchased	9,200.36	....
1 Delivery sedan, purchased	589.66	....
11 Passenger automobiles, purchased	8,545.56	....
1 Team of horses, purchased	300.00	....
1 Snow plow for truck, purchased	238.19	....
Other Additions and Betterments to Equipment:		
Miscellaneous conversions of equipment	197,610.75	15,764.71
Other improvements to equipment	722,755.65	3,326.82
Gross Additions and Betterments—Equipment	$ 1,261,569.06	$ 19,929.12
Credit—Equipment retired or converted	Cr. 1,786,696.86	Cr. 361,529.88
Net Additions and Betterments—Equipment	$Cr. 525,127.80	$Cr. 341,600.76
Net Additions and Betterments—Road and Equipment	$Cr. 883,327.95	$Cr. 393,133.80
Road and Equipment, December 31, 1934	$ 681,984,319.00	$ 29,466,601.23
Road and Equipment, December 31, 1935	$ 681,100,991.05	$ 29,073,467.43
MISCELLANEOUS NON-OPERATING PHYSICAL PROPERTY:		
Net change in Non-Operating Property	$ 310,818.43	$Cr. 198.80
Net change in Track Material Loaned Account	Cr. 22,613.49	....
Net change in Miscellaneous Non-Operating Physical Property	$ 288,204.94	$Cr. 198.80
Miscellaneous Non-Operating Physical Property, December 31, 1934	5,307,826.76	25,131.69
Miscellaneous Non-Operating Physical Property, December 31, 1935	$ 5,596,031.70	$ 24,932.89

SECURITIES OWNED

On December 31, 1934, the book value of securities owned amounted to			$17,716,665.63
During the year there was added securities acquired with book values as follows:			
Cowlitz, Chehalis & Cascade Ry. Note	$ 3,500.00		
Chicago, Terre Haute & Southeastern Ry. Co. Capital Stock 13.75 shares	137.50		
Wisconsin & Michigan R. R. Co. Notes	12,408.11		
Miscellaneous items	231.29	$ 16,276.90	
The securities disposed of for cash during the year were as follows:			
Bergland Lumber Co. Notes	5,900.00		
Spokane Interstate Fair Assn. Bond	1,000.00		
Yellowstone Park Hotel Co., et al, Joint Notes	20,441.53		
The book value of the following securities was reduced by partial payments during the year:			
Excelsior Coal Company Stock	11,500.00		
Miscellaneous Notes	78.36		
Participating Trust Certificates of closed banks	99.09		
Otherwise disposed of:			
Paul Bellamy Note, transferred to "Other Deferred Assets" at $1.00, balance written off	15,000.00		
Miscellaneous Notes written off	104.66		
Minnesota Transfer Ry. Co. Bond applied as part payment on sinking fund	1,000.00		
Receivers and Trustees Certificates of closed banks transferred to account "Other deferred assets"	19,563.36	74,687.00	
The net decrease during the year was			58,410.10
Total			$17,658,255.53
Chicago Union Station Co. Stock included in account "Deposits in lieu of mortgaged property sold"			7,000.00
The total book value of securities owned as of December 31, 1935, as shown on pages 39 and 40, amounted to			$17,665,255.53

Mr. Charles F. Loweth, for many years Chief Engineer of this Company, died in Chicago, Illinois, on May 15, 1935.

At a meeting of the Board on May 16, 1935, the following resolutions were adopted:

Whereas the Directors of this Company have learned with deep regret of the death on May 15, 1935, of Charles F. Loweth, and it is fitting that a record of his character and his services should be preserved in the records of this Board; therefore, be it

Resolved that the following be inserted in the minutes of the proceedings of this meeting:

Mr. Loweth entered the service of this Company in April, 1901, as Engineer and Superintendent of Bridges and Buildings. In January, 1911, he was appointed Chief Engineer, which position he held until May 1, 1935, when, at his own request, he was relieved of the responsibilities of the office he had so ably filled.

Mr. Loweth's work was always conducted with great care and skill, and his life was one of conspicuous achievement, marked by strict adherence to the highest ideals.

Resolved Further that this Board hereby records its deep appreciation of his keen business ability, splendid character and his long and faithful service to this Company and its predecessor.

Resolved Further that a certified copy of this memorial and resolution be transmitted to his family as an expression of our sincere sympathy.

General balance sheet, income account, profit and loss and other tables relating to corporate affairs and statements showing results of operation are appended hereto.

The Board records its appreciation of the co-operation and the loyal and efficient services rendered by the officers and employees throughout the year.

By order of the Board of Directors.
April 9, 1936.

H. A. SCANDRETT,
President.

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GENERAL BALANCE SHEET

ASSET SIDE	AS OF DECEMBER 31, 1935	COMPARISON WITH DECEMBER 31, 1934 +Increase —Decrease
INVESTMENTS:		
Road and equipment	$681,100,991.05	$— 883,327.95
Improvements on leased railway property	$ 408,697.60	$+ 1,535.78
Deposits in lieu of mortgaged property sold	$ 43,495.23	$— 4,835.62
Misc. non-operating physical property	$ 5,596,031.70	$+ 288,204.94
Investments in affiliated companies:		
#Stocks	$ 5,464,843.87	$— 11,362.50
Bonds	1,497,801.00	— 1,000.00
Notes	10,544,856.97	+ 3,500.00
Advances	6,599,437.93	— 434,264.92
	$ 24,106,939.77	$— 443,127.42
Other Investments:		
Stocks	$ 8,284.80	$+ 10.00
Bonds	91,600.00	— 1,000.00
Notes	50,608.89	— 28,895.15
Advances	3,500.00	— 550.00
Miscellaneous	260.00	— 19,662.45
	$ 154,253.69	$— 50,097.60
Total investments	$711,410,409.04	$— 1,091,647.87
CURRENT ASSETS:		
Cash	$ 9,134,683.81	$+ 321,593.80
Special deposits	117,155.78	— 903,098.97
Loans and bills receivable	38,118.81	— 14,043.96
Traffic and car-service balances receivable	400,870.65	+ 87,704.16
Due from agents and conductors	1,389,052.45	— 828,066.27
Miscellaneous accounts receivable	2,865,166.84	+ 108,629.41
Material and supplies	8,463,761.69	— 652,598.21
Interest and dividends receivable	312,033.41	— 136,059.45
Other current assets	36,015.13	+ 17,868.17
Total current assets	$ 22,756,858.57	$— 1,998,071.32
DEFERRED ASSETS:		
Working fund advances	$ 50,873.97	$— 670.23
Insurance and other funds	229,417.50	+ 229,417.50
Other deferred assets	2,316,700.11	+ 195,651.90
Total deferred assets	$ 2,596,991.58	$+ 424,399.17
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance	$ 16,095.29	$— 4,502.89
Discount on funded debt	357,349.28	— 20,354.26
Other unadjusted debits	3,895,588.31	+ 90,769.24
Total unadjusted debits	$ 4,269,032.88	$+ 65,912.09
GRAND TOTAL	$741,033,292.07	$— 2,599,407.93

#See Note on page 40 referring to stocks of affiliated companies shown on page 39.

GENERAL BALANCE SHEET

LIABILITY SIDE	AS OF DECEMBER 31, 1935	COMPARISON WITH DECEMBER 31, 1934 +Increase —Decrease
CAPITAL STOCK:		
Common Stock:		
In hands of public (1,174,060 shares—no par value)	$105,158,522.37	$— 17,390.96
Preferred Stock:		
In hands of public (1,193,073 shares)	119,307,300.00	....
Total Capital Stock	$224,465,822.37	$— 17,390.96
GOVERNMENTAL GRANTS:		
Grants in aid of construction	$ 205,778.36	$+ 98,730.38
FUNDED DEBT UNMATURED:		
Bonds:		
Fixed interest bearing	$276,508,096.00	....
Contingent interest bearing	182,873,693.00	....
Reconstruction Finance Corporation Loan	37,000.00	— 7,962,462.50
Federal Emergency Administrator of Public Works—Loan	2,291,000.00	....
Equipment obligations	23,144,649.75	— 4,762,280.72
Total	$484,854,438.75	$—12,724,743.22
Less, Bonds held in Treasury or pledged	21,136,000.00	....
Funded Debt Unmatured in hands of Public:		
Bonds ... $438,245,789.00	....	....
Reconstruction Finance Corporation Loan ... 37,000.00	....	— 7,962,462.50
Federal Emergency Administrator of Public Works—Loan ... 2,291,000.00	....	....
Equipment obligations ... 23,144,649.75	....	— 4,762,280.72
Total	$463,718,438.75	$—12,724,743.22
Total Capital Stock, Gov. Grants and Funded Debt	$688,390,039.48	$—12,643,403.80
CURRENT LIABILITIES:		
Loans and bills payable	$ 6,249,490.88	$+ 409,824.68
Traffic and car-service balances payable	2,214,764.39	— 16,513.13
Payrolls and vouchers	5,906,339.37	+ 596,400.05
Miscellaneous accounts payable	147,793.55	— 389,621.11
†Interest matured unpaid	9,027,881.78	+ 5,767,256.34
Funded debt matured unpaid ... $11,631,462.50 **Less Bonds pledged ... 301,000.00	11,330,462.50	+11,321,462.50
Unmatured interest accrued	2,620,825.96	— 19,690.34
Unmatured rents accrued	305,407.58	+ 159.84
Other current liabilities	462,367.24	+ 59,713.18
Total current liabilities	$ 38,265,333.25	$+17,728,992.01
DEFERRED LIABILITIES:		
Convertible Adjustment Mortgage Bond Interest accrued—Unmatured	$ 52,119,002.50	$+ 9,143,684.65
Other deferred liabilities	2,990,889.13	+ 769,061.64
Total deferred liabilities	$ 55,109,891.63	$+ 9,912,746.29
UNADJUSTED CREDITS:		
Tax liability	$ 6,585,123.24	$— 653,124.71
Accrued depreciation—Equipment	41,583,050.51	+ 3,866,373.96
Other unadjusted credits	3,794,062.22	— 368,176.10
Total unadjusted credits	$ 51,962,235.97	$+ 2,845,073.15
CORPORATE SURPLUS:		
Additions to property through income and surplus	$ 516,300.95	$+ 18,613.28
Funded debt retired through income and surplus	43,104.16	....
Total appropriated surplus	559,405.11	+ 18,613.28
Profit and loss, debit balance	*93,253,613.37*	*+20,461,428.86*
Total corporate surplus (*deficit*)	$ *92,694,208.26*	$*+20,443,815.58*
GRAND TOTAL	$741,033,292.07	$— 2,599,407.93

†Includes $2,867,671.15 payable January 1, 1936.
**Bellingham Bay & British Columbia R. R. Co. Bonds pledged as part security for Reconstruction Finance Corporation Loan.

INCOME ACCOUNT

Year Ended December 31, 1935

	Year 1935	Comparison with 1934 +Increase —Decrease
I. OPERATING INCOME		
Railway Operating Income:		
Railway operating revenues	$ 92,473,793.29	$+ 4,614,001.24
Railway operating expenses	$ 76,416,517.08	$+ 6,760,970.05
Net revenue from railway operations	$ 16,057,276.21	$— 2,146,968.81
Railway tax accruals	5,992,000.00	— 413,000.00
Uncollectible railway revenues	27,096.03	+ 3,596.24
Railway operating income	$ 10,038,180.18	$— 1,737,565.05
Rent Income:		
Rent from locomotives	$ 43,301.55	$+ 11,405.71
Rent from passenger-train cars	68,601.63	+ 3,931.44
Rent from floating equipment	2,476.44	— 41.90
Rent from work equipment	25,845.18	+ 6,426.04
Joint facility rent income	415,811.29	— 30,064.74
Total rent income	$ 556,036.09	$— 8,343.45
Rents Payable:		
Hire of freight cars—Debit balance	$ 2,594,415.48	$+ 3,760.16
Rent for locomotives	52,631.07	+ 6,921.00
Rent for passenger-train cars	223,788.45	+ 40,207.70
Rent for floating equipment	2,636.42	+ 985.53
Rent for work equipment	17,448.27	+ 4,051.60
Joint facility rents	2,979,313.80	+ 13,236.72
Total rents payable	$ 5,870,233.49	$+ 69,162.71
Net rents	$ *5,314,197.40*	$— 77,506.16
Net railway operating income	$ 4,723,982.78	$— 1,815,071.21
II. OTHER INCOME		
Income from lease of road	$ 424,921.04	$+ 62.47
Miscellaneous rent income—Net	393,475.36	+ 20,448.26
Miscellaneous nonoperating physical property income	125,210.75	+ 2,331.94
Dividend income	342,204.00	— 5,178.58
Income from funded securities	102,831.95	+ 783.79
Income from unfunded securities & accounts	11,587.77	— 14,024.45
Miscellaneous income	*1,879.16*	— 8,080.65
Total other income	$ 1,398,351.71	$— 3,657.22
Total income—Forwarded	$ 6,122,334.49	$— 1,818,728.43

INCOME ACCOUNT

Year Ended December 31, 1935

	Year 1935	Comparison with 1934 +Increase —Decrease
Total income—Brought forward	$ 6,122,334.49	$— 1,818,728.43
III. MISCELLANEOUS DEDUCTIONS FROM INCOME		
Miscellaneous rents	$ 33,658.48	$— 3,364.43
Miscellaneous tax accruals	28,478.07	— 2,047.14
Miscellaneous income charges	24,484.07	+ 3,103.70
Total miscellaneous deductions	$ 86,620.62	$— 2,307.87
Income available for fixed charges	$ 6,035,713.87	$— 1,816,420.56
IV. FIXED CHARGES		
Rent for leased roads	$ 1,109,413.98	$— 978.23
Interest on funded debt:		
(a) Fixed interest	13,227,619.08	— 266,969.74
Interest on unfunded debt	543,390.07	+ 214,088.55
Amortization of discount on funded debt	20,354.26	— 1,433.83
Total fixed charges	$ 14,900,777.39	$— 55,293.25
Income after fixed charges (*deficit*)	$ *8,865,063.52*	$+ *1,761,127.31*
V. CONTINGENT CHARGES		
Interest on funded debt:		
(b) Contingent interest (Interest on Convertible Adjustment Mortgage Bonds)	$ 9,143,684.65	....
Net income (*deficit*)	$ *18,008,748.17*	$+ *1,761,127.31*
Debit balance transferred to Profit and Loss	$ *18,008,748.17*	$+ *1,761,127.31*

PROFIT AND LOSS ACCOUNT

December 31, 1935

Debits

Debit balance at beginning of year	$72,792,184.61
Debit balance transferred from Income	18,008,748.17
Surplus appropriated for investment in physical property	18,613.28
Debt discount extinguished through surplus	16,224.88
Debits from retired road and equipment	2,184,330.57
Delayed income debits—Credit	*2,500.10*
Miscellaneous debits	441,661.58
Total Debits	$93,459,262.89

Credits

Credits from retired road and equipment	$ 11,542.11
Unrefundable overcharges	8,250.62
Donations	20,117.54
Miscellaneous credits	165,739.25
Total Credits	$ 205,649.52
Debit balance, December 31, 1935, carried to General Balance Sheet	$93,253,613.37

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Funded Debt Unmatured, December 31, 1935

Description of Securities	Date of Maturity	Total	In Treasury of Company	Pledged	In Hands of Public	Interest: Rate %	Interest: Payable	Interest: Accrued During the Year
Fixed Interest Bearing:								
Gen.Mtge.—C.M.&St.P.Ry.Co.-A	May 1, 1989	$ 48,241,000.00			$ 48,241,000.00	4	Jan. & July	$ 1,929,640.00
Gen.Mtge.—C.M.&St.P.Ry.Co.-B	May 1, 1989	8,950,000.00			8,950,000.00	3½	Jan. & July	313,250.00
Gen.Mtge.—C.M.&St.P.Ry.Co.-C	May 1, 1989	42,597,000.00			42,597,000.00	4½	Jan. & July	1,916,865.00
Gen.Mtge.—C.M.&St.P.Ry.Co.-E	May 1, 1989	24,000,000.00			24,000,000.00	4½	Jan. & July	1,080,000.00
Gen.Mtge.—C.M.&St.P.Ry.Co.-F	May 1, 1989	15,000,000.00			15,000,000.00	4¾	Jan. & July	712,500.00
Gen.Mtge.—C.M.&St.P.Ry.Co.-G	May 1, 1989	11,212,000.00		(2)$11,212,000.00		5	Jan. & July	
(3)Chi. Mil.& Gary Ry. Co. 1st Mtge.	April 1, 1948	3,000,000.00			3,000,000.00	5	April & Oct.	150,000.00
Mil. & Nor. R. R. Co. 1st Mtge.	June 1, 1939	2,155,000.00		(4) 38,000.00	2,117,000.00	4½	June & Dec.	(5)116,080.03
Mil. & Nor. R. R. Co. Cons. Mtge.	June 1, 1939	5,092,000.00		(4) 20,000.00	5,072,000.00	4½	June & Dec.	(6)277,073.32
First and Refunding Mortgage	June 1, 1943	9,866,000.00	$ 943,000.00	(7)8,923,000.00		6	June & Dec.	
Fifty Year Mortgage	Feb. 1, 1975	106,395,096.00			106,395,096.00	5	Feb. & Aug.	5,319,754.80
Equipment Trust Certificates, A.	(1)July 15, 1937	1,078,000.00			1,078,000.00	5	Jan. & July	53,900.00
Equipment Trust Certificates, C.	(1)April 1, 1938	2,700,000.00			2,700,000.00	5½	April & Oct.	148,500.00
Equipment Trust Certificates, D.	(1)Aug. 1, 1940	3,090,000.00			3,090,000.00	5	Feb. & Aug.	154,500.00
Equipment Trust Certificates, E.	(1)July 1, 1943	1,352,000.00			1,352,000.00	4½	Jan. & July	60,840.00
Equipment Trust Certificates, F.	(1)July 1, 1943	2,624,000.00			2,624,000.00	4½	Jan. & July	118,080.00
Equipment Trust Certificates, G.	(1)July 1, 1941	402,000.00			402,000.00	4½	Jan. & July	18,090.00
Equipment Trust Certificates, H.	(1)July 1, 1941	270,000.00			270,000.00	4½	Jan. & July	12,150.00
Equipment Trust Certificates, J.	(1)June 1, 1944	5,022,000.00			5,022,000.00	5	June & Dec.	251,100.00
Equipment Trust Certificates, K.	(1)Nov. 1, 1944	1,269,000.00			1,269,000.00	4½	May & Nov.	57,105.00
Equipment Trust Certificates, L.	(1)Mar. 1, 1945	2,840,000.00			2,840,000.00	4½	Mar. & Sept.	127,800.00
Equipment Trust Certificates, M.	(1)Sept. 1, 1947	1,537,000.00			1,537,000.00	4	Mar. & Sept.	(8)28,458.21
Equipment Trust Certificates, N.	(1)May 1, 1945	120,000.00			120,000.00	4	May & Nov.	(8)
Austin-Western Road Machinery Co. Equipment Lease	Monthly to July 24, 1937	47,856.66			47,856.66	5	Monthly	3,411.14
Gen. Amer. Tank Car Corporation Equipment Sub-Lease	Monthly to Oct. 1, 1945	792,793.09			792,793.09	5.9+	Monthly	48,545.30
Reconstruction Finance Corp. Loan.	Jan. 31, 1936	30,000.00			30,000.00	(9)4	Jan. & July	1,200.00
Reconstruction Finance Corp. Loan.	Feb. 27, 1936	7,000.00			7,000.00	(9)4	Feb. & Aug.	280.00
Federal Emergency Administrator of Public Works Loan	(11)Jan. 1, 1937 to Jan. 1, 1944	2,291,000.00			2,291,000.00	4	Jan. & July	(8)61,277.00
Interest on securities retired								5,820.01
Total Fixed Interest Bearing		301,980,745.75	943,000.00	20,193,000.00	280,844,745.75			12,966,219.81
Contingent Interest Bearing:								
Convertible Adjustment Mortgage	Jan. 1, 2000	182,873,693.00			182,873,693.00	5	(10)Apr. & Oct.	9,143,684.65
Grand Total		$484,854,438.75	$ 943,000.00	$ 20,193,000.00	$463,718,438.75			$22,109,904.46

See Notes (1) to (11) on page 37.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Funded Debt Matured Unpaid, December 31, 1935

Description of Securities	Date of Maturity	In Hands of Public	Interest: Rate %	Interest: A Accrued to Maturity Date	Interest: B Accrued After Maturity Date
Equipment Trust Certificates, A	July 15, 1935	$ 539,000.00	5	$ 14,597.92	$ 12,352.08
Equipment Trust Certificates, C	April 1, 1935	899,000.00	$5\frac{1}{2}$	12,361.25	37,083.75
Equipment Trust Certificates, C	April 1, 1933	1,000.00	$5\frac{1}{2}$	....	....
Equipment Trust Certificates, D	Aug. 1, 1935	618,000.00	5	18,025.00	12,875.00
Equipment Trust Certificates, E	July 1, 1935	169,000.00	$4\frac{1}{2}$	3,802.50	3,802.50
Equipment Trust Certificates, F	July 1, 1935	328,000.00	$4\frac{1}{2}$	7,380.00	7,380.00
Equipment Trust Certificates, G	July 1, 1935	67,000.00	$4\frac{1}{2}$	1,507.50	1,507.50
Equipment Trust Certificates, H	July 1, 1935	45,000.00	$4\frac{1}{2}$	1,012.50	1,012.50
Equipment Trust Certificates, J	June 1, 1935	558,000.00	5	11,625.00	16,275.00
Equipment Trust Certificates, J	June 1, 1934	3,000.00	5	....	....
Equipment Trust Certificates, K	Nov. 1, 1935	141,000.00	$4\frac{1}{2}$	5,287.50	1,057.50
Reconstruction Finance Corporation Loan	June 30, 1935	3,275,899.50	C 4	64,979.42	66,056.52
Reconstruction Finance Corporation Loan	Aug. 1, 1935	3,829,682.00	C 4	88,974.52	64,212.76
Reconstruction Finance Corporation Loan	Dec. 1, 1935	592,881.00	C 4	21,701.06	2,014.18
Reconstruction Finance Corporation Loan	Dec. 16, 1935	191,000.00	C 4	7,305.10	334.90
Reconstruction Finance Corporation Loan	Dec. 22, 1935	73,000.00	C 4	2,840.00	80.00
		$ 11,330,462.50		$ 261,399.27	$ 226,044.19

A—Included in Interest on Funded Debt. B—Included in Interest on Unfunded Debt.
C—Notes provide for interest at 6% per annum. Present rate 4%.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Notes In Relation To Funded Debt Unmatured December 31, 1935—See Page 35.

(1) The principal of Equipment Trust Certificates mature in equal annual installments, except Series M, which mature semi-annually, as follows, the last one in each case on date of maturity stated in the table on page 35.

Series A, July 15th, $539,000—C, April 1st, $900,000—D, August 1st, $618,000—E, July 1st, $169,000—F, July 1st, $328,000—G, July 1st, $67,000—H, July 1st, $45,000—J, June 1st, $558,000—K, November 1st, $141,000—L, March 1st, $284,000—M, beginning in 1936, March 1st, $66,000 and September 1st, $66,000, except September 1st, 1947, which is $19,000—N, May 1st, $12,000.

(2) Pledged as security for Reconstruction Finance Corporation Loans.

(3) See foot Note, page 40.

(4) Pledged under the First and Refunding Mortgage.

(5) Includes $20,815.03, proportion for 1935 of $50.00 paid in advance on bonds presented for extension to June 1, 1939.

(6) Includes $48,833.32, proportion for 1935 of $50.00 paid in advance on bonds presented for extension to June 1, 1939.

(7) $6,000,000 pledged as security for Reconstruction Finance Corporation Loans, $2,665,000 pledged as security for Loan from Federal Emergency Administrator of Public Works and $258,000 pledged with Chemical Bank & Trust Company, New York, under Equipment Trust Series M.

(8) Interest commences to accrue one year from date of issue.

(9) Notes provide for interest at 6% per annum. Present rate 4%.

(10) When declared by the Board of Directors.

(11) Matures $290,000 annually January 1, 1937 to January 1, 1943 inclusive and $261,000 on January 1, 1944.

CHANGES IN FUNDED DEBT DURING THE YEAR 1935

	Total	In Treasury of Company	Pledged	In Hands of Public
Funded debt unmatured, December 31, 1934	$497,579,181.97	$ 943,000.00	$ 20,193,000.00	$476,443,181.97
Matured funded debt unpaid, December 31, 1934	9,000.00			9,000.00
	$497,588,181.97	$ 943,000.00	$ 20,193,000.00	$476,452,181.97
Increases during the year:				
Austin-Western Road Machinery Co. Equipment Lease	$ 78,488.29			$ 78,488.29
Equipment Trust Certificates, Series N	120,000.00			120,000.00
Total Increases	$ 198,488.29			$ 198,488.29
Decreases during the year:				
Equipment Notes and Trust Certificates paid	$ 1,509,500.00			$ 1,509,500.00
General American Tank Car Corporation Sub-Lease—Principal payments	57,637.38			57,637.38
Austin-Western Road Machinery Co. Equipment Lease—Principal payments	30,631.63			30,631.63
Matured bonds covered by deposit with Trustee transferred to account Other deferred liabilities	4,000.00			4,000.00
Total Decreases	$ 1,601,769.01			$ 1,601,769.01
Net decrease during the year	$ 1,403,280.72			$ 1,403,280.72
Funded debt outstanding, December 31, 1935	$496,184,901.25	$ 943,000.00	$ 20,193,000.00	$475,048,901.25
Matured during the year—Unpaid:				
Reconstruction Finance Corporation Loans	$ 7,962,462.50			
Equipment Trust Certificates	3,364,000.00			
Equipment Trust Certificates matured prior to 1935, not presented for payment	4,000.00			
Funded debt matured unpaid December 31, 1935	$ 11,330,462.50			$ 11,330,462.50
Funded debt unmatured December 31, 1935	$484,854,438.75	$ 943,000.00	$ 20,193,000.00	$463,718,438.75

SECURITIES OWNED DECEMBER 31, 1935

Description		Number of Shares	Par Value	Book Value
Capital Stock:				
Affiliated Companies:				
Davenport, Rock Island & Nor. West. Ry. Co.	A	15,000	$ 1,500,000.00	$ 1,750,000.00
#Indiana Harbor Belt R. R. Co.	A	15,200	1,520,000.00	1,520,000.00
#White Sulphur Springs & Y. Park Ry. Co.	A	1,530	153,000.00	173,645.07
#Chicago, Milwaukee & Gary Ry. Co.	A	10,000	1,000,000.00	1.00
#Chicago, Terre Haute & So. East. Ry. Co.	A	40,457.20	4,045,720.00	404,572.00
Chicago, Terre Haute & So. East Ry. Co.		13.75	1,375.00	137.50
Kansas City Terminal Ry. Co.	B	1,833.33	183,333.33	183,333.33
Des Moines Union Ry. Co.	A	1,000	100,000.00	293,500.00
Des Moines Union Ry. Co.	C	1,000	100,000.00	219,500.00
Minneapolis Eastern Ry. Co.	A	625	62,500.00	15,475.00
Minnesota Transfer Ry. Co.	A	70	7,000.00	7,000.00
St. Paul Union Depot Co.	A	1,036	103,600.00	103,600.00
Chicago Union Station Co.	D	7,000	700,000.00	7,000.00
Milwaukee Land Co.	E	5,000	500,000.00	500,000.00
Excelsior Coal Co.		250	25,000.00	56,750.00
Republic Coal Co.		1,000	100,000.00	100,000.00
Railway Express Agency, Incorporated		26	None	2,600.00
Continental Telegraph Co.		50	5,000.00	300.00
#Cowlitz, Chehalis & Cascade Ry.	A	697	69,700.00	133,909.26
Cowlitz, Chehalis & Cascade Ry.		2.71+	271.03	520.71
Nonaffiliated Companies:				
Miscellaneous Stocks			8,285.00	8,284.80
Bonds:				
Affiliated Companies:				
*Chicago, Milwaukee & Gary Ry. Co.	A		2,700,000.00	1.00
Minneapolis Eastern Ry. Co.	A		75,000.00	60,000.00
Chicago, Terre Haute & So. East. Ry. Co.	A		1,515,000.00	1,437,800.00
Nonaffiliated Companies:				
Priest Rapids Irrigation District			90,000.00	90,000.00
Spokane Civic Building Co.			1,000.00	1,000.00
Street Railways Advertising Co.			600.00	600.00
Amount forward			$14,566,384.36	$ 7,009,529.67

Reference notes shown on page 40.

SECURITIES OWNED DECEMBER 31, 1935—Concluded.

Description	Par Value	Book Value
Brought forward	$14,566,384.36	$ 7,069,529.67
Notes:		
Affiliated Companies:		
Milwaukee Land Co.	9,870,000.00	9,870,000.00
Chicago, Terre Haute & So. East. Ry. Co.	640,392.30	640,392.30
Kansas City Terminal Ry. Co.	25,858.96	25,858.96
Cowlitz, Chehalis & Cascade Ry.	8,605.71	8,605.71
Nonaffiliated Companies:		
Yellowstone Park Hotel Co. et al (joint notes)	35,400.00	35,400.00
Rainier National Park Co.	2,000.00	2,000.00
Wisconsin & Michigan R. R. Co.	12,408.11	12,408.11
Miscellaneous Notes	791.54	791.54
Miscellaneous Certificates of Deposit, etc.	29.24	269.24
Total	$25,161,870.22	$17,665,255.53

A—Pledged under Chicago, Milwaukee, St. Paul and Pacific Railroad Company First and Refunding Mortgage, except Directors' qualifying shares of stocks.

B—Deposited with First National Bank of Kansas City, Mo., under Stock Trust Agreement, dated June 12, 1909, and pledged under the First and Refunding Mortgage, except Directors' qualifying shares.

C—Deposited with Iowa-Des Moines National Bank & Trust Co., Des Moines, Iowa, under Stock Trust Agreement, dated April 2, 1930 and pledged under the First and Refunding Mortgage.

D—Pledged under Chicago, Milwaukee and St. Paul Railway Company General Mortgage and included in the account "Deposits in lieu of mortgaged property sold."

E—Pledged with The Railroad Credit Corporation for loans, except Directors' qualifying shares.

*Part of an issue of $5,700,000 of which $3,000,000 has been assumed by the Company and is outstanding in the hands of the public—See table, page 35.

#Registered in the name of Ottiwell & Co., nominee of Chemical Bank & Trust Co., Trustee, under Chicago, Milwaukee, St. Paul and Pacific R. R. Co. First and Refunding Mortgage.

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES, EXPENSES AND INCOME

For the Years Ended December 31, 1935 and 1934.

RAILWAY OPERATING REVENUES

Transportation	1935	1934	Increase	Decrease
Freight	$ 77,311,238.97	$ 73,382,542.84	$ 3,928,696.13	
Passenger	6,041,992.24	5,616,950.49	425,041.75	
Excess baggage	24,063.95	23,365.86	698.09	
Sleeping car	252,172.42	273,935.60		$ 21,763.18
Parlor and chair car	59,088.66	46,725.03	12,363.63	
Mail	3,002,950.67	2,953,658.72	49,291.95	
Express	1,554,768.44	1,554,438.43	330.01	
Other passenger train	80,516.83	83,664.22		3,147.39
Milk	141,162.52	176,896.39		35,733.87
Switching	2,527,722.40	2,345,633.63	182,088.77	
Special service train	18,076.39	18,260.59		184.20
Other freight train	18,583.74	31,719.76		13,136.02
Total rail-line transportation revenue	$ 91,032,337.23	$ 86,507,791.56	$ 4,524,545.67	
Incidental				
Dining and buffet	$ 370,749.83	$ 293,416.09	$ 77,333.74	
Hotel and restaurant	7,010.46	6,754.95	255.51	
Station, train and boat privileges	18,928.50	21,734.14		$ 2,805.64
Parcel room	83.20	85.40		2.20
Storage—Freight	26,049.72	26,021.70	28.02	
Storage—Baggage	1,778.98	2,146.84		367.86
Demurrage	183,177.53	174,118.00	9,059.53	
Telegraph and telephone	39,574.37	38,422.74	1,151.63	
Stockyard	51,470.97	90,972.97		39,502.00
Power	70,009.78	63,368.70	6,641.08	
Rents of buildings and other property	132,178.33	118,015.37	14,162.96	
Miscellaneous	157,002.66	165,894.95		8,892.29
Total incidental operating revenue	$ 1,058,014.33	$ 1,000,951.85	$ 57,062.48	
Joint Facility				
Joint facility—Credit	$ 386,091.39	$ 353,117.66	$ 32,973.73	
Joint facility—Debit	*2,649.66*	*2,069.02*	*580.64*	
Total joint facility operating revenue	$ 383,441.73	$ 351,048.64	$ 32,393.09	
Total railway operating revenues	$ 92,473,793.29	$ 87,859,792.05	$ 4,614,001.24	

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—Continued
RAILWAY OPERATING EXPENSES

Maintenance of Way and Structures	1935	1934	Increase	Decrease
Superintendence	$ 1,102,876.56	$ 984,884.95	$ 117,991.61	....
Roadway maintenance	1,258,895.13	1,136,367.56	122,527.57	....
Tunnels and subways	16,163.26	5,152.60	11,010.66	....
Bridges, trestles and culverts	934,826.67	872,677.61	62,149.06	....
Ties	4,095,691.50	2,783,981.21	1,311,710.29	....
Rails	699,260.85	157,132.97	542,127.88	....
Other track material	1,099,916.18	638,919.83	460,996.35	....
Ballast	310,996.66	88,783.30	222,213.36	....
Track laying and surfacing	3,464,934.19	2,348,609.57	1,116,324.62	....
Right of way fences	164,795.38	155,759.63	9,035.75	....
Snow and sand fences and snowsheds	16,368.39	27,477.33	....	$ 11,108.94
Crossings and signs	325,587.11	310,461.16	15,125.95	....
Station and office buildings	551,356.17	559,495.34	....	8,139.17
Roadway buildings	48,595.21	37,937.96	10,657.25	....
Water stations	165,110.69	172,857.39	....	7,746.70
Fuel stations	78,987.00	75,273.44	3,713.56	....
Shops and enginehouses	464,563.78	376,574.92	87,988.86	....
Storage warehouses	577.97	4,669.60	....	4,091.63
Wharves and docks	39,666.68	22,251.57	17,415.11	....
Coal and ore wharves	1,105.22	30,677.25	....	29,572.03
Telegraph and telephone lines	199,720.66	182,569.67	17,150.99	....
Signals and interlockers	359,570.83	345,715.23	13,855.60	....
Power plant buildings	15,696.98	12,410.94	3,286.04	....
Power substation buildings	5,091.36	3,972.36	1,119.00	....
Power transmission systems	7,459.27	8,131.60	....	672.33
Power distribution systems	57,092.60	65,714.09	....	8,621.49
Power line poles and fixtures	88,543.61	96,999.21	....	8,455.60

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—Continued
RAILWAY OPERATING EXPENSES—Continued

Maintenance of Way and Structures—Concluded	1935	1934	Increase	Decrease
Miscellaneous structures	$ 13,466.54	$ 47,401.97	....	$ 33,935.43
Paving	902.04	647.59	$ 254.45	....
Roadway machines	182,870.10	128,048.91	54,821.19	....
Small tools and supplies	253,207.34	219,743.97	33,463.37	....
Removing snow, ice, and sand	193,841.07	96,089.59	97,751.48	....
Assessments for public improvements	12,844.89	12,387.69	457.20	....
Injuries to persons	109,364.73	113,652.61	....	4,287.88
Insurance	38,082.19	38,877.45	....	795.26
Stationery and printing	20,155.85	18,585.94	1,569.91	....
Other expenses	6,797.40	7,625.16	....	827.76
Maintaining joint tracks, yards, and other facilities—Debit	880,868.20	882,179.34	....	1,311.14
Maintaining joint tracks, yards, and other facilities—Credit	*261,982.14*	*219,179.16*	*42,802.98*	....
Total maintenance of way and structures	$ 17,023,868.12	$ 12,851,519.35	$ 4,172,348.77	....
Maintenance of Equipment				
Superintendence	$ 686,847.39	$ 641,270.82	$ 45,576.57	....
Shop machinery	344,283.61	283,400.14	60,883.47	....
Power plant machinery	76,740.87	58,893.32	17,847.55	....
Power substation apparatus	16,944.10	17,259.38	....	$ 315.28
Steam locomotives—Repairs	5,478,151.76	4,803,858.25	674,293.51	....
Other locomotives—Repairs	253,895.91	155,263.16	98,632.75	....
Freight train cars—Repairs	3,223,118.21	3,130,562.67	92,555.54	....
Passenger train cars—Repairs	1,637,020.19	1,121,385.09	515,635.10	....

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—Continued
RAILWAY OPERATING EXPENSES—Continued

Maintenance of Equipment—Concluded	1935	1934	Increase	Decrease
Floating equipment—Repairs	$ 33,446.51	$ 7,232.78	$ 26,213.73	....
Work equipment—Repairs	372,579.40	260,244.80	112,334.60	....
Miscellaneous equipment—Repairs	11,286.86	10,437.89	848.97	....
Equipment—Retirements	25,433.32	72,019.49	....	$ 46,586.17
Equipment—Depreciation	5,421,469.05	6,011,469.44	....	590,000.39
Injuries to persons	84,498.85	96,611.93	....	12,113.08
Insurance	42,340.28	44,547.55	....	2,207.27
Stationery and printing	17,906.01	16,857.91	1,048.10	....
Other expenses	23,987.59	28,553.60	....	4,566.01
Maintaining joint equipment—Debit	116,546.20	100,246.82	16,299.38	....
Maintaining joint equipment—Credit	*17,349.86*	*10,498.38*	*6,851.48*	....
Total maintenance of equipment	$ 17,849,146.25	$ 16,849,616.66	$ 999,529.59	....
Traffic				
Superintendence	$ 598,224.07	$ 562,792.51	$ 35,431.56	....
Outside agencies	1,333,539.65	1,287,033.42	46,506.23	....
Advertising	323,332.01	310,872.09	12,459.92	....
Traffic associations	93,308.42	83,845.49	9,462.93	....
Industrial and immigration bureaus	42,597.54	40,502.14	2,095.40	....
Insurance	702.43	985.98	....	$ 283.55
Stationery and printing	154,395.00	160,328.15	....	5,933.15
Other expenses	....	10,077.57	....	10,077.57
Total traffic expenses	$ 2,546,099.12	$ 2,456,437.35	$ 89,661.77	....

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—Continued
RAILWAY OPERATING EXPENSES—Continued

Transportation	1935	1934	Increase	Decrease
Superintendence	$ 813,465.16	$ 759,132.73	$ 54,332.43	....
Dispatching trains	499,179.80	458,925.26	40,254.54	....
Station employes	4,962,745.56	4,625,656.69	337,088.87	....
Weighing, inspection, and demurrage bureaus	154,373.24	140,241.83	14,131.41	....
Coal and ore wharves	6,537.20	29,959.42	....	$ 23,422.22
Station supplies and expenses	314,113.32	299,689.72	14,423.60	....
Yardmasters and yard clerks	913,292.92	826,464.61	86,828.31	....
Yard conductors and brakemen	2,817,083.02	2,548,945.71	268,137.31	....
Yard switch and signal tenders	195,884.35	180,161.93	15,722.42	....
Yard enginemen	1,896,717.07	1,723,935.61	172,781.46	....
Yard motormen	30,539.42	26,348.99	4,190.43	....
Fuel for yard locomotives	913,869.94	844,663.42	69,206.52	....
Yard switching power purchased	23,674.29	21,841.71	1,832.58	....
Water for yard locomotives	80,693.52	74,714.74	5,978.78	....
Lubricants for yard locomotives	19,649.61	19,134.18	515.43	....
Other supplies for yard locomotives	24,299.30	23,267.07	1,032.23	....
Enginehouse expenses—Yard	495,811.01	459,178.23	36,632.78	....
Yard supplies and expenses	53,010.22	46,824.88	6,185.34	....
Operating joint yards and terminals—Debit	1,204,844.04	1,091,548.47	113,295.57	....
Operating joint yards and terminals—Credit	*124,470.93*	*121,159.17*	*3,311.76*	....
Train enginemen	4,265,497.63	3,839,118.33	426,379.30	....
Train motormen	355,363.21	303,854.07	51,509.14	....
Fuel for train locomotives	4,613,581.49	4,246,485.13	367,096.36	....
Train power purchased	919,537.34	818,204.87	101,332.47	....
Water for train locomotives	397,643.98	366,585.08	31,058.90	....
Lubricants for train locomotives	163,834.54	148,209.46	15,625.08	....
Other supplies for train locomotives	62,412.17	61,850.87	561.30	....

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—Continued
RAILWAY OPERATING EXPENSES—Continued

Transportation—Concluded	1935	1934	Increase	Decrease
Enginehouse expenses—Train	$ 923,173.37	$ 849,953.76	$ 73,219.61	....
Trainmen	5,019,717.89	4,520,286.83	499,431.06	....
Train supplies and expenses	1,702,743.14	1,502,403.33	200,339.81	....
Operating sleeping cars	203,332.95	190,734.36	12,598.59	....
Signal and interlocker operation	384,676.43	367,347.92	17,328.51	....
Crossing protection	298,613.01	279,730.67	18,882.34	....
Drawbridge operation	57,135.55	52,558.45	4,577.10	....
Telegraph and telephone operation	259,138.95	240,532.63	18,606.32	....
Operating floating equipment	63,737.36	50,545.93	13,191.43	....
Stationery and printing	130,773.65	125,871.06	4,902.59	....
Other expenses	67,562.02	104,270.95	....	$ 36,708.93
Operating joint tracks and facilities—Debit	454,231.08	429,054.79	25,176.29	....
Operating joint tracks and facilities—Credit	*255,707.73*	*245,607.53*	*10,100.20*	....
Insurance	19,836.60	19,781.07	55.53	....
Clearing wrecks	50,946.32	39,485.19	11,461.13	....
Damage to property	31,839.61	38,830.62	....	6,991.01
Damage to live stock on right of way	42,669.33	42,860.58	....	191.25
Loss and damage—Freight	343,027.32	349,024.53	....	5,997.21
Loss and damage—Baggage	971.92	909.12	62.80	....
Injuries to persons	313,369.96	524,299.63	....	210,929.67
Total transportation expenses	$ 36,184,971.15	$ 33,346,657.73	$ 2,838,313.42	....
Miscellaneous Operations				
Dining and buffet service	$ 551,618.83	$ 467,898.32	$ 83,720.51	....
Hotels and restaurants	12,944.19	10,789.14	2,155.05	....
Stockyards	25,823.67	51,865.70	....	26,042.03
Producing power sold	39,082.85	28,299.46	10,783.39	....
Total miscellaneous operations	$ 629,469.54	$ 558,852.62	$ 70,616.92	....

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—Concluded
RAILWAY OPERATING EXPENSES—Concluded

General	1935	1934	Increase	Decrease
Salaries and expenses of general officers	$ 333,338.97	$ 320,403.76	$ 12,935.21	....
Salaries and expenses of clerks and attendants	2,284,147.65	2,051,096.23	233,051.42	....
General office supplies and expenses	104,792.84	106,786.51	....	$ 1,993.67
Law expenses	286,204.28	289,721.88	....	3,517.60
Insurance	1,048.20	1,087.03	....	38.83
Pensions	*694,074.44*	739,929.20	....	1,434,003.64
Stationery and printing	103,846.71	89,690.29	14,156.42	....
Valuation expenses	41,521.14	30,140.45	11,380.69	....
Other expenses	50,565.39	83,584.81	....	33,019.42
General joint facilities—Debit	77,370.80	114,443.40	....	37,072.60
General joint facilities—Credit	4,171.11	*7,350.56*	11,521.67	....
Total general expenses	$ 2,592,932.65	$ 3,819,533.00	....	$ 1,226,600.35
Transportation for investment—Credit	$ *409,969.75*	$ *227,069.68*	$ *182,900.07*	....
Total railway operating expenses	$ 76,416,517.08	$ 69,655,547.03	$ 6,760,970.05	....

SUMMARY

	1935	1934	Increase	Decrease
Railway operating revenues	$ 92,473,793.29	$ 87,859,792.05	$ 4,614,001.24	....
Railway operating expenses	76,416,517.08	69,655,547.03	6,760,970.05	....
Net revenue from railway operations	$ 16,057,276.21	$ 18,204,245.02	....	$ 2,146,968.81
Railway tax accruals	5,992,000.00	6,405,000.00	....	413,000.00
Uncollectible railway revenues	27,096.03	23,499.79	3,596.24	....
Railway operating income	$ 10,038,180.18	$ 11,775,745.23	....	$ 1,737,565.05

COMPARATIVE STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES

For the Years Ended December 31, 1935 and 1934

RAILWAY OPERATING REVENUES

	1935 Amount	1935 Per Cent	1934 Amount	1934 Per Cent
Freight revenue	$ 77,311,238.97	83.60	$ 73,382,542.84	83.52
Passenger revenue	6,041,992.24	6.53	5,616,950.49	6.39
Other transportation revenue	7,679,106.02	8.30	7,508,298.23	8.55
Incidental revenue	1,058,014.33	1.15	1,000,951.85	1.14
Joint facility revenue	383,441.73	.42	351,048.64	.40
Railway operating revenues	$ 92,473,793.29	100.00	$ 87,859,792.05	100.00

RAILWAY OPERATING EXPENSES

	1935 Amount	1935 Per Cent	1934 Amount	1934 Per Cent
Maintenance of way and structures	$ 17,023,868.12	18.41	$ 12,851,519.35	14.63
Maintenance of equipment	17,849,146.25	19.30	16,849,616.66	19.18
Traffic expenses	2,546,099.12	2.75	2,456,437.35	2.79
Transportation expenses	36,184,971.15	39.13	33,346,657.73	37.95
Miscellaneous operations	629,469.54	.68	558,852.62	.64
General expenses	2,592,932.65	2.81	3,819,533.00	4.35
Transportation for investment—Credit	*409,969.75*	*.44*	*227,069.68*	*.26*
Railway operating expenses	$ 76,416,517.08	82.64	$ 69,655,547.03	79.28

RECAPITULATION

	1935 Amount	1935 Per Cent	1934 Amount	1934 Per Cent
Railway operating revenues	$ 92,473,793.29	100.00	$ 87,859,792.05	100.00
Railway operating expenses	$ 76,416,517.08	82.64	69,655,547.03	79.28
Net revenue from railway operations	$ 16,057,276.21	17.36	$ 18,204,245.02	20.72
Average miles in operation during the year, including miles of main track used under lease and trackage rights	11,129.30	....	11,172.13	....

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME

By Months for the Year Ended December 31, 1935

1935	Railway Operating Revenues	Railway Operating Expenses	Net Revenue from Railway Operations	Railway Tax Accruals	Uncollectible Railway Revenues	Railway Operating Income	Equipment and Joint Facility Rents Debit Bal.	Net Railway Operating Income
January	$ 6,718,069.82	$ 5,941,190.06	$ 776,879.76	$ 542,000.00	$ 1,045.44	$ 233,834.32	$ 430,241.52	$* *196,407.20*
February	6,295,968.45	5,389,298.61	906,669.84	542,000.00	3,612.25	361,057.59	393,846.94	* *32,789.35*
March	7,174,169.02	5,684,703.08	1,489,465.94	542,000.00	2,571,70	944,894.24	412,779.16	532,115.08
April	6,927,878.91	5,671,419.94	1,256,458.97	542,000.00	3,506.98	710,951.99	384,810.00	326,141.99
May	7,212,078.93	4,811,849.26	2,400,229.67	515,000.00	2,182.89	1,883,046.78	382,036.13	1,501,010.65
June	7,064,170.78	7,127,075.83	* *62,905.05*	515,000.00	1,745.43	* *579,650.48*	446,816.68	* *1,026,467.16*
July	7,358,503.00	7,420,845.71	* *62,342.71*	515,000.00	1,404.81	* *578,747.52*	504,201.49	* *1,082,949.01*
August	8,644,862.28	7,806,790.39	838,071.89	474,000.00	2,381.82	361,690.07	447,338.25	* *85,648.18*
September	9,170,704.76	7,378,625.44	1,792,079.32	474,000.00	1,235.55	1,316,843.77	509,905.67	806,938.10
October	9,850,137.66	7,240,718.76	2,609,418.90	437,000.00	837.67	2,171,581.23	537,351.09	1,634,230.14
November	8,267,847.60	5,976,536.13	2,291,311.47	437,000.00	5,242.78	1,849,068.69	444,106.60	1,404,962.09
December	7,789,402.08	5,967,463.87	1,821,938.21	457,000.00	1,328.71	1,363,609.50	420,763.87	942,845.63
Total	$ 92,473,793.29	$ 76,416,517.08	$16,057,276.21	$ 5,992,000.00	$ 27,096.03	$10,038,180.18	$ 5,314,197.40	$ 4,723,982.78

*Deficit.

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ended December 31, 1935 and 1934

Commodities	1935			1934		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Products of Agriculture:						
Wheat	25,692	1,145,241	3.8	21,706	974,190	3.5
Corn	12,714	515,706	1.7	24,789	1,027,725	3.7
Oats	9,405	315,735	1.1	6,536	220,926	.8
Barley and rye	14,205	584,713	2.0	10,705	444,786	1.6
Rice	126	4,346	....	167	4,984	....
Grain, n. o. s.	216	8,099	....	197	6,354	....
Flour, wheat	27,011	691,868	2.3	29,917	753,375	2.7
Meal, corn	59	1,409	....	120	3,014	....
Flour and meal, edible, n. o. s.	749	17,593	.1	763	17,671	.1
Cereal food preparations, edible, n. o. s.	3,133	64,985	.2	2,727	55,555	.2
Mill products, n. o. s.	15,400	359,842	1.2	16,325	381,469	1.4
Hay and alfalfa	6,826	110,800	.4	17,638	237,436	.8
Straw	4,143	53,522	.2	4,991	62,594	.2
Tobacco, leaf	1,051	16,401	.1	1,101	17,388	.1
Cotton in bales	18	304	....	29	464	....
Cotton linters, noils and regins	150	3,191	....	187	4,142	....
Cottonseed	3	56	....	18	530	....
Cottonseed meal and cake	485	11,851	....	678	17,300	.1
Oranges and grapefruit	5,723	101,151	.3	4,565	82,495	.3
Lemons, limes and citrus fruits, n. o. s.	736	11,176	....	700	10,413	....

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1935 and 1934

Commodities	1935			1934		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Products of Agriculture—Concluded:						
Apples, fresh	2,422	41,250	.1	2,374	41,193	.1
Bananas	2,535	27,124	.1	1,942	20,844	.1
Berries, fresh	260	3,622	....	193	3,049	....
Cantaloupes and melons, n. o. s.	369	4,174	....	533	6,158	....
Grapes, fresh	1,173	17,852	.1	1,482	22,432	.1
Peaches, fresh	579	6,897	....	892	11,114	....
Watermelons	296	3,906	....	269	3,445	....
Fruits, fresh, domestic, n. o. s.	1,659	25,831	.1	2,080	31,061	.1
Fruits, fresh, tropical, n. o. s.	113	1,478	....	120	1,735	....
Potatoes, other than sweet	5,868	104,449	.4	5,922	103,847	.4
Cabbage	1,889	24,392	.1	2,430	31,792	.1
Onions	1,322	17,111	.1	740	10,143	....
Tomatoes	316	3,668	....	305	3,726	....
Vegetables, fresh, n. o. s.	4,780	59,741	.2	6,228	79,639	.3
Beans and peas, dried	912	28,036	.1	864	26,756	.1
Fruits, dried or evaporated	673	20,647	.1	701	20,054	.1
Vegetables, dry, n. o. s.	116	1,677	....	150	3,005	....
Vegetable-oil cake and meal, except cottonseed	1,964	44,625	.2	1,106	25,242	.1
Peanuts	615	9,520	....	689	10,517	....
Flaxseed	215	8,105	....	87	3,163	....
Sugar beets	3,817	175,817	.6	3,676	163,547	.6
Products of agriculture, n. o. s.	11,113	297,485	1.0	9,873	253,828	.9
Total Products of Agriculture	170,851	4,945,396	16.6	186,515	5,199,101	18.5

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1935 AND 1934

COMMODITIES	1935			1934		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
ANIMALS AND PRODUCTS:						
Horses, mules, ponies and asses	2,504	30,092	.1	3,118	37,121	.1
Cattle and calves, single-deck	32,336	366,574	1.2	57,496	657,251	2.3
Calves, double-deck	243	2,914	....	460	5,610	....
Sheep and goats, single-deck	1,538	10,584	.1	1,552	10,578	....
Sheep and goats, double-deck	6,610	69,413	.2	6,791	70,687	.3
Hogs, single-deck	11,098	91,767	.3	15,473	123,676	.5
Hogs, double-deck	9,846	130,543	.4	18,353	244,272	.9
Fresh meats, n. o. s.	29,477	354,929	1.2	37,560	456,498	1.6
Meats, cured, dried or smoked	1,136	19,717	.1	1,446	22,914	.1
Butterine and margarine	17	215	....	23	295	....
Packing-house products, edible, n. o. s., not including canned meats	2,064	35,471	.1	4,384	72,407	.3
Poultry, live	348	3,477	....	736	6,389	....
Poultry, dressed	1,140	13,199	.1	1,587	18,366	.1
Eggs	3,052	36,475	.1	4,705	56,545	.2
Butter	5,133	60,931	.2	6,159	72,089	.3
Cheese	3,825	58,252	.2	4,024	60,346	.2
Wool	1,470	21,657	.1	1,254	19,189	.1
Hides, green	4,485	110,060	.4	3,806	91,372	.3
Leather	642	10,872	.1	514	8,557	....
Fish or sea-animal oil	317	9,509	....	325	9,587	....
Animals, live, n. o. s.	5	61	....	7	112	....
Animal products, n. o. s. (other than fertilizers and fertilizer materials)	2,862	65,453	.2	3,220	75,319	.3
Total Animals and Products	120,148	1,502,165	5.1	172,993	2,119,180	7.6

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1935 AND 1934

COMMODITIES	1935			1934		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
PRODUCTS OF MINES:						
Anthracite coal	2,546	73,981	.2	2,524	75,660	.3
Bituminous coal	156,223	7,271,675	24.5	144,925	6,831,522	24.3
Coke	9,287	278,797	.9	8,570	257,809	.9
Iron ore	7,231	522,376	1.7	9,748	706,538	2.5
Copper ore and concentrates	382	20,262	.1	259	14,178	.1
Lead ore and concentrates	2	52	....	13	545	....
Zinc ore and concentrates	13	561	....	96	4,587	....
Ores and concentrates, n. o. s.	528	24,474	.1	382	17,125	.1
Gravel and sand (other than glass or moulding)	18,393	1,085,844	3.7	20,353	1,220,802	4.3
Stone, broken, ground or crushed	6,243	346,297	1.2	6,701	357,325	1.2
Stone, rough, n. o. s.	1,261	55,362	.2	1,738	73,397	.3
Stone, finished, n. o. s.	1,418	54,711	.2	1,439	56,251	.2
Petroleum, crude	1,836	57,853	.2	2,264	72,006	.3
Asphalt (natural, by-product or petroleum)	2,502	87,515	.3	1,879	67,406	.2
Salt	3,401	95,731	.3	4,105	113,395	.4
Phosphate rock, crude (ground or not ground)	116	6,681	....	8	176	....
Sulphur (brimstone)	464	20,452	.1	468	21,224	.1
Products of mines, n. o. s.	4,019	182,060	.6	2,397	102,718	.4
Total Products of Mines	215,865	10,184,684	34.3	207,864	9,992,664	35.6

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1935 and 1934

Commodities	1935			1934		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Products of Forests:						
Logs	39,782	1,574,719	5.3	26,069	991,992	3.5
Posts, poles and piling	4,891	141,119	.4	3,527	99,375	.4
Wood (fuel)	3,313	115,983	.4	2,738	92,546	.3
Ties, railroad	745	25,007	.1	745	24,243	.1
Pulpwood	7,270	270,181	.9	7,191	277,993	.9
Lumber, shingles and lath	46,324	1,257,077	4.2	32,319	873,779	3.1
Box, crate and cooperage materials	2,179	48,550	.2	2,245	50,378	.2
Veneer and built-up wood	843	23,364	.1	658	16,768	.1
Rosin	872	23,476	.1	763	21,003	.1
Turpentine	83	1,746	....	91	1,960	....
Crude rubber (not reclaimed)	38	1,339	....	73	2,199	....
Products of forests, n. o. s.	3,350	86,184	.3	3,255	88,238	.3
Total Products of Forests	109,690	3,568,745	12.0	79,674	2,540,474	9.0

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1935 and 1934

Commodities	1935			1934		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Manufactures and Miscellaneous:						
Petroleum oils, refined, and all other gasolines	69,389	1,892,670	6.4	64,624	1,749,724	6.2
Fuel, road and petroleum residual oils, n. o. s.	18,022	558,902	1.9	16,504	520,665	1.9
Lubricating oils and greases	5,221	114,250	.4	4,775	105,855	.4
Petroleum products, n. o. s	150	3,234	....	113	2,565	....
Cottonseed oil	87	2,488	....	104	2,846	....
Linseed oil	543	13,211	....	490	11,426	....
Vegetable oils, n. o. s.	568	16,548	.1	369	10,585	....
Sugar (beet or cane)	4,638	171,566	.6	5,292	191,610	.7
Table syrups and edible molasses	1,891	66,944	.2	2,082	73,918	.3
Molasses, black-strap and beet residual	252	10,960	....	247	11,051	....
Iron, pig	2,281	121,648	.4	1,280	69,338	.2
Iron and steel, rated 6th class in official classification, n. o. s	123	5,553	....	130	5,864	....
Rails, fastenings, frogs and switches	425	18,300	.1	461	18,234	.1
Cast iron pipe and fittings	658	16,047	.1	549	13,157	.1
Iron and steel pipe and fittings, n. o. s	1,280	35,393	.1	1,471	43,134	.2
Iron and steel: Nails and wire, not woven	1,985	53,140	.2	1,099	28,680	.1

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1935 and 1934

Commodities	1935			1934		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Manufactures and Miscellaneous—Continued:						
Iron and steel, rated 5th class in official classification, n. o. s. (also tin and terne plate)	23,601	886,168	3.0	17,348	642,485	2.3
Copper: Ingot, matte and pig	671	34,561	.1	440	19,717	.1
Copper, brass and bronze: Bar, sheet and pipe	132	2,913	....	239	9,845	....
Lead and zinc: Ingot, pig or bar	1,010	48,311	.2	798	37,770	.1
Aluminum: Ingot, pig or slab	....	....	....	4	115	....
Machinery and boilers	5,653	103,344	.3	4,308	79,280	.3
Cement, natural or Portland (building)	13,644	472,120	1.6	12,727	463,760	1.7
Brick, common	1,641	56,175	.2	1,440	49,345	.2
Brick, n. o. s., and building tile	1,707	53,279	.2	1,144	36,133	.1
Artificial stone, n. o. s	654	20,848	.1	510	16,849	.1
Lime, common (quick or slaked)	2,233	53,653	.2	1,875	43,250	.2
Plaster (stucco or wall) and dry kalsomine	1,382	36,509	.1	1,113	30,974	.1
Sewer pipe and drain tile (not metal)	1,920	38,649	.1	1,639	32,036	.1
Agricultural implements and parts, n. o. s	7,102	105,056	.4	4,155	63,492	.2
Vehicles, horse-drawn and parts, n. o. s	127	1,774	....	150	2,306	....
Tractors and parts	5,641	82,617	.3	2,424	36,108	.1
Railway car wheels, axles and trucks	129	3,150	....	81	1,751	....
Automobiles (passenger)	21,391	130,611	.4	15,486	96,063	.3

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1935 and 1934

Commodities	1935			1934		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Manufactures and Miscellaneous—Continued:						
Auto trucks	740	5,555	....	522	3,850	....
Automobiles and auto trucks, K. D., and parts, n. o. s	17,447	272,374	.9	10,069	179,273	.6
Automobile and auto truck tires	1,932	29,867	.1	1,224	20,608	.1
Furniture, metal	192	2,523	....	190	3,498	....
Furniture, other than metal	3,412	28,899	.1	2,555	21,299	.1
Beverages	22,505	374,391	1.3	22,083	375,815	1.3
Ice	2,083	97,583	.3	3,519	143,060	.5
Fertilizers, n. o. s	2,365	65,618	.2	2,402	70,167	.3
Newsprint paper	2,761	74,432	.3	2,277	60,674	.2
Printing paper, n. o. s	2,259	52,939	.2	1,855	43,587	.2
Alcohol, denatured or wood	491	9,530	....	402	7,734	....
Sulphuric acid	277	11,063	....	241	8,850	....
Explosives, n. o. s	318	6,677	....	407	7,986	....
Cotton cloth and cotton fabrics, n. o. s	58	872	....	83	1,291	....
Bagging and bags, burlap, gunny or jute	193	3,757	....	201	3,678	....
Canned food products, n. o. s	15,284	355,798	1.2	15,258	351,605	1.3
Tobacco, manufactured products	240	4,595	....	262	4,866	....
Paints in oil and varnishes	1,247	36,237	.1	887	24,963	.1
Furnace slag	100	5,566	....	77	4,333	....

STATEMENT OF COMMODITIES TRANSPORTED—Concluded
DURING THE YEARS ENDED DECEMBER 31, 1935 AND 1934

COMMODITIES	1935			1934		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
MANUFACTURES AND MISCELLANEOUS—Concluded:						
Scrap iron and scrap steel	6,451	303,438	1.0	3,327	146,273	.5
Paper bags and wrapping paper	4,038	96,054	.3	3,743	90,873	.3
Paperboard, pulpboard and wallboard (paper)	4,658	104,776	.4	4,278	100,489	.4
Building paper and prepared roofing materials	2,314	57,973	.2	1,833	43,594	.2
Building woodwork (millwork)	2,819	52,345	.2	1,652	30,146	.1
Soap and washing compounds	1,034	22,114	.1	1,359	28,872	.1
Glass, flat, other than plate	419	11,326	.1	413	11,293	......
Glass: Bottles, jars and jelly glasses	4,218	55,784	.2	5,863	78,258	.3
Manufactures and miscellaneous, n. o. s.	84,965	1,517,403	5.1	70,415	1,266,983	4.5
Total Manufactures and Miscellaneous	380,971	8,890,081	30.0	322,868	7,653,195	27.2
GRAND TOTAL CARLOAD TRAFFIC	997,525	29,091,071	98.0	969,914	27,504,614	97.9
All L. C. L. Freight	....	591,867	2.0	....	594,140	2.1
GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC	....	29,682,938	100.0	....	28,098,754	100.0

MILES OF TRACK, DECEMBER 31, 1935

	Operated	Not Operated	Total
Miles of Road:			
*Owned solely	9,912.43	40.01	9,952.44
Owned jointly	119.35	20.07	139.42
Leased	360.78	....	360.78
Trackage rights	730.98	....	730.98
Total main track	11,123.54	60.08	11,183.62
Additional main tracks:			
Owned solely	892.41	15.32	907.73
Owned jointly	10.84	.70	11.54
Leased	44.89	....	44.89
Trackage rights	253.04	....	253.04
Total additional main tracks	1,201.18	16.02	1,217.20
Yard tracks and sidings:			
Owned solely	3,391.85	9.09	3,400.94
Owned jointly	244.58	5.56	250.14
Leased	208.31	....	208.31
Trackage rights	493.39	....	493.39
Total yard tracks and sidings	4,338.13	14.65	4,352.78
Totals:			
Owned solely	14,196.69	64.42	14,261.11
Owned jointly	374.77	26.33	401.10
Leased	613.98	....	613.98
Trackage rights	1,477.41	....	1,477.41
Grand Total all tracks	16,662.85	90.75	16,753.60

Average miles of main track in operation during the year:

*Owned solely	9,935.90 miles
Owned jointly	114.36 "
Leased	360.78 "
Operated under trackage rights	718.26 "
Total average miles operated	11,129.30 miles

The lines of road owned solely and jointly are located in the following States:

Wisconsin	1,659.33 miles
Illinois	491.29 "
Iowa	1,805.32 "
Minnesota	1,181.61 "
North Dakota	374.71 "
South Dakota	1,801.87 "
Missouri	138.43 "
Michigan	179.34 "
Montana	1,258.90 "
Idaho	230.65 "
Washington	970.41 "
Total main track owned solely and jointly	10,091.86 miles

*Includes .97 miles of track leased to Des Moines Union Ry. Co. but used by C. M. St. P. & P. R. R. under contract.

TRANSPORTATION STATISTICS

For the Years Ended December 31, 1935 and 1934

	1935	1934
Average mileage of road operated—Total..	11,129.30	11,172.13
Average mileage of road—Freight service..	11,120.97	11,163.80
Average mileage of road—Passenger service.	9,071.38	9,007.06
Train Miles		
Freight	12,977,493	12,737,716
*Passenger	10,728,525	10,519,174
Mixed—Freight proportion	1,651,954	1,565,748
Mixed—Passenger proportion	408,300	354,758
Special	4,086	5,640
Total transportation service	25,770,358	25,183,036
Work service	631,437	361,965
Locomotive Miles		
Freight	14,469,007	14,179,718
Passenger	10,059,432	9,670,600
Mixed train	2,099,314	1,960,076
Special	5,359	6,860
Train switching	1,618,800	1,609,428
Yard switching	6,612,036	6,487,275
Total transportation service	34,863,948	33,913,957
Work service	1,006,935	710,902
Car Miles		
Freight train—Loaded	370,259,323	355,924,808
Freight train—Empty	242,697,113	236,706,643
Sum of loaded and empty	612,956,436	592,631,451
Freight train—Caboose	13,871,652	13,584,701
Freight train—Exclusive work equipment.	164,415	118,560
Freight train—Total	626,992,503	606,334,712
Passenger train—Passenger	18,396,677	18,141,546
Passenger train—Sleeping, parlor and observation	22,659,599	23,130,012
Passenger train—Dining	2,541,492	2,367,861
Passenger train—Other	25,615,248	25,415,257
Passenger train—Total	69,213,016	69,054,676
Mixed train—Freight, loaded	9,598,092	9,293,209
Mixed train—Freight, empty	5,458,867	5,537,653
Mixed train—Caboose	217,169	273,246
Mixed train—Exclusive work equipment..	17,644	9,655
Mixed train—Passenger	2,140,709	1,901,426
Mixed train—Sleeping, parlor and observation	136,827	120,654
Mixed train—Dining	255	....
Mixed train—Other passenger train	1,476,247	1,379,206
Mixed train—Total	19,045,810	18,515,049
*Includes motor train miles	915,480	1,104,428

(Continued on page 61)

TRANSPORTATION STATISTICS—Continued

For the Years Ended December 31, 1935 and 1934

	1935	1934
Car Miles—Concluded		
Special train—Freight, loaded	63,584	75,068
Special train—Freight, empty	288	42
Special train—Caboose	3,970	4,734
Special train—Passenger	920	3,177
Special train—Sleeping, parlor and observation	21,920	29,715
Special train—Dining	1,408	1,833
Special train—Other passenger train	872	2,760
Special train—Total	92,971	117,329
Total transportation service	715,344,300	694,021,766
Work service	9,978,301	3,176,880
Freight Service		
Tons—Revenue freight	29,682,938	28,098,754
Tons—Non-revenue freight	4,675,249	3,871,327
Tons—Total	34,358,187	31,970,081
Ton miles—Revenue freight	7,978,909,250	7,540,899,349
Ton miles—Non-revenue freight	1,530,832,367	1,239,073,023
Ton miles—Total	9,509,741,617	8,779,972,372
Gross ton miles including locomotives and tenders	27,464,589,521	26,115,786,682
Gross ton miles excluding locomotives and tenders	24,072,840,384	22,843,600,548
Passenger Service		
Revenue passengers carried—Commutation	1,628,084	1,668,705
Revenue passengers carried—Other	2,068,950	1,869,510
Revenue passengers carried—Total.....A	3,697,034	3,538,215
Revenue passenger miles—Commutation.	28,505,801	28,666,649
Revenue passenger miles—Other........B	321,432,967	313,075,659
Revenue passenger miles—Total........B	349,938,768	341,742,308
Revenues and Expenses		
Freight revenue	$ 77,311,238.97	$ 73,382,542.84
Passenger revenue—Commutation	252,294.28	252,041.78
Passenger revenue—Other..............C	5,795,757.26	5,357,231.59
Passenger revenue—Total..............C	6,048,051.54	5,609,273.37
Passenger service train revenue........D	11,145,903.73	10,703,553.12
Operating revenues...................D	92,467,784.26	87,845,353.74
Operating expenses...................E	76,390,539.30	69,614,487.45
Net operating revenues...............F	16,077,244.96	18,230,866.29
Net railway operating income.........G	4,740,020.44	6,569,735.54
Amounts excluded:		
A—Passengers carried on bus lines only.	17,427	14,419
B—Passenger miles on bus lines	535,599	416,609
C—Revenue from bus line operations	$ 6,059.30	$ 7,677.12
D—Revenue from bus line operations	6,009.03	14,438.31
E—Expenses of bus line operations	25,977.78	41,059.58
F—Deficit from bus line operations	19,968.75	26,621.27
G—Deficit from bus line operations	22,637.66	30,681.55

(Continued on page 62)

TRANSPORTATION STATISTICS—Continued

For the Years Ended December 31, 1935 and 1934

	1935	1934
Averages per Mile of Road		
Freight train miles	1,167	1,141
Passenger train miles	1,183	1,168
Mixed train miles	227	213
Special train miles	....	1
Transportation service train miles	2,316	2,254
Work train miles	57	32
Locomotive miles—Transportation	3,133	3,036
Freight service car miles	57,760	55,674
Passenger service car miles	8,046	8,049
Freight revenue	$ 6,951.84	$ 6,573.26
Passenger service train revenue	1,228.69	1,188.35
Operating revenues	8,308.50	7,862.90
Operating expenses	6,863.91	6,231.08
Net operating revenues	1,444.59	1,631.82
Net railway operating income	426.50	588.05
Ton miles—Revenue freight	717,465	675,478
Ton miles—All freight	855,118	786,468
Revenue passenger miles	38,576	37,942
Averages per Train Mile		
Loaded freight car miles—Freight trains	28.53	27.94
Loaded freight car miles—Mixed trains	4.66	4.84
Empty freight car miles—Freight trains	18.70	18.58
Empty freight car miles—Mixed trains	2.65	2.88
Ton miles—Revenue freight	545.40	527.21
Ton miles—All freight	650.04	613.84
Freight—gross ton miles, excl. locos. and tend	1,645.51	1,597.07
Locomotive miles—Freight trains	1.11	1.11
Locomotive miles—Passenger trains	1.03	.92
Passenger train car miles—Pass. trains	6.45	6.56
Passenger train car miles—Mixed trains	1.82	1.77
Revenue passenger miles	31.42	31.43
Freight revenue	$ 5.28	$ 5.13
Passenger service train revenues	1.00	.98
Operating revenues	3.59	3.49
Operating expenses	2.97	2.77
Net operating revenues	.62	.72
Averages per Locomotive Mile		
Train miles—Freight trains	.90	.90
Car miles—Freight trains A	43.33	42.76
Train miles—Passenger trains B	.98	.97
Car miles—Passenger trains C	6.71	6.94
Train miles—Mixed trains	.98	.98
Car miles—Mixed trains	9.07	9.45
Train miles—Special trains	.76	.82
Car miles—Special trains	17.35	17.10

	1935	1934
A—Excludes motor train car miles	138	670
B—Excludes motor train miles	915,480	1,104,428
C—Excludes motor car and trailer miles	1,665,192	1,955,800

(Concluded on page 63)

TRANSPORTATION STATISTICS—Concluded.

For the Years Ended December 31, 1935 and 1934

	1935	1934
Averages per Loaded Freight Car Mile		
Ton miles—Revenue freight	21.01	20.65
Ton miles—All freight	25.04	24.04
Freight revenue	$ .20353	$ .20093
Averages per Car Mile—Passenger		
Revenue passenger miles	8.08	7.89
Passenger revenue	$ .13057	$ .12956
Miscellaneous Averages		
Per cent empty of loaded freight car miles	65.33	66.33
Miles hauled—Revenue freight	268.80	268.37
Miles hauled—Non-revenue freight	327.43	320.06
Miles hauled—All freight	276.78	274.63
Miles carried—Revenue passengers—Commutation	17.51	17.18
Miles carried—Revenue passengers—Other	155.36	167.46
Miles carried—Revenue passengers—Total	94.65	96.59
Revenue per ton of freight	$ 2.60457	$ 2.61159
Revenue per ton mile of freight	.00969	.00973
Per cent revenue ton miles of gross ton miles, excluding locomotives and tenders	33.14	33.01
Revenue per passenger—Commutation	$ .15496	$ .15104
Revenue per passenger—Other	2.80130	2.86558
Revenue per passenger—Total	1.63592	1.68534
Revenue per passenger mile—Commutation	.00885	.00879
Revenue per passenger mile—Other	.01803	.01711
Revenue per passenger mile—Total	.01728	.01641
Operating ratio (Excludes bus-line operations)	% 82.61	% 79.25

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

General Balance Sheet as of December 31, 1935

Asset Side		
Investments:		
Road and equipment	$29,073,467.43	
Miscellaneous physical property	24,932.89	
Affiliated companies	12,504.00	
Total investments		$29,110,904.32
Current Assets:		
Cash	$ 444.16	
Special deposits	187.50	
Rents receivable	266,929.17	
Other current assets	129,715.25	
Total current assets		397,276.08
Deferred Assets:		
Other deferred assets		2,174,692.54
Grand total		$31,682,872.94
Liability Side		
Capital Stock:		
Common stock		$ 4,172,995.00
Governmental Grants:		
Grants in aid of construction		319.10
Long Term Debt:		
Funded debt unmatured	$23,444,000.00	
Non-negotiable debt to affiliated companies	678,548.13	
Total long term debt		24,122,548.13
Current Liabilities:		
Interest matured unpaid	$ 129,902.75	
Unmatured interest accrued	266,929.17	
Total current liabilities		396,831.92
Deferred Liabilities:		
Other deferred liabilities		1,526,145.39
Unadjusted Credits:		
Accrued depreciation—Equipment	$ 97,136.00	
Other unadjusted credits	932.49	
Total unadjusted credits		98,068.49
Corporate Surplus:		
Additions to property through income and surplus	$ 116,116.87	
Profit and loss, credit balance	1,249,848.04	
Total corporate surplus		1,365,964.91
Grand total		$31,682,872.94

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

Income Account Year Ended December 31, 1935

Income:		
Income from lease of road		$ 1,108,993.98
Income from funded securities		15.00
Gross Income		$ 1,109,008.98
Deductions from Gross Income:		
Interest on funded debt	$ 1,099,330.00	
Maintenance of investment organization	3,325.70	
Miscellaneous income charges	6,334.28	
Total deductions from gross income		$ 1,108,989.98
Net Income		$ 19.00

Profit and Loss Account December 31, 1935

Credit:	
Credit balance December 31, 1934	$ 1,236,500.61
Credit balance for the year 1935 transferred from Income	19.00
Donations	2,277.43
Miscellaneous credits	13,328.43
Total Credits	$ 1,252,125.47
Debit:	
Surplus appropriated for investment in physical property	$ 2,277.43
Total Debits	$ 2,277.43
Credit balance December 31, 1935, carried to general balance sheet	$ 1,249,848.04

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

FUNDED DEBT UNMATURED, DECEMBER 31, 1935

DESCRIPTION OF BONDS	DATE OF MATURITY	IN HANDS OF PUBLIC	INTEREST		
			RATE %	PAYABLE	ACCRUED DURING THE YEAR
Bedford Belt Ry. Co., First Mortgage	July 1, 1938	$ 250,000.00	5	Jan. & July	$ 12,500.00
Southern Indiana Ry. Co., First Mortgage	Feb. 1, 1951	7,287,000.00	4	Feb. & Aug.	291,480.00
First and Refunding Mortgage	Dec. 1, 1960	# 9,571,000.00	5	June & Dec.	478,550.00
Income Mortgage	Dec. 1, 1960	6,336,000.00	5	Mar. & Sep.	316,800.00
Total		$ 23,444,000.00			$ 1,099,330.00

The rental for the lease of the property paid by C. M. St. P. and P. R. R. Co. includes the interest on the above bonds.

#Includes $1,515,000.00 pledged with Trustee under the C. M. St. P. and P. R. R. First and Refunding Mortgage.

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF DECEMBER 31, 1935

ASSET SIDE		
INVESTMENTS:		
Road and equipment		$ 349,964.90
CURRENT ASSETS:		
Cash	$ 13,075.15	
Special deposits	.77	
Traffic and car-service balances receivable	1,137.13	
Due from agents and conductors	267.55	
Miscellaneous accounts receivable	4,249.13	
Material and supplies	2,134.33	
Other current assets	18.00	
TOTAL CURRENT ASSETS		20,882.06
DEFERRED ASSETS:		
Working fund advances		366.94
UNADJUSTED DEBITS:		
Insurance premiums paid in advance	$ 43.68	
Other unadjusted debits	549.52	
TOTAL UNADJUSTED DEBITS		593.20
GRAND TOTAL		$ 371,807.10
LIABILITY SIDE		
CAPITAL STOCK:		
Common stock	$ 300,000.00	
Premium on capital stock	26,628.95	
TOTAL		$ 326,628.95
CURRENT LIABILITIES:		
Traffic and car-service balances payable	$ 3,842.16	
Payrolls and vouchers	3,167.11	
Miscellaneous accounts payable	46.30	
Other current liabilities	18.20	
TOTAL CURRENT LIABILITIES		7,073.77
UNADJUSTED CREDITS:		
Tax liability	$ 1,588.97	
Accrued depreciation—Equipment	453.29	
Other unadjusted credits	20.02	
TOTAL UNADJUSTED CREDITS		2,062.28
CORPORATE SURPLUS:		
Additions to property through income and surplus	$ 23,335.95	
Profit and loss, credit balance	12,706.15	
TOTAL CORPORATE SURPLUS		36,042.10
GRAND TOTAL		$ 371,807.10

INCOME ACCOUNT, YEAR ENDED DECEMBER 31, 1935

OPERATING INCOME:		
Railway operating revenues		$ 24,484.49
Railway operating expenses		16,751.49
NET REVENUE FROM RAILWAY OPERATIONS		7,733.00
Railway tax accruals		2,645.51
RAILWAY OPERATING INCOME		5,087.49
NON-OPERATING INCOME:		
Miscellaneous rent income		145.00
GROSS INCOME		$ 5,232.49
DEDUCTIONS FROM GROSS INCOME:		
Hire of freight cars—Debit balance		933.37
NET INCOME		$ 4,299.12

EQUIPMENT OWNED DECEMBER 31, 1935, WITH CHANGES DURING THE YEAR

DESCRIPTION	Number December 31, 1934		Added: New		Added: Converted from other classes		Added: Reinstated		Added: Total		Retired: Retired		Retired: Converted to other classes		Retired: Total		Number December 31, 1935	
	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE
Locomotives Owned:																		
Standard gauge—Coal burning	1,160	28									33		7		40		1,129	28
Standard gauge—Oil burning	62		2		7				9		4				4		67	
Standard gauge—Electric	60				1				1		1		2		3		58	
Standard gauge—Gas electric	2																2	
Total locomotives owned	1,293	28	2		8				10		38		9		47		1,256	28
Revenue Freight Equipment Owned:																		
Refrigerator cars—Iced	9																9	
Box cars	29,122	899			*472		1		473		924		50		974		28,621	899
Automobile cars	5,263										216		480		696		4,567	
Package cars	30										2				2		28	
Stock cars, single deck	3,302										39				39		3,263	
Stock cars, double deck	823										2				2		821	
Coal cars and Hart convertible ballast cars	14,188	1,392									284	222	18		302	222	13,886	1,170
Ore cars	857	517									170				170		687	517
Flat cars (includes 13 water cars, 2 well cars and 2 transformer cars)	4,110	444									225	63	21	18	246	81	3,864	363
Total revenue freight equipment owned	57,704	3,252			472		1		473		1,862	285	569	18	2,431	303	55,746	2,949
Non-Revenue Equipment Owned:																		
Locomotives	7																7	
Caboose cars	859	59			32				32		7	3	11		18	3	873	56
Officers and pay cars	13	2											1		1		12	2
Derrick cars	30	1									2				2		28	1
Steam shovels	2																2	
Wrecking cars and other company service equipment	2,068	48	36		131	18	**49	#25	216	43	178	5			178	5	2,106	86
Total non-revenue equipment owned	2,979	110	36		163	18	49	25	248	43	187	8	12		199	8	3,028	145
Passenger Equipment Owned:																		
Coaches	377										1		38		39		338	
Passenger and express cars	51	5			11				11								62	5
Gas electric motor cars	19																19	
Buffet—Cafe cars	21		2						2								23	
Buffet lounging cars	4																4	
Open top observation cars	4																4	
Dining cars	38												12		12		26	
Parlor cars	21				4				4								25	
Sleeping cars—Standard	63												18		18		45	
Sleeping cars—Tourist	25				7				7				1		1		31	
Mail apartment cars	102										1		1		2		100	
Express cars	266																266	
Postal cars	10																10	
Total passenger train equipment owned	1,001	5	2		22				24		2		70		72		953	5
Floating Equipment Owned:																		
Tug boats	1																1	
Barges	6										1				1		5	
Total floating equipment owned	7										1				1		6	
Grand Total Equipment Owned	62,984	3,395	40		665	18	50	25	755	43	2,090	293	660	18	2,750	311	60,989	3,127

*472 Automobile cars were changed to box cars.

** 22 Locomotive tenders, 3 automobile cars, 22 box cars and 2 open top observation cars reported retired in report for year 1934 were converted to other company service equipment units in the year 1935.

25 Locomotive tenders reported retired in year 1934 were converted to other company service equipment units in the year 1935.

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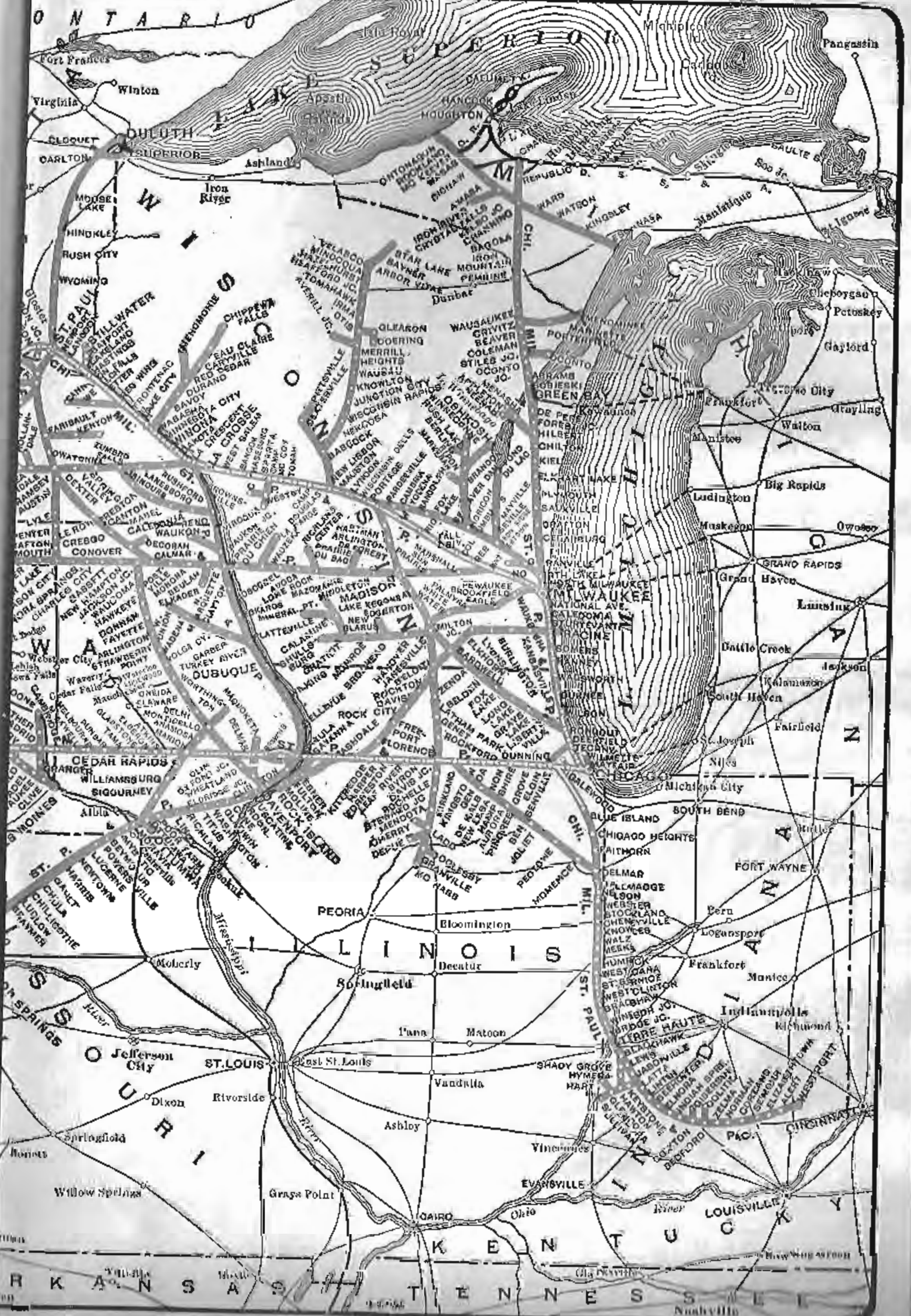

LAKE SUPERIOR
LAKE MICHIGAN
DULUTH
SUPERIOR
Ashland
ST. PAUL
MILWAUKEE
CHICAGO
GREEN BAY
CEDAR RAPIDS
DUBUQUE
PEORIA
ST. LOUIS
TERRE HAUTE
EVANSVILLE
LOUISVILLE
CAIRO
Springfield
Bloomington
Decatur
Jefferson City
Indianapolis
Lansing
Grand Rapids
Fort Wayne
SOUTH BEND
Michigan City
ILLINOIS
KENTUCKY