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1937

TENTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

FOR THE

YEAR ENDED DECEMBER 31, 1937

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FOR THE

YEAR ENDED DECEMBER 31, 1937

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT, as stated in the report for the year 1935, were appointed Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, by order entered October 17, 1935, amended November 29, 1935, 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 took title to and control of the property on January 1, 1936.

OFFICERS FOR THE TRUSTEES

W. W. K. SPARROW	Officer in charge of Finance, Accounting and Real Estate	CHICAGO
J. T. GILLICK	Chief Operating Officer	CHICAGO
H. E. PIERPONT	Chief Traffic Officer	CHICAGO
O. W. DYNES	Counsel for Trustees	CHICAGO
C. S. JEFFERSON	General Solicitor	CHICAGO
D. C. CURTIS	Chief Purchasing Officer	CHICAGO
H. B. EARLING	Western Representative	SEATTLE
R. J. MARONY	New York Fiscal Representative	NEW YORK
F. H. JOHNSON	Executive Assistant	CHICAGO
T. W. BURTNESS	Secretary	CHICAGO
W. V. WILSON	Comptroller	CHICAGO
J. DICKIE	Treasurer	CHICAGO
S. GREENGARD	Assistant Treasurer	SEATTLE
R. P. ROCKEFELLER	Assistant Treasurer	CHICAGO
L. G. WEIFFENBACH	Ass't. Treasurer—Ass't. Secretary	NEW YORK
A. C. HAGENSICK	Assistant Secretary	CHICAGO
J. WELCH	Ass't. Secretary—Ass't. 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

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DIRECTORS

TERM EXPIRES MAY 10, 1938

LOUIS M. ATHERTON	BOSTON
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
LAWRENCE HOWE	CHICAGO
##HARVEY C. ORTON	CHICAGO
WILLIAM C. OSBORN	NEW YORK
##EDWARD A. PIERCE	NEW YORK
PHILIP J. ROOSEVELT	NEW YORK
HENRY A. SCANDRETT	CHICAGO
W. W. K. SPARROW	CHICAGO
ROBERT T. SWAINE	NEW YORK

EXECUTIVE COMMITTEE

HARRY E. BYRAM — FAIRMAN R. DICK
WALTER W. COLPITTS — #FREDERICK H. ECKER
HOWLAND S. DAVIS — 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
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
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
W. H. PENFIELD	Chief Engineer	CHICAGO

#Resigned January 12, 1938.
##Elected January 19, 1938.

THE

TENTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

FOR THE YEAR ENDED DECEMBER 31, 1937

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

There is submitted herewith on behalf of the Board of Directors a report concerning the operation of Chicago, Milwaukee, St. Paul and Pacific Railroad by Henry A. Scandrett, Walter J. Cummings, George I. Haight, Trustees, for the year ended December 31, 1937:

The annual report for the previous two years has mentioned the Company's proposed Plan of Reorganization submitted on June 29, 1935 to the Interstate Commerce Commission in accordance with the requirements of the Bankruptcy Act.

Because of the many uncertainties existing in the railroad situation, both with respect to revenues and with respect to expenses, the Board of Directors, at hearings before the Interstate Commerce Commission held in June and September of 1937, represented to the Commission that it did not believe that any plan of organization could be worked out at this time with assurance that it would be successful and do justice to the various classes of securities, particularly to junior creditors and stockholders. Accordingly, further adjournment of the hearings was requested. The Commission, however, denied such adjournment and closed the hearings. Thereafter the Committee representing the Group of Institutional Investors with which the officers of your Company had conferred in the development of the 1935 Plan, and which had favored that plan at the time of its proposal, obtained from the Commission an order reopening the hearing conditioned on its agreement to present a plan of reorganization.

On January 10, 1938 that Committee filed a Plan of Reorganization with the Commission. At the hearing on that plan, February 1 to 4, your Company suggested certain modifications of that plan and, believing that the uncertainties, which in June and September of 1937 made deferment of reorganization advisable, have been aggravated since that time, and that it is today even more clear than it was then that no plan should be adopted until the basic factors upon which it must be predicated can be more certainly determined than is now possible, asked for a further adjournment of the reorganization proceedings, particularly as it was the opinion of your Board that it is not possible, in the light of present conditions, to feel any assurance that a capital structure involving the fixed and contingent charges contemplated by the Institutional Investors' Plan will prove to be sound. On the one hand, if, as the Board hopes, there is material improvement, that capital structure may result in serious injustice to junior creditors and stockholders. On the other hand, if there is not material improvement, it may be doubtful that the earnings will be adequate to support the capital structure proposed.

The Plan of the Group of Institutional Investors excludes participation by the present Preferred and Common stockholders in its proposed reorganization. Among the modifications suggested by your Board was one that the present Preferred stockholders be permitted to participate in the reorganization through the allotment, for each present share, of one-third share of Common Stock of the Reorganized Company and of a warrant entitling them to purchase two-thirds share of Common Stock of the Reorganized Company, and that the present Common stockholders be permitted to participate through the allotment of warrants entitling them to purchase, for each present share, one-half share of Common Stock of the Reorganized Company. The purchase price per share of Common Stock under the proposed warrants to be \$25 for five years, \$37.50 for a further five years, and \$50 for still a further five years.

It is stated in the modifications suggested that they are not to be considered in any sense as a plan proposed by the Directors, or as approval of the Institutional Investors' Plan, even as so modified.

The holders of Preferred Stock of the Company have formed a Protective Committee, with Mr. H. C. Orton, Chairman, and Mr. Robert E. Smith, Secretary, with office at 123 Liberty Street, New York City. This Committee has intervened in the reorganization proceedings pending before the Interstate Commerce Commission.

A further hearing on the Plan of the Group of Institutional Investors is scheduled for March 21, 1938 before the Interstate Commerce Commission.

INCOME for the year available for fixed charges was \$9,824,734, as compared with \$10,851,331 for 1936.

There was credited in 1937 accounts an amount of \$1,523,755, representing a reversal of accruals in 1936 of taxes accrued under the Excise Tax Act, approved August 29, 1935, in connection with the Railroad Retirement Act, which excise tax was repealed by the Carriers Taxing Act of 1937. Eliminating this credit from

the 1937 results, income available for fixed charges for 1937 was \$2,550,352 less than 1936.

Fixed interest on funded debt outstanding in 1937, including interest on unpaid matured funded debt, accounted for as interest on unfunded debt, amounted to \$13,496,733, as compared with \$13,447,812 for 1936.

Other fixed charges, consisting of rent for leased roads, interest on unfunded debt and amortization of discount on funded debt, amounted to \$1,405,587, as compared with \$1,455,942 for 1936.

The net deficit after fixed charges for 1937 amounted to \$5,077,586, as compared with \$4,052,423 for 1936.

RAILWAY OPERATING REVENUES for 1937 amounted to \$107,662,276, a decrease from 1936 of \$1,479,810, or 1.4%.

A comparison of operating revenues of Chicago, Milwaukee, St. Paul and Pacific Railroad with those of all Class I railroads of the Northwestern Region, excluding Chicago, Milwaukee, St. Paul and Pacific Railroad, for the years 1936 and 1937, and showing the percentages of increase or decrease, follows:

Year	C.M.St.P.&P.	Percentage of Decrease	Northwestern Region Excluding C.M.St.P.&P.	Percentage of Increase
1937	\$ 107,662,276	1.4	\$ 368,587,769	4.3
1936	109,142,086		353,309,968	

Operating expenses for the year 1937 were \$87,137,444, as compared with \$85,244,354 for 1936, an increase of \$1,893,090, or 2.2%.

The following tabulation shows railway operating expenses (excluding depreciation charges) and the percentage of increase over 1936 for this Company, compared with all other Class I railroads in the Northwestern Region:

Year	C.M.St.P.&P.	Percentage of Increase	Northwestern Region Excluding C.M.St.P.&P.	Percentage of Increase
1937	\$ 81,657,607	2.2	\$ 261,633,015	7.5
1936	79,884,390		243,428,443	

FREIGHT REVENUE for 1937 amounted to \$88,576,457, a decrease from 1936 of \$2,983,925, or 3.4%. This decrease is the result of a sharp decline in traffic beginning with the fall months of the year and the termination of the emergency freight charges with 1936, as mentioned in last year's report. In addition, revenue from the haul of iron ore, formerly classified as freight revenue, amounting to \$648,728, since March 15, 1937, has been included in Joint Facility Revenue account in accordance with a ruling of the Commission in connection with the so-called Menominee Iron Range Ore Pool with the Chicago and North Western Railway Company, explained hereafter in this report.

The following tabulation shows the amount of freight revenue for the years 1936 and 1937, in comparison with the freight revenue of all Class I railroads of the Northwestern Region, excluding C. M. St. P. & P. R. R., and comparative percentage of increase or decrease from 1936:

Year	C.M.St.P.&P.	Percentage of Decrease	Northwestern Region Excluding C.M.St.P.&P.	Percentage of Increase
1937..........	$ 88,576,457	3.3	$ 309,271,041	4.2
1936..........	91,560,382		296,944,849	

The average revenue per ton of freight in 1937 was $2.50, as compared with $2.53 in 1936. The average distance haul in 1937 was 274 miles, as compared with 267 miles in 1936, and the average revenue per ton mile in 1937 was 9.14 mills, as compared with 9.45 mills in 1936.

A statement showing the increases and decreases in 1937, as compared with 1936, in revenues and tonnage by general classes of commodities, follows:

Products of		Revenue +Increase −Decrease	Percent +Increase −Decrease		Tonnage +Increase −Decrease	Percent +Increase −Decrease
Agriculture.......$	−	333,825	− 2.69	−	279,352	− 5.18
Animals and Products	−	2,125,944	−20.99	−	267,490	−14.56
Products of Mines...	−	1,306,586	− 8.19	−	1,004,506	− 7.85
Products of Forests..	+	504,030	+ 4.60	−	48,813	− 1.06
Manufactures and Miscellaneous.....	+	733,138	+ 2.04	+	719,961	+ 6.57
Less Carload Merchandise......	−	454,738	− 7.40	+	39,417	+ 6.10

Late in 1937 the Interstate Commerce Commission granted certain freight rate increases in response to the carriers' petition known as Ex Parte 115, mentioned on page 9 of last year's report. These increases were made effective on November 15, 1937 on some commodities and on December 20, 1937 on others, and it is estimated that, based on 1937 traffic, the additional annual freight revenue will amount to $1,716,000.

On November 5, 1937 the carriers filed their petition known as Ex Parte 123, requesting authority to make a general increase of 15%, except on charges for protective service to perishable freight and subject to certain specified maximum increases on coal, coke, lumber, sugar, fruits and vegetables. On March 8, 1938, the Interstate Commerce Commission announced its decision in this case and granted increases of 10% on certain

commodities, 5% on others, and no increase on bituminous coal, lignite, coke and iron ore. But in making such increases, all effective increases in Trans-Continental rates authorized late in 1936; the flat increase made upon cotton effective July, 1937; general commodity rate increases made effective early in 1937, and those authorized in Ex Parte 115, effective November 15 and December 20, 1937, are considered as a part of the increases now authorized. As a result of this decision the Railroad's annual freight revenue will be increased approximately $5,031,000 or 5.47% on the basis of the 1937 traffic.

The pooling of the C. & N. W. Ry. and C. M. St. P. & P. R. R. iron ore traffic from the Menominee Range—mainly from the vicinities of Iron River, Crystal Falls and Iron Mountain—to docks at Escanaba, Michigan, which has been under consideration since 1933, and which was provided for in contract between the parties, dated April 11, 1935, approved by the Board of Directors on March 21, 1935, was approved by the Interstate Commerce Commission by order of November 18, 1936, and was put into effect on March 15th of this year.

A suit to enjoin and set aside the order of the Interstate Commerce Commission was instituted by the Escanaba and Lake Superior Railroad Company. The District Court sustained the order of the Commission. From this decision, the Escanaba and Lake Superior Railroad Company appealed to the Supreme Court of the United States, and on February 28, 1938, the Supreme Court affirmed the decision of the lower Court.

PASSENGER TRAIN REVENUE, which includes mail, express, sleeping car and other earnings on passenger trains, in addition to the revenue from passengers carried, in 1937 amounted to $13,499,493, as compared with $12,965,419 in 1936, an increase of $534,074, or 4.1%.

Revenue from passenger traffic in 1937 was $8,285,704, an increase of $788,706, or 10.5%, over 1936.

Effective October 16, 1937, first class round trip passenger fares on Western railroads were increased from 2 cents to 2¼ cents per mile. Effective January 1, 1938, the round trip coach fare was increased from 1.8 cents to 1.9 cents. These changes, in addition to other minor changes, were made in the hope of increasing passenger revenue.

A tabulation showing for the years 1936 and 1937 the passenger revenue of your Company and that of all other Class I railroads in the Northwestern Region, excluding C. M. St. P. & P. R. R., and the increase as compared with 1936, follows:

Year	C.M.St.P.&P.	Percentage of Increase	Northwestern Region Excluding C.M.St.P.&P.	Percentage of Increase
1937..........	$ 8,285,704	10.5	$ 26,142,616	6.8
1936..........	7,496,998		24,472,863	

Excluding commutation passengers, the average miles per revenue passenger carried in 1937 were 164, as compared with 158 in 1936; the average revenue per passenger in 1937 was $2.93, as compared with $2.81 in 1936, and the revenue per passenger per mile in 1937 was 1.79 cents, as compared with 1.78 cents in 1936.

OPERATING EXPENSES for the year 1937, as compared with 1936, increased $1,893,090, or 2.2%.

Maintenance of Way and Structures decreased $1,191,642, or 6.4%.

Maintenance of Equipment, exclusive of depreciation charges, increased $854,392, or 6.0%. Depreciation charges increased $119,873.

Traffic expenses increased $148,570, or 5.8%.

Transportation expenses increased $1,483,042, or 3.7%.

Freight and passenger transportation train miles decreased 436,490, or 1.57%, and yard switching locomotive miles decreased 63,322, or 0.84%.

Miscellaneous Operations, which include dining and buffet service, increased $113,660.

General Expenses increased $385,978, or 11%.

On March 4, 1937, fourteen organizations representing non-transportation service employes, asked the steam rail carriers to increase the wages of such employes 20 cents an hour, to guarantee full time compensation for all regularly-assigned forces, and two-thirds full time compensation for all stand-by forces, to become effective April 16, 1937. On March 22, 1937, the five organizations representing transportation service employes made a request for an increase of 20% in the pay of such employes, to become effective May 1, 1937.

The Committees representing the railroads and the Committees representing the organizations were unable to agree and, following a strike vote, the National Mediation Board proferred its services, which were accepted. As a result of such mediation, agreements were entered into whereby an increase of 5 cents an hour was granted to the non-transportation service employes, effective August 1, 1937, and an increase of 44 cents per day was granted to the transportation service employes, effective October 1, 1937. These wage increases resulted in added operating expenses of $1,304,000 from their effective date to the end of 1937. On the basis of the 1937 forces, the annual added operating expenses will amount to approximately $3,685,000.

RAILWAY TAX ACCRUALS in 1937 amounted to $6,761,355, as compared with $8,135,000 in 1936. These amounts include Social Security Unemployment Taxes and taxes on account of the Railroad Retirement Act amounting, in 1937, to $2,659,704, and, in 1936, to $2,046,131, an increase of $613,573. The 1937 accruals also contain a credit of $1,523,755, reversing charges made in 1936 due to the repeal of the Excise Tax Act of August 29, 1935 referred to previously herein. All other taxes in 1937 amounted to $5,625,406, as compared with $6,088,869 in 1936, a decrease of $463,463.

EQUIPMENT RENTS for 1937 were $2,493,488, as compared with $3,334,094 for 1936, a decrease of $840,606, or 25.2%.

OPERATED MILEAGE: The operated mileage at the close of the year, compared with the operated mileage of the previous year, was as follows:

	1937	1936
Miles of road	11,024.97	11,114.67
Miles of additional main tracks	1,205.23	1,200.85
Miles of yard tracks and sidings	4,266.37	4,309.72
Total Mileage Operated (page 55)	16,496.57	16,625.24

RATE OF RETURN: The rate of return earned for the year 1937 on investment in road and equipment, including material and supplies and cash, at the beginning of the year, was 1.2%, as compared with 1.3% earned for the year 1936. For the entire Western District the average rate of return for 1937 was 1.71%, as compared with 1.88% for 1936. For the Northwestern Region, in which this Railroad is grouped, the rate of return for 1937 was 1.90% as compared with 1.91% for 1936.

FINANCE: On December 31, 1936 the balance due on the Company's note to The Railroad Credit Corporation, dated June 27, 1934, was $562,545. There was also a note, dated May 29, 1933, with a balance due in the amount of $920,000, making the total balance due The Railroad Credit Corporation for loans, $1,482,545. This Railroad's share of the distributions made by The Railroad Credit Corporation under the Marshalling and Distributing Plan, 1931, during 1937 was $166,171, which was applied in reduction of the note dated June 27, 1934. A further reduction of $30,000 was made by payment from funds of the Milwaukee Land Company, leaving the amount unpaid as of December 31, 1937, $366,374. The note dated May 29, 1933 was paid in full during 1937 from funds of the Milwaukee Land Company received from timber sales and paid to The Railroad Credit Corporation in accordance with agreement dated July 27, 1932 and supplemental agreement dated June 27, 1934.

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, 1937, was $498,513.

As of January 1, 1937, Equipment Trust Certificates Series "P" were issued in principal amount of $3,180,000 and sold at

102.55+% of par. They bear interest at 3½% from January 1, 1937, payable semi-annually, and will mature serially in fifteen annual installments of $212,000 each. The proceeds from the sale of these certificates are being applied to the purchase of thirty freight locomotives and one passenger locomotive, of which fourteen freight and the one passenger locomotive were received and placed in service during 1937.

As of March 1, 1937, Equipment Trust Certificates Series "Q" were issued in principal amount of $2,655,000 and sold at 100.067+% of par. They bear interest at 3¼% from March 1, 1937, payable semi-annually, and will mature serially in fifteen annual installments of $177,000 each. The proceeds from the sale of these certificates were applied to the construction in the shops at Milwaukee, by the Trustees, as Builders, of thirty-three passenger train cars, five hundred hopper coal cars, and five hundred automobile cars, all of which were constructed and placed in service in 1937.

As of August 1, 1937, Equipment Trust Certificates Series "R" were issued in principal amount of $1,920,000 and sold at 102.44+% of par. They bear interest at the rate of 3¾% from August 1, 1937, payable semi-annually, and will mature in fifteen annual installments of $128,000 each. The proceeds from the sale of these certificates are being applied to the cost of constructing in the shops at Milwaukee, by the Trustees, as Builders, one thousand 70-ton Gondola cars, of which three hundred were completed and placed in service in 1937.

FEDERAL RETIREMENT ACT: Reference to the Federal Retirement Act was made in the last annual report. While the case was pending in the Court of Appeals of the District of Columbia, prompted by the suggestion of the President of the United States that the railroads and their employes reach an understanding on the question, a committee of railroad officers and a committee of railroad labor executives were constituted and, after conference, came to an agreement on bills to be offered in Congress as a basis for new laws. The result was the passage of the Railroad Retirement Act, as amended, approved June 24, 1937, and the "Carriers Taxing Act of 1937," approved June 29, 1937. The new taxing act repealed the prior taxing act of August 29, 1935 and canceled the taxes levied under that act.

Under the "Carriers Taxing Act of 1937" the Company pays into the Treasury of the United States graduated percentages of all wages not in excess of $300.00 for any calendar month paid by the Company to any employee for services performed. These percentages started with 2¾% on January 1, 1937, and will increase one-quarter percent every three-year period to December 31, 1948, after which the rate remains constant at 3¾%. An income tax at the same rates applies on the compensation of all employees and is deducted by the Company and paid by it into the Treasury of the United States.

INCOME

The following is a condensed income account for the year 1937 as compared with 1936.

CONDENSED INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1937

	Year 1937	Comparison with 1936 +Increase —Decrease
RAILWAY OPERATING INCOME:		
Railway operating revenues	$107,662,276.04	$— 1,479,810.24
Railway operating expenses	87,137,444.51	+ 1,893,090.17
Net revenue from railway operations	$ 20,524,831.53	$— 3,372,900.41
Railway tax accruals:		
Social Security and Railroad Retirement Acts—Taxes	1,135,949.00	— 910,182.00
Other Taxes	5,625,406.00	— 463,463.00
Railway operating income	$ 13,763,476.53	$— 1,999,255.41
Equipment rents—Debit balance	2,493,487.92	— 840,606.14
Joint facility rents—Debit balance	2,479,327.13	— 487,952.37
Net railway operating income	$ 8,790,661.48	$— 670,696.90
NON-OPERATING INCOME:		
Rents from lease of road and equipment	$ 105,119.62	$— 328,768.31
Rents received—Other (net after expenses)	566,714.85	+ 34,569.90
Dividends on stocks	320,589.50	— 62,800.00
Income from funded securities:		
Interest on bonds, notes and certificates	83,962.60	— 1,425.99
Interest on advances to affiliated companies	16,211.30	+ 2,284.19
Income from unfunded securities and accounts	3,520.27	— 5,777.07
Income from sinking and other reserve funds	35,000.00	+ 35,000.00
Release of premiums on funded debt	723.12	+ 723.12
Miscellaneous income	2,798.76	+ 1,254.08
Total	$ 1,134,640.02	$— 324,940.08
Net railway and non-operating income	$ 9,925,301.50	$— 995,636.98
DEDUCTIONS:		
Rents paid—Other	$ 29,593.65	$+ 1,092.74
Miscellaneous tax accruals	29,787.31	+ 4,307.31
Miscellaneous income charges	41,187.13	+ 25,560.44
Total	$ 100,568.09	$+ 30,960.49
Income available for fixed charges	$ 9,824,733.41	$— 1,026,597.47
FIXED CHARGES:		
Rent for leased roads and equipment	$ 1,109,651.85	$+ 1,440.06
Interest on funded debt—Fixed interest	12,876,193.74	— 37,207.83
✠Interest on unfunded debt	888,773.05	+ 43,661.51
Amortization of discount on funded debt	27,701.25	— 9,328.30
Total fixed charges	$ 14,902,319.89	$— 1,434.56
Net income before deduction for interest on Convertible Adjustment Mortgage Bonds [*deficit*]	$ *5,077,586.48*	$+ *1,025,162.91*
Contingent charges:		
Interest on Convertible Adjustment Mortgage Bonds (5% accrued)	9,143,684.65	....
Net income [*deficit*]	$ *14,221,271.13*	$+ *1,025,162.91*
Debit balance transferred to Profit and Loss	$ *14,221,271.13*	$+ *1,025,162.91*

✠Includes $620,538.81 interest accrued on matured funded debt, see page 34.

CAPITAL STOCK

On December 31, 1936, 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, 1937, was as follows:

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

FUNDED DEBT

Funded Debt outstanding in the hands of the public as of December 31, 1937, amounted to $481,104,853.95, which is an increase of $4,507,135.95 over that outstanding as of December 31, 1936. This difference is explained as follows:

DECREASE:

Equipment Trust Certificates paid as follows:

Series A	x	$ 323,400.00	
" C	x	541,000.00	
" D	x	371,600.00	
" E	x	101,400.00	
" F	x	196,800.00	
" G	x	40,200.00	
" H	x	27,000.00	
" J	x	335,600.00	
" K	x	82,400.00	
" L	xx	114,600.00	
" M	#	132,000.00	
" N	#	12,000.00	
" O	#	384,000.00	
" O	*	213,000.00	$2,875,000.00

xPayments of 20% installments on 1935, 1936 and 1937 maturities of Equipment Trust Certificates Series A to K, inclusive, and one Certificate Series C, matured April 1, 1933.

xxPayment of 20% installments on 1936 and 1937 maturities of Equipment Trust Certificates Series L.

#1937 maturities paid in full.

*1946 maturity paid in part with unexpended proceeds from sale of the Certificates.

Reconstruction Finance Corporation Registered Collateral Note paid	290,000.00
General American Tank Car Corporation Sub-Lease, principal paid during the year	64,790.80
Austin-Western Road Machinery Company Equipment Lease, principal paid during the year	18,073.25
Total Decrease—Forwarded	$3,247,864.05

Total Decrease brought forward	$3,247,864.05
INCREASE:	
Equipment Trust Certificates, Series P, issued by the Trustees on authority of the Interstate Commerce Commission and the District Court of the United States for the Northern District of Illinois, Eastern Division	$3,180,000.00
Equipment Trust Certificates, Series Q, issued by the Trustees on authority of the Interstate Commerce Commission and the District Court of the United States for the Northern District of Illinois, Eastern Division	2,655,000.00
Equipment Trust Certificates, Series R, issued by the Trustees on authority of the Interstate Commerce Commission and the District Court of the United States for the Northern District of Illinois, Eastern Division	1,920,000.00
Total Increase	$7,755,000.00
Net Increase	$4,507,135.95

The net increase of Investment in Road and Equipment during the year was $10,334,835. This increase was due to gross additions and betterments to road property of $5,408,180 and of equipment, $9,700,802, a total of $15,108,982, less retirements and conversions of $4,774,147.

SHORT TERM NOTES

Name of Creditor	Date of Issue	Date of Maturity	Amount as of Dec. 31, 1936	Decrease in 1937	Amount as of Dec. 31, 1937
The Railroad Credit Corporation	5/29/33	5/28/35	$ 920,000.00	$# 920,000.00	$ ....
The Railroad Credit Corporation	6/27/34	6/26/36	562,545.48	* 196,171.13	366,374.35
xReconstruction Finance Corporation	12/29/34	12/29/35	2,700,000.00	....	2,700,000.00
xReconstruction Finance Corporation	1/31/35	12/29/35	800,000.00	....	800,000.00
Total			$4,982,545.48	$1,116,171.13	$3,866,374.35

Paid by Milwaukee Land Company pursuant to agreement dated July 27, 1932, and supplemental agreement thereto dated June 27, 1934, between the Railroad Company, Milwaukee Land Company and The Railroad Credit Corporation, which agreements were approved by the Court July 6, 1935.

* Represents distributions by The Railroad Credit Corporation credited against this indebtedness and $30,000 paid by Milwaukee Land Company.

x For total indebtedness to Reconstruction Finance Corporation, see Note [illegible] on page 33.

ADDITIONS AND BETTERMENTS

RAIL:

23,822 gross tons of new rail and 27,851 gross tons of second-hand rail were used in relaying.

BALLAST:

Additional ballast was applied on 230.58 miles of track, requiring 207,440 cubic yards of gravel.

ROADWAY PROTECTION:

The construction of Government Dams in the Mississippi River necessitated the raising of tracks and placing of 99,000 cubic yards of rip rap to protect the embankment.

Wet cuts were improved by the installation of 117,594 lineal feet of drain tile.

BRIDGES, TRESTLES AND CULVERTS:

Open deck untreated timber bridges, totaling 9,910 lineal feet, were replaced with structures of a more permanent character. Also 3,312 lineal feet of steel bridge superstructures and 180 lineal feet of timber truss bridges were replaced with similar structures of heavier design.

ELIMINATION OF GRADE CROSSINGS:

The Federal Aid Grade Crossing Program which was started in 1934 was continued during the year 1937 by the various state highway departments working in conjunction with the United States Bureau of Public Roads. A total of 34 projects were completed on the lines of this Company. The cost of this work has been financed largely with federal funds.

STATION FACILITIES AND ROADWAY STRUCTURES:

Bungalows were constructed at Hyak and Taunton, Washington, for use by substation operators to replace similar structures destroyed by fire.

Three frame warehouses 50′ x 120′, 50′ x 160′ and 50′ x 180′, respectively, with necessary tracks, were constructed at Butte, Montana, and leased to industrial concerns.

A two story brick and concrete warehouse was constructed at Chicago and leased to the Hormel Packing Company for handling fresh meat.

At Hyak, Washington, a winter sports resort which has been named the "Snoqualmie Ski Bowl" has been established. A two-story frame lodge has been constructed and the adjacent mountain slopes have been cleared and lighted to provide several ski runs. A nice passenger business has developed from this project.

WATER AND FUEL STATIONS:

At Avery, Idaho, a new water station, consisting of a well, pumping equipment and tank, was constructed.

A 25-ton mechanical coaling station with necessary tracks was constructed at Square Butte, Montana.

TELEGRAPH AND TELEPHONE LINES:

The pole and wire line between Savanna and East Moline, Illinois, a distance of 39.11 miles, was reconstructed and a telephone train dispatching circuit provided.

New dispatching circuits were constructed between Savanna and Davenport, between Davenport and Nahant, and between Marmarth, North Dakota, and Miles City, Montana.

SIGNALS AND INTERLOCKERS:

Automatic block signals were installed in the congested territory between Grand Avenue, Milwaukee, and North Milwaukee.

A total of 44 highway and street crossings were protected by signals, 29 of the installations being carried out under Federal Aid Programs.

SHOPS, ENGINEHOUSES AND POWER PLANTS:

Shop facilities at Marquette and Ottumwa, Iowa, Austin, Minnesota, and Othello, Washington, were equipped for electrical operation, which permits the closing down of the steam power plants during the summer months and operation at low pressure during the winter months for heating purposes only.

Additional facilities for charging batteries in air-conditioned cars during their lay-over were installed in our coachyards at Chicago, Milwaukee, Minneapolis and Tacoma.

Mechanical facilities at Bensenville, Savanna, Perry, Council Bluffs, La Crosse, Minneapolis and Milwaukee were enlarged to permit handling the large freight locomotives recently purchased.

EQUIPMENT:

One high speed streamlined steam passenger locomotive and 14 high speed freight locomotives were purchased and placed in service during the year. The construction of one Mountain type passenger locomotive in the Company's shops at Milwaukee was commenced during the year and completed February, 1938.

Twenty coaches, 5 passenger-baggage cars, 7 dining cars, one mail-express car, 1,050 automobile cars, 1,000 hopper cars and 300 gondola cars were constructed in the Company's shops at Milwaukee.

Seven freight locomotives were equipped with boosters and assigned to the Terre Haute Division for heavy coal service.

Thirteen freight locomotives were equipped with feed water heaters for preheating water with exhaust steam.

Evans automobile loading equipment was installed in 25 automobile cars and alterations were made to these devices in 375 cars previously equipped to accommodate certain of the 1938 model automobiles.

Two hundred gondola cars were converted to flat cars and equipped with steel bunks for logging service.

Air-conditioning equipment was installed in 47 cars.

LINES ABANDONED

The following lines were abandoned during the year with the approval of the Interstate Commerce Commission:

Hanover to Spring Creek Bridge, Montana..	1.05 miles
West Great Falls to Dracut, Montana.......	15.06 "
Cannon Jct. to Cannon Falls, Minnesota....	14.04 "
Kapowsin Jct. to Electron, Washington.....	2.01 "

The lines from Hanover to Spring Creek Bridge and from West Great Falls to Dracut were abandoned in connection with the coordination of facilities with the Great Northern Railway between Lewistown and Choteau, Montana.

The line from Cannon Jct. to Cannon Falls was abandoned as the result of an agreement with the Chicago Great Western Railroad providing for joint ownership and operation over its line between Red Wing and Cannon Falls.

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, 1937, and the Total Investment in Road and Equipment and Total Miscellaneous Non-Operating Physical Property December 31, 1937, were as follows:

	C.M.St.P.& P. R. R.	C.T.H.& S.E. Ry.
ROAD:		
Additions and Betterments—Road:		
Land for transportation purposes......	$ 45,091.63	$ 9,681.94
Grading..............................	366,483.39	28,330.96
Tunnels and subways.................	17,537.66	....
Bridges, trestles and culverts.........	1,168,094.01	36,272.92
Ties.................................	105,392.69	31,456.13
Rails................................	374,450.39	25,911.44
Other track material.................	707,469.97	36,315.87
Ballast..............................	231,329.90	24,587.56
Tracklaying and surfacing............	131,552.81	19,684.84
Fences, snowsheds and signs.........	44,414.25	1,147.79
Station and office buildings...........	264,616.55	10,274.36
Roadway and miscellaneous buildings.	49,442.46	10.98
Water and fuel stations..............	136,904.16	13,816.79
Shops and enginehouses.............	692,863.95	12,670.54
Wharves and docks..................	7,955.64	....
Telegraph and telephone lines.......	37,140.86	....
Signals and interlockers.............	140,045.47	12,418.01
Power plants and transmission systems	152,860.45	2,302.90
Public Improvements—Construction..	82,204.07	755.43
Roadway machines and tools.........	90,104.48	....
Shop machinery......................	473,933.78	15,567.72
Miscellaneous........................	88,292.26	3,781.78
Gross Additions and Betterments—Road	$ 5,408,180.83	$ 284,987.96
Credit:		
Road property retired...............	$ 3,871,008.74	$ 192,560.87
Net Additions and Betterments—Road..	$ 1,537,172.09	$ 92,427.09
EQUIPMENT:		
Equipment purchased and constructed:		
1 High speed, streamlined passenger locomotive, purchased..........	$ 113,134.88	....
14 High speed freight locomotives, purchased..................	2,012,053.37	....
1050 Automobile cars, constructed......	2,659,082.52	....
1000 Hopper cars, constructed.........	1,897,023.05	....
300 Gondola cars, constructed........	697,239.35	....
20 Coaches, constructed............	658,004.22	....
5 Passenger and baggage cars, constructed......................	155,175.71	....
7 Dining cars, constructed..........	308,881.80	....
1 Mail and express car, constructed..	22,005.28	....
1 Tank car, constructed...........	793.81	....
28 Snow plow cars, constructed......	60,620.99	....
23 Second hand air dump cars, purchased........................	59,793.09	....
Gross Additions and Betterments—Equipment—Carried Forward........	$ 8,643,808.07	....

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

	C.M.St.P.& P. R. R.	C.T.H.& S.E. Ry.
Net Additions and Betterments—Road—Brought Forward	$ 1,537,172.09	$ 92,427.09
Gross Additions and Betterments—Equipment—Brought forward	$ 8,643,808.07	....
Miscellaneous Equipment:		
1 Motor truck, purchased	607.60	....
6 Automobiles, purchased	4,271.22	....
2 Motor buses, purchased	8,931.18	....
2 Tractors and five trailers, purchased	6,291.27	....
1 Motorcycle and side car, purchased	430.78	....
Other Additions and Betterments to Equipment:		
Miscellaneous conversions of equipment	174,566.35	$ 2,585.35
Other improvements to equipment	861,895.53	6,708.51
Gross Additions and Betterments—Equipment	$ 9,700,802.00	$ 9,293.86
Credit—Equipment retired or converted	$ 903,138.53	$ 186,442.32
Net Additions and Betterments—Equipment	$ 8,797,663.47	$Cr. 177,148.46
Net Additions and Betterments—Road and Equipment	$ 10,334,835.56	$Cr. 84,721.37
Road and Equipment, December 31, 1936	$ 681,258,006.78	$ 28,418,479.70
Road and Equipment, December 31, 1937	$ 691,592,842.34	$ 28,333,758.33
Miscellaneous Non-Operating Physical Property:		
Net increase in Non-Operating Property	$ 22,721.38	$ 2,144.03
Net increase in Track Material Loaned Account	77,705.55	....
Net increase in Miscellaneous Non-Operating Physical Property	$ 100,426.93	$ 2,144.03
Miscellaneous Non-Operating Physical Property December 31, 1936	5,857,779.26	25,726.27
Miscellaneous Non-Operating Physical Property December 31, 1937	$ 5,958,206.19	$ 27,870.30

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 Trustees have made available all of their records necessary to the preparation of this report and have assumed the expense of compiling, printing and distribution. The Board of Directors expresses its appreciation to the Trustees for this assistance.

By order of the Board of Directors.

March 24, 1938.

H. A. SCANDRETT,
President.

GENERAL BALANCE SHEET

Asset Side	As of December 31, 1937	Comparison with December 31, 1936 +Increase —Decrease
Investments:		
Road and equipment	$691,592,842.34	$+10,334,835.56
Improvements on leased railway property	$ 411,375.78	$+ 2,481.02
Deposits in lieu of mortgaged property sold	$ 30,044.66	$— 22,760.00
Misc. nonoperating physical property	$ 5,958,206.19	$+ 100,426.93
Investments in affiliated companies:		
#Stocks	$ 5,162,144.87	....
Bonds	1,497,801.00	....
Notes	9,536,144.94	$— 945,575.48
Advances	5,347,301.91	— 29,982.73
	$ 21,543,392.72	$— 975,558.21
Other Investments:		
Stocks	$ 8,410.40	$— 8.25
Bonds	1,700.00	....
Notes	71,060.34	+ 34,736.31
Advances	4,024.67	+ 1,024.67
Miscellaneous	260.00	....
	$ 85,455.41	$+ 35,752.73
Total investments	$719,621,317.10	$+ 9,475,178.03
Current Assets:		
Cash	$ 10,005,020.18	$— 2,409,825.57
Special deposits	3,981,344.26	+ 2,449,021.47
Loans and bills receivable	2,229.46	+ 2,191.34
Traffic and car-service balances receivable	428,247.23	— 157,794.01
Due from agents and conductors	1,061,575.97	— 247,536.83
Miscellaneous accounts receivable	2,315,421.96	— 1,079,480.23
Material and supplies	11,965,025.72	+ 2,607,028.05
Interest and dividends receivable	16,504.93	+ 957.80
Other current assets	25,654.74	— 31,986.34
Total current assets	$ 29,801,024.45	$+ 1,132,575.68
Deferred Assets:		
Working fund advances	$ 51,815.02	$+ 4,892.16
Insurance and other funds	1,012,696.52	+ 383,466.52
Other deferred assets	2,777,318.30	— 1,714,874.49
Total deferred assets	$ 3,841,829.84	$— 1,326,515.81
Unadjusted Debits:		
Rents and insurance premiums paid in advance	$ 17,509.20	$+ 679.44
Discount on funded debt	360,799.35	— 15,648.03
Other unadjusted debits	3,497,553.54	— 348,804.02
Total unadjusted debits	$ 3,875,862.09	$— 363,772.61
Grand Total	$757,140,033.48	$+ 8,917,465.29

#See Note on page 35 referring to stocks of affiliated companies.

GENERAL BALANCE SHEET

Liability Side		As of December 31, 1937	Comparison with December 31, 1936 +Increase —Decrease
Capital Stock:			
Common Stock:			
In hands of public (1,174,060 shares—no par value)		$105,127,554.26	$— 5,906.98
Preferred Stock:			
In hands of public (1,193,073 shares)		119,307,300.00	....
Total Capital Stock		$224,434,854.26	$— 5,906.98
Governmental Grants:			
Grants in aid of construction		$ 544,920.01	$+ 250,677.44
Funded Debt Unmatured:			
Bonds:			
Fixed interest bearing		$276,320,096.00	$+ 101,000.00
Contingent interest bearing		182,873,693.00	....
Reconstruction Finance Corporation Registered Collateral Notes		2,001,000.00	— 290,000.00
Equipment obligations		26,381,202.45	+ 3,282,135.95
Total		$487,575,991.45	$+ 3,093,135.95
Less, Bonds held in Treasury or pledged		21,078,000.00	....
Funded Debt Unmatured in hands of Public:			
Bonds	$438,115,789.00	....	$+ 101,000.00
Reconstruction Finance Corporation Registered Collateral Notes	2,001,000.00	....	— 290,000.00
Equipment obligations	26,381,202.45	....	+ 3,282,135.95
Total		$466,497,991.45	$+ 3,093,135.95
Total Capital Stock, Gov. Grants and Funded Debt		$691,477,765.72	$+ 3,337,906.41
Current Liabilities:			
Loans and bills payable		$ 3,806,374.35	$— 1,116,171.13
Traffic and car-service balances payable		2,424,307.02	— 262,887.85
Payrolls and vouchers		6,107,789.50	— 137,296.70
Miscellaneous accounts payable		540,988.14	— 1,204,554.95
†Interest matured unpaid		26,135,979.68	+10,393,890.65
Funded debt matured unpaid (See page 34)	$14,965,862.50		
**Less Bonds pledged	359,000.00	14,606,862.50	+ 1,414,000.00
Unmatured interest accrued		2,665,061.33	+ 20,350.72
Unmatured rents accrued		307,682.74	+ 28,463.34
Other current liabilities		545,015.98	+ 53,093.60
Total current liabilities		$ 57,200,062.14	$+ 9,188,887.68
Deferred Liabilities:			
Convertible Adjustment Mortgage Bond Interest accrued—Unmatured		$ 70,406,371.80	$+ 9,143,684.65
Other deferred liabilities		3,590,241.02	+ 43,793.71
Total deferred liabilities		$ 73,996,612.82	$+ 9,187,478.36
Unadjusted Credits:			
Tax liability		$ 6,096,867.00	$— 2,272,881.83
Premium on Funded Debt		101,349.79	+ 101,349.79
Accrued depreciation—Equipment		50,209,918.29	+ 4,690,389.65
Other unadjusted credits		3,829,195.00	— 95,297.11
Total unadjusted credits		$ 60,237,330.08	$+ 2,423,560.50
Corporate Surplus:			
Additions to property through income and surplus		$ 534,798.83	$+ 4,221.61
Funded debt retired through income and surplus		43,104.16	....
Total appropriated surplus		$ 577,902.99	$+ 4,221.61
Profit and loss, debit balance		*126,349,640.27*	*+15,224,589.27*
Total corporate surplus (*deficit*)		*$125,771,737.28*	*$+15,220,367.66*
Grand Total		$757,140,033.48	$+ 8,917,465.29

†Includes $2,900,432.44 payable January 1, 1938.
**Includes $301,000.00 Bellingham Bay & British Columbia R. R. Co. Bonds pledged as part security for Reconstruction Finance Corporation Loan and

LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES AS OF DECEMBER 31, 1937

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
Bedford Belt Ry. Co.................First Mtge. Bonds.....	5%	July 1, 1938	$ 250,000*
Southern Indiana Ry. Co... ....First Mtge. Bonds.....	4%	Feb. 1, 1951	7,287,000
C. T. H. & S. E. Ry. Co..... ...First & Refdg. Mtge. Bonds.	5%	Dec. 1, 1960	8,050,000#
C. T. H. & S. E. Ry. Co. .. ...Income Mtge. Bonds........	5%	Dec. 1, 1960	6,330,000
Total ...			$ 21,929,000*#

*Does not include $100,000 of Bonds pledged under the C. T. H. & S. E. Ry. Co. First & Refunding Mortgage.

#Does not include $1,515,000 of Bonds pledged under the C. M. St. P. & P. R. R. Co. First & Refunding Mortgage.

Chicago, Milwaukee, St. Paul and Pacific Railroad Company assumed the obligations of Chicago, Milwaukee and St. Paul Railway Company under the Lease dated July 1, 1921, from Chicago, Terre Haute and Southeastern Railway Company, which lease provides, among other things, for payment by the lessee of interest on and principal of all of the above mentioned bonds (but the lessee may refund with new bonds of the lessor any of said bonds upon the maturity thereof) and also for the guaranty by the lessee, as therein set forth, by endorsement on the Income Mortgage Bonds of the payment of the principal with interest thereon from July 1, 1921, at the rate of 5% per annum. $6,333,000 principal amount of the Income Mortgage Bonds have been so endorsed up to December 31, 1937.

CHICAGO UNION STATION COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage Bonds, Series "D"..........................	4%	July 1, 1963	$ 16,000,000
Guaranteed Bonds..............................	4%	Apr. 1, 1944	1,488,000
Total.........			$ 17,488,000

These bonds are guaranteed, both as to principal and interest, jointly and severally, by endorsement, by:

Chicago, Burlington & Quincy Railroad Company.
Chicago, Milwaukee, St. Paul and Pacific Railroad Co.
The Pennsylvania Railroad Company.
The Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co.

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage Bonds, Series "E"...........................	3½%	July 1, 1963	$ 44,000,000
Guaranteed Bonds........	3½%	Sept. 1, 1951	6,965,000
Total........			$ 50,965,000

These bonds are guaranteed, both as to principal and interest, jointly and severally, by endorsement, by:

Chicago, Burlington & Quincy Railroad Company.
Henry A. Scandrett, Walter J. Cummings and George I. Haight, as Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Co.
The Pennsylvania Railroad Company.
The Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co.

Under a certain operating agreement as from time to time supplemented and modified, with Chicago Union Station Company, the last above named Companies and Trustees have agreed that the gross annual rental to be paid by them for the use of the Chicago Union Station and facilities shall include a sum sufficient to pay interest on all of the above-mentioned four issues of Bonds, and also have agreed to advance to the Station Company, in proportion to their ownership of capital stock of the Station Company, the amount of the sinking fund payments required under the Trust Indentures pursuant to which the above-mentioned 4% Guaranteed Bonds due April 1, 1944, and 3½% Guaranteed Bonds due September 1, 1951, were issued, with the provision that each such sinking fund requirement may be satisfied by delivery of Guaranteed Bonds of the respective issues taken at their principal amount.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 25% of the capital stock of Chicago Union Station Company.

(Continued on page 25)

LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES—Continued

INDIANA HARBOR BELT RAILROAD COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
General Mortgage Gold Bonds..	4 %	July 1, 1957	$ 4,225,000
General Mortgage Gold Bonds......	4½%	July 1, 1957	5,000,000
Total..........			$ 9,225,000

Pursuant to an agreement dated April 13, 1911, between Chicago and North Western Railway Company, Chicago, Milwaukee and St. Paul Railway Company (to the obligations of which Chicago, Milwaukee, St. Paul and Pacific Railroad Company has succeeded), The Michigan Central Railroad Company and The Lake Shore and Michigan Southern Railway Company (now The New York Central Railroad Company):

(1) Chicago, Milwaukee, St. Paul and Pacific Railroad Company and Chicago and North Western Railway Company are obligated, each to the extent of 20%, to protect The Michigan Central Railroad Company and The New York Central Railroad Company on their joint and several guaranties endorsed on the above mentioned $4,225,000 of 4% Bonds which had been issued by Indiana Harbor Belt Railroad Company prior to said agreement;

(2) Each of said proprietary companies agreed, as between themselves, to endorse its unrestricted joint and several guaranty upon bonds thereafter issued by the Belt Railroad Company (but Chicago, Milwaukee, St. Paul and Pacific Railroad Company has not executed any endorsement of guaranty upon the above mentioned $5,000,000 of 4½% Bonds, which were issued after said agreement by the Belt Railroad Company); and

(3) Said proprietary companies agreed, each with the other, in the event of default by the Belt Railroad Company, to advance and loan to the Belt Railroad Company, in proportion to their respective stock holdings, among other things, to the extent necessary, the principal of and interest on the above mentioned General Mortgage Bonds.

Said agreement also provides that if any one or two of the proprietary companies shall fail to advance to the Belt Railroad Company its or their proportion of the moneys which it or they have agreed to advance to make up any deficit, the remaining proprietary companies shall provide the money necessary to make good the amount, in the relative proportion of their stock holdings. If any three of the parties shall so fail to make such advances, the remaining fourth party may, at its option, advance the total amount. The making of such advances by the other party or parties shall not release the party or parties which shall so fail and the party or parties so failing will, upon demand, fully reimburse said party or parties making said advances in its or their place and will indemnify and save them and each of them harmless from all losses arising therefrom.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 20% of the capital stock of Indiana Harbor Belt Railroad Company, the Trustee of Chicago and North Western Railway Company owns 20%, and The Michigan Central Railroad Company and The New York Central Railroad Company each own 30%.

KANSAS CITY TERMINAL RAILWAY COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage 50-Year Bonds...	4%	Jan. 1, 1960	$ 49,569,000#

#Does not include $431,000 of bonds held in treasury of Kansas City Terminal Railway Co.

Under a certain operating agreement as from time to time supplemented and modified, the following companies are obligated to pay to the Terminal Company, or in case of default under the mortgage to the mortgage trustee, in equal shares the principal of and interest on the above bonds:

The Atchison, Topeka and Santa Fe Ry. Co.
The Chicago and Alton Railroad Company (Predecessor of The Alton R. R. Co.).
Chicago, Burlington & Quincy R. R. Co.
Chicago Great Western Railroad Co.
Chicago, Milwaukee, St. Paul and Pacific R. R. Co.
The Chicago, Rock Island and Pacific Ry. Co.
The Kansas City Southern Railway Co.
Missouri-Kansas-Texas Railroad Co.
Missouri Pacific Railroad Co.
St. Louis-San Francisco Ry. Co.
Union Pacific Railroad Co.
Wabash Railway Co.

In case of default by any one or more of the proprietary companies, the remaining proprietary companies (or company) not in default are obligated to pay a ratable portion (or the whole) of the sum so in default.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 8-1/3% of the capital stock of Kansas City Terminal Railway Company, and each of the other eleven proprietary companies owns a like amount.

(Concluded on page 26)

LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES—Concluded

THE MINNESOTA TRANSFER RAILWAY COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage Bonds	3½%	June 1, 1956	$ 1,981,000

Under the provisions of the by-laws of The Minnesota Transfer Railway Company, which said Company covenanted in its First Mortgage would not be rescinded, each of the stockholders contributes its proportion, based upon its stock ownership, to (a) a semi-annual sinking fund for the above bonds equal to one-half of 1% of the face value of the above-mentioned bonds, and (b) semi-annual installments of interest on the bonds. The owners of the stock are:

Chicago, Burlington & Quincy Railroad Co.
Patrick H. Joyce and Luther M. Walter, Trustees of the Property of Chicago Great Western R. R. Co.
Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company.
Frank O. Lowden, James E. Gorman and Joseph B. Fleming, Trustees of the Property of The Chicago, Rock Island and Pacific Ry. Co.
Great Northern Ry. Co.
The Minneapolis & St. Louis R. R. Co.
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.
Northern Pacific Ry. Co.
Chicago, St. Paul, Minneapolis and Omaha Ry. Co.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 11-1/9% of the capital stock of The Minnesota Transfer Railway Company and each of the other eight proprietors owns a like amount.

THE ST. PAUL UNION DEPOT COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First and Refunding Gold Bonds, Series "A"	5%	Jan. 1, 1972	$ 14,945,000♯
Consolidated Mortgage Bonds	6%	May 1, 1944	150,000
	4%	May 1, 1944	100,000
Total			$ 15,195,000

♯Does not include $55,000 of bonds held in treasury of The St. Paul Union Depot Company.

The above mentioned First and Refunding Bonds are guaranteed as to both principal and interest, jointly and severally, by endorsement by the following companies:

Chicago, Burlington & Quincy R. R. Co.
Chicago Great Western Railroad Company.
Chicago, Milwaukee and St. Paul Ry. Co. (Predecessor of C. M. St. P. & P. R. R. Co.).
The Chicago, Rock Island and Pacific Ry. Co.
Chicago, St. Paul, Minneapolis and Omaha Ry. Co.
Great Northern Railway Company.
The Minneapolis & St. Louis Railroad Company.
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.
Northern Pacific Railway Company.

Under an operating agreement, as supplemented, each of the above proprietary companies is obligated to pay its proportion, based upon stock ownership, of the principal of, and its proportion, based upon user, of the interest on, the above mentioned First and Refunding Bonds. Under such operating agreement, as supplemented, each of the proprietary companies is also obligated to pay its proportion, based upon user, of the interest on the above mentioned Consolidated Mortgage Bonds. In case of default by any one or more of the proprietary companies, the remaining proprietary companies (or company) not in default are obligated to pay the ratable portion (or the whole) of the sum so in default.

Chicago, Milwaukee, St. Paul and Pacific Railroad Company has not expressly assumed the obligations of its predecessor Chicago, Milwaukee and St. Paul Railway Company under the operating agreement or the guaranty, but such agreements were not disaffirmed in the reorganization proceedings of such predecessor company, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company has continued to make the payments thereunder.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 11-1/9% of the capital stock of The St. Paul Union Depot Company, and each of the other eight proprietary companies own a like amount.

INCOME ACCOUNT

Year Ended December 31, 1937

	Year 1937	Comparison with 1936 +Increase —Decrease
I. OPERATING INCOME		
Railway Operating Income:		
Railway operating revenues	$107,662,276.04	$— 1,479,810.24
Railway operating expenses	$ 87,137,444.51	$+ 1,893,090.17
Net revenue from railway operations	$ 20,524,831.53	$— 3,372,900.41
Railway tax accruals:		
Social Security and Railroad Retirement Acts—Taxes	1,135,940.00	— 910,182.00
Other Taxes	5,625,406.00	— 463,463.00
Railway operating income	$ 13,763,476.53	$— 1,999,255.41
Rent Income:		
Rent from locomotives	$ 56,400.09	$+ 1,072.03
Rent from passenger-train cars	77,452.35	+ 14,841.07
Rent from floating equipment	6,578.25	+ 992.21
Rent from work equipment	45,006.35	+ 10,268.37
Joint facility rent income	383,792.67	+ 1,958.65
Total rent income	$ 569,228.71	$+ 29,132.33
Rents Payable:		
Hire of freight cars—Debit balance	$ 2,337,102.31	$— 832,656.18
Rent for locomotives	63,216.41	— 921.99
Rent for passenger-train cars	254,840.28	+ 11,638.31
Rent for floating equipment	5,682.32	+ 3,307.59
Rent for work equipment	18,082.64	+ 5,199.81
Joint facility rents	2,863,119.80	— 485,993.72
Total rents payable	$ 5,542,043.76	$— 1,299,426.18
Net rents	$ *4,972,815.05*	$— *1,328,558.51*
Net railway operating income	$ 8,790,661.48	$— 670,696.90
II. OTHER INCOME		
Income from lease of road and equipment	$ 105,119.62	$— 328,768.31
Miscellaneous rent income—Net	425,090.41	+ 27,911.86
Miscellaneous nonoperating physical property net income	141,624.44	+ 6,658.04
Dividend income	320,589.50	— 62,800.00
Income from funded securities	100,173.90	+ 858.20
Income from unfunded securities & accounts	3,520.27	— 5,777.07
Income from sinking and other reserve funds	35,000.00	+ 35,000.00
Release of premiums on funded debt	723.12	+ 723.12
Miscellaneous income	2,798.76	+ 1,254.08
Total other income	$ 1,134,640.02	$— 324,940.08
Total income—Forwarded	$ 9,925,301.50	$— 995,636.98

INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1937

	YEAR 1937	COMPARISON WITH 1936 +Increase —Decrease
Total income—Brought forward	$ 9,925,301.50	$— 995,636.98
III. MISCELLANEOUS DEDUCTIONS FROM INCOME		
Miscellaneous rents	$ 29,593.65	$+ 1,092.74
Miscellaneous tax accruals	29,787.31	+ 4,307.31
Miscellaneous income charges	41,187.13	+ 25,560.44
Total miscellaneous deductions	$ 100,568.09	$+ 30,960.49
Income available for fixed charges	$ 9,824,733.41	$— 1,026,597.47
IV. FIXED CHARGES		
Rent for leased roads and equipment	$ 1,109,651.85	$+ 1,440.06
Interest on funded debt:		
(a) Fixed interest	12,876,193.74	— 37,207.83
#Interest on unfunded debt	888,773.05	+ 43,661.51
Amortization of discount on funded debt	27,701.25	— 9,328.30
Total fixed charges	$ 14,902,319.89	$— 1,434.56
Income after fixed charges (*deficit*)	$ *5,077,586.48*	$+ *1,025,162.91*
V. CONTINGENT CHARGES		
Interest on funded debt:		
(b) Contingent interest (Interest on Convertible Adjustment Mortgage Bonds)	$ 9,143,684.65	....
Net income (*deficit*)	$ *14,221,271.13*	$+ *1,025,162.91*
Debit balance transferred to Profit and Loss	$ *14,221,271.13*	$+ *1,025,162.91*

#Includes $620,538.81 interest accrued on matured funded debt, see page 34.

PROFIT AND LOSS ACCOUNT

DECEMBER 31, 1937

DEBITS

Debit balance at beginning of year	$111,125,051.00
Debit balance transferred from Income	14,221,271.13
Surplus appropriated for investment in physical property	4,221.61
Debits from retired road and equipment	842,700.29
Miscellaneous debits	185,202.09
Total Debits	$126,378,446.12

CREDITS

Credits from retired road and equipment	$ 8,168.45
Donations	4,174.32
Miscellaneous credits	16,463.08
Total Credits	$ 28,805.85
Debit balance, December 31, 1937, carried to General Balance Sheet	$126,349,640.27

STATEMENT OF PRINCIPAL AND INTEREST ON FUNDED AND UNFUNDED DEBT, WHICH HAS BEEN AUTHORIZED BY THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, FOR PAYMENT DURING THE YEAR ENDED DECEMBER 31, 1937.

Description of Payments Authorized by Court	Authorized for Payment by Court	
	Principal	Interest
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY		
BONDS:		
Milw. & Nor. R. R. Co. First and Consolidated Mortgage Bonds—For extension of Maturity date from June 1, 1934 to June 1, 1939 of 1 First and 187 Consolidated Mortgage Bonds at $50 per bond.	....	$ 9,400.00
Milw. & Nor. R. R. Co. First Mtge. Interest matured June 1, 1937 and December 1, 1937	....	95,265.00
Milw. & Nor. R. R. Co. Consol. Mtge. Interest matured June 1, 1937 and December 1, 1937	....	228,240.00
EQUIPMENT TRUST CERTIFICATES:		
Series A: Interest matured Jan. 15 and July 15, 1937, and 20% installments on principal matured July 15, 1935, 1936 and 1937	$ 323,400.00	64,680.00
Series C: Interest matured April 1 and Oct. 1, 1937, and 20% installments on principal matured April 1, 1935, 1936 and 1937. (Principal excludes $200 or 20% of $1,000 Certificate due April 1, 1935, purchased January 9, 1935, before maturity)	539,800.00	153,422.50
Series D: Interest matured Feb. 1 and Aug. 1, 1937, and 20% installments on principal matured Aug. 1, 1935, 1936 and 1937	370,800.00	166,860.00
Series E: Interest matured Jan. 1 and July 1, 1937, and 20% installments on principal matured July 1, 1935, 1936 and 1937	101,400.00	63,882.00
Series F: Interest matured Jan. 1 and July 1, 1937, and 20% installments on principal matured July 1, 1935, 1936 and 1937	196,800.00	123,984.00
Series G: Interest matured Jan. 1 and July 1, 1937, and 20% installments on principal matured July 1, 1935, 1936 and 1937	40,200.00	19,296.00
Series H: Interest matured Jan. 1 and July 1, 1937, and 20% installments on principal matured July 1, 1935, 1936 and 1937	27,000.00	12,960.00
Series J: Interest matured June 1 and Dec. 1, 1937, and 20% installments on principal matured June 1, 1935, 1936 and 1937	334,800.00	253,890.00
Series K: Interest matured May 1 and Nov. 1, 1937, and 20% installments on principal matured Nov. 1, 1935, 1936 and 1937	84,600.00	59,643.00

Series L: Interest matured Mar. 1 and Sept. 1, 1937, and 20% installments on principal matured Mar. 1, 1936 and 1937	113,600.00	122,688.00
Series M: Principal and interest matured March 1 and September 1, 1937	132,000.00	54,880.00
Series N: Principal matured May 1, 1937, and interest matured May 1, and Nov. 1, 1937	12,000.00	4,080.00
Series O: Interest matured Mar. 1 and Sept. 1, 1937. Principal matured Sept. 1, 1937, and unexpended proceeds used to retire $213,000 of latest maturing (Sept. 1, 1946) Certificate and interest on the $213,000 paid to July 16, 1937	597,000.00	131,508.34
Series P: Interest matured July 1, 1937	....	51,321.67
Series Q: Interest matured Sept. 1, 1937	....	37,151.56
OTHER EQUIPMENT OBLIGATIONS:		
Austin-Western Road Machinery Co., Equipment Lease—Monthly rental payments—January 24 to July 24, 1937, inclusive	18,073.25	301.75
Austin-Western Road Machinery Co. Equipment Lease—Monthly rental payments—January 27 to December 27, 1937, inclusive	18,323.52	1,101.48
General American Tank Car Corporation Equipment Sub-Lease—Monthly rental payments—January 1 to December 1, 1937, inclusive	64,790.80	41,758.18
NOTES:		
Reconstruction Finance Corporation Loans—Interest matured Jan. 31, Feb. 1, Feb. 27, June 1, June 16, June 22, June 29, June 30, July 31, Aug. 1, Aug. 27, Dec. 1, Dec. 16, Dec. 22, Dec. 29 and Dec. 30, 1937	....	459,978.46
Federal Emergency Administrator of Public Works Loan—Assigned to Reconstruction Finance Corporation—Interest matured Jan. 1 and July 1, 1937, and principal matured Jan. 1, 1937	290,000.00	85,840.00
The Railroad Credit Corporation Loans—Interest matured May 28, June 26, Nov. 28 and Dec. 26, 1937	....	14,680.71
Total C. M. St. P. & P. R. R. Co.	$ 3,264,587.57	$ 2,256,812.65
CHICAGO, TERRE HAUTE & SOUTHEASTERN RY. COMPANY		
Bedford Belt First Mortgage: Interest matured Jan. 1 and July 1, 1937	....	$ 12,500.00
Southern Indiana First Mortgage: Interest matured Feb. 1 and Aug. 1, 1937	....	291,480.00
First and Refunding Mortgage: Interest matured June 1 and Dec. 1, 1937	....	402,800.00
Income Mortgage: Interest matured Mar. 1 and Sept. 1, 1937	....	316,800.00
Total C. T. H. & S. E. Ry. Co.	....	$ 1,023,580.00
Grand Total	$ 3,264,587.57	$ 3,280,392.65

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Funded Debt Unmatured, December 31, 1937

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	....
③Chi. Mil. & Gary Ry. Co. 1st Mtge...	April 1, 1948	3,000,000.00	....	....	3,000,000.00	5	April & Oct.	150,000.00
⑨Mil. & Nor. R. R. Co. 1st Mtge....	June 1, 1939	2,101,000.00	....	....	2,101,000.00	4½	June & Dec.	④ 115,319.58
⑨Mil. & Nor. R. R. Co. Cons. Mtge...	June 1, 1939	4,958,000.00	....	....	4,958,000.00	4½	June & Dec.	⑤ 271,058.33
First and Refunding Mortgage....	June 1, 1943	9,866,000.00	$ 943,000.00	⑥8,923,000.00	....	6	June & Dec.	....
Fifty Year Mortgage............	Feb. 1, 1975	106,395,096.00	....	....	106,395,096.00	5	Feb. & Aug.	5,319,754.80
Total Mortgage Bonds.......	....	276,320,096.00	943,000.00	20,135,000.00	255,242,096.00	.....	....	11,808,387.71
Equipment Trust Certificates, C..	①April 1, 1938	900,000.00	....	....	900,000.00	5½	April & Oct.	49,500.00
Equipment Trust Certificates, D..	①Aug. 1, 1940	1,854,000.00	....	....	1,854,000.00	5	Feb. & Aug.	92,700.00
Equipment Trust Certificates, E..	①July 1, 1943	1,014,000.00	....	....	1,014,000.00	4½	Jan. & July	45,630.00
Equipment Trust Certificates, F..	①July 1, 1943	1,968,000.00	....	....	1,968,000.00	4½	Jan. & July	88,560.00
Equipment Trust Certificates, G..	①July 1, 1941	268,000.00	....	....	268,000.00	4½	Jan. & July	12,060.00
Equipment Trust Certificates, H..	①July 1, 1941	180,000.00	....	....	180,000.00	4½	Jan. & July	8,100.00
Equipment Trust Certificates, J..	①June 1, 1944	3,906,000.00	....	....	3,906,000.00	5	June & Dec.	195,300.00
Equipment Trust Certificates, K..	①Nov. 1, 1944	987,000.00	....	....	987,000.00	4½	May & Nov.	44,415.00
Equipment Trust Certificates, L..	①Mar. 1, 1945	2,272,000.00	....	....	2,272,000.00	4½	Mar. & Sept.	102,240.00
Equipment Trust Certificates, M..	①Sept. 1, 1947	1,273,000.00	....	....	1,273,000.00	4	Mar. & Sept.	50,920.00
Equipment Trust Certificates, N..	①May 1, 1945	96,000.00	....	....	96,000.00	4	May & Nov.	3,840.00
Equipment Trust Certificates, O..	①Sept. 1, 1946	3,243,000.00	....	....	3,243,000.00	4	Mar. & Sept.	120,891.78
Equipment Trust Certificates, P..	①Jan. 1, 1952	3,180,000.00	....	....	3,180,000.00	3½	Jan. & July	6,809.79
Equipment Trust Certificates, Q..	①Mar. 1, 1952	2,655,000.00	....	....	2,655,000.00	3¼	Mar. & Sept.	29,701.40
Equipment Trust Certificates, R..	①Aug. 1, 1952	1,920,000.00	....	....	1,920,000.00	3¾	Feb. & Aug.	426.10
Gen. Amer. Tank Car Corporation Equipment Sub-Lease..........	Monthly to Oct. 1, 1945	665,202.45	....	....	665,202.45	5.9+	Monthly ..	41,106.17
Total Equipment Obligations	....	26,381,202.45	....	....	26,381,202.45	.....	....	892,200.24
⑩Reconstruction Finance Corpn. Registered Collateral Notes....	⑧Jan. 1, 1944	2,001,000.00	....	....	2,001,000.00	4	Jan. & July	80,040.00
Interest to maturity date on securities matured during the year...	....	....	....	....	....	.....	....	95,565.79
Total Fixed Interest Bearing.	....	304,702,298.45	943,000.00	20,135,000.00	283,624,298.45	.....	....	12,876,193.74
Contingent Interest Bearing:								
Convertible Adjustment Mortgage	Jan. 1, 2000	182,873,693.00	....	....	182,873,693.00	5	⑦Apl & Oct.	9,143,684.65
Grand Total..........	....	$487,575,991.45	$ 943,000.00	$ 20,135,000.00	$466,497,991.45	.....	....	$22,019,878.39

Notes ① to ⑩ on page 33.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Notes In Relation To Funded Debt Unmatured December 31, 1937—See Page 32.

①The 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 32.

Series 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, March 1st, $66,000 and September 1st, $66,000, except September 1st, 1947, which is $19,000—N, May 1st, $12,000—O, September, 1st $384,000, except September 1st, 1946, which is $171,000—P, January 1st, $212,000—Q, March 1st, $177,000—R, August 1st, $128,000.

②Pledged as security for Reconstruction Finance Corporation Loans.

③Part 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. $2,700,000, not assumed are pledged under Chicago, Milwaukee, St. Paul and Pacific R. R. Co. First and Refunding Mortgage.

④Includes $20,815.83, proportion for 1937 of $50.00 paid in advance on bonds presented for extension to June 1, 1939.

⑤Includes $52,073.33, proportion for 1937 of $50.00 paid in advance on bonds presented for extension to June 1, 1939.

⑥$8,665,000 pledged as security for Reconstruction Finance Corporation Loans and $258,000 pledged with Chemical Bank & Trust Company, New York, under Equipment Trust Series M.

⑦When declared by the Board of Directors.

⑧Federal Emergency Administrator of Public Works Loan, assigned to Reconstruction Finance Corporation, matures $290,000 annually to January 1, 1943, inclusive, and $261,000 on January 1, 1944.

⑨Excludes Bonds Pledged not extended and bonds In Hands of Public not presented for extension under Extension Agreement dated May 31, 1934, see page 34.

⑩Total Indebtedness to Reconstruction Finance Corporation:

Registered Collateral Notes (See page 32)............	$ 2,001,000.00
Matured Short Term Notes (See page 15)............	3,500,000.00
Matured Funded Debt (Notes) (See page 34)..........	7,999,462.50
Total..	$13,500,462.50

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY
FUNDED DEBT MATURED UNPAID, DECEMBER 31, 1937

DESCRIPTION OF SECURITIES	DATES OF MATURITY	PLEDGED	IN HANDS OF PUBLIC	RATE %	INTEREST ACCRUED DURING THE YEAR ON MATURED FUNDED DEBT ①
Equipment Trust Certificates:					
Series A	July 15, 1935, 36 and 37		$ 970,200.00	5	$ 42,670.81
Series C	April 1, 1935, 36 and 37		1,625,200.00	5½	84,125.25
Series D	Aug. 1, 1935, 36 and 37		1,120,200.00	5	48,410.00
Series E	July 1, 1935, 36 and 37		304,200.00	4½	12,168.00
Series F	July 1, 1935, 36 and 37		590,400.00	4½	23,616.00
Series G	July 1, 1935, 36 and 37		120,600.00	4½	4,824.00
Series H	July 1, 1935, 36 and 37		81,000.00	4½	3,240.00
Series J	June 1, 1934		3,000.00	5	
Series J	June 1, 1935, 36 and 37		1,006,200.00	5	45,570.00
Series K	Nov. 1, 1935, 36 and 37		258,800.00	4½	9,306.00
Series L	Mar. 1, 1936 and 37		397,600.00	4½	16,614.00
Total			$ 6,477,400.00		$ 290,544.06
③Reconstruction Finance Corporation Loan (Seven Notes)	June 30, 1935 to Feb. 27, 1936		$ 7,999,462.50	②4	$ 319,978.50
Bellingham Bay & British Columbia R. R. Co.:					
First Mortgage Bonds	Dec. 1, 1932	$ 301,000.00			
Milwaukee & Northern R. R. Co.:					
④First Mortgage Bonds	June 1, 1934	38,000.00	$ 16,000.00	4½	$ 761,25
④Consolidated Mortgage Bonds	June 1, 1934	20,000.00	114,000.00	4½	9,255.00
		$ 359,000.00	$ 130,000.00		$ 10,016.25
Grand Total		$ 359,000.00	$14,606,862.50		$ 620,538.81

①—Included in Interest on Unfunded Debt. ②—Notes provide for interest at 6% per annum. Present rate 4%.
③—For total indebtedness to Reconstruction Finance Corporation, see Note ⑯ on page 33.
④—Bonds Pledged not extended and bonds In Hands of Public not presented for extension under Extension Agreement dated May 31, 1934.

SECURITIES OWNED DECEMBER 31, 1937

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	100,000.00
Des Moines Union Ry. Co.	C 1,000	100,000.00	26,000.00
Minneapolis Eastern Ry. Co.	A 625	62,500.00	15,475.00
Minnesota Transfer Ry. Co.	A 70	7,000.00	7,000.00
Minnesota Transfer Ry. Co.	843	84,300.00	84,300.00
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
Associated Railways Co.	1	1.00	1.00
Nonaffiliated Companies:			
Miscellaneous Stocks		8,385.00	8,410.40
BONDS:			
Affiliated Companies:			
Chicago, Milwaukee & Gary Ry. Co.	A-F	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:			
Spokane Civic Building Co.		1,000.00	1,000.00
Street Railways Advertising Co.		600.00	600.00
George D. Roper Corporation		100.00	100.00
Amount forwarded		$14,560,885.36	$ 6,677,056.27

#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.

Reference notes A to F shown on page 36.

SECURITIES OWNED DECEMBER 31, 1937—Concluded

Description	Par Value	Book Value
Brought forward	$14,560,885.36	$ 6,677,056.27
Notes:		
Affiliated Companies:		
Milwaukee Land Co.	8,849,363.45	8,849,363.45
Chicago, Terre Haute & So. East. Ry. Co.	640,392.30	640,392.30
Kansas City Terminal Ry. Co.	36,639.19	36,639.19
Cowlitz, Chehalis & Cascade Ry.	9,750.00	9,750.00
Nonaffiliated Companies:		
Yellowstone Park Co.	56,853.00	56,853.00
Rainier National Park Co.	1,764.00	1,764.00
Hickory Grove Coal Mining Corporation	11,205.71	11,205.71
Adel Clay Products Co.	521.34	521.34
Miscellaneous Notes	716.29	716.29
Miscellaneous Certificates of Deposit, etc.	20.00	260.00
Total	$24,168,110.64	$16,284,521.55

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.

F—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 32.

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES, EXPENSES AND INCOME

For the Years Ended December 31, 1937 and 1936.

RAILWAY OPERATING REVENUES

Transportation	1937	1936	Increase	Decrease
Freight	$ 88,576,457.35	$ 91,560,382.28		$ 2,983,924.93
Passenger	8,285,703.49	7,496,998.27	$ 788,705.22	
Excess baggage	27,904.05	26,077.74	1,826.31	
Sleeping car	335,272.28	304,503.44	30,768.84	
Parlor and chair car	111,981.13	85,091.03	26,890.10	
Mail	3,110,942.15	3,077,277.07	33,665.08	
Express	1,701,082.12	1,770,061.77		68,979.65
Other passenger train	91,502.41	86,666.99	4,835.42	
Milk	115,388.20	126,162.63		10,774.43
Switching	2,672,958.97	2,802,749.67		129,790.70
Total rail-line transportation revenue	$105,029,192.15	$107,335,970.89		$ 2,306,778.74
Incidental				
Dining and buffet	$ 607,289.65	$ 518,827.69	$ 88,461.96	
Hotel and restaurant	17,462.83	10,363.57	7,099.26	
Station, train and boat privileges	24,811.07	21,017.67	3,793.40	
Parcel room	127.65	103.30	24.35	
Storage—Freight	29,582.04	33,377.95		$ 3,795.91
Storage—Baggage	2,627.06	2,216.18	410.88	
Demurrage	286,604.84	242,289.25	44,315.59	
Telegraph and telephone	29,888.46	42,719.42		12,830.96
Stockyard	26,705.02	64,734.65		38,029.63
Power	74,776.67	69,452.29	5,324.38	
Rents of buildings and other property	146,047.35	135,892.59	10,154.76	
Miscellaneous	204,313.51	216,392.79		12,079.28
Total incidental operating revenue	$ 1,450,236.15	$ 1,357,387.35	$ 92,848.80	
Joint Facility				
Joint facility—Credit	$ 1,188,093.83	$ 450,967.59	$ 737,126.24	
Joint facility—Debit	*5,246.09*	*2,239.55*	*3,006.54*	
Total joint facility operating revenue	$ 1,182,847.74	$ 448,728.04	$ 734,119.70	
Total railway operating revenues	$107,662,276.04	$109,142,086.28		$ 1,479,810.24

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

Maintenance of Way and Structures	1937	1936	Increase	Decrease
Superintendence	$ 1,348,694.78	$ 1,234,909.54	$ 113,785.24	....
Roadway maintenance	1,557,630.53	1,298,894.86	258,735.67	....
Tunnels and subways	13,960.07	5,050.41	8,909.66	....
Bridges, trestles and culverts	1,336,789.27	1,633,733.57	....	$ 296,944.30
Ties	2,344,326.00	3,426,846.56	....	1,082,520.56
Rails	569,223.43	669,184.76	....	99,961.33
Other track material	773,095.70	889,242.28	....	116,146.58
Ballast	415,134.90	438,409.45	....	23,274.55
Track laying and surfacing	3,321,444.67	3,350,880.58	....	29,435.91
Fences, snowsheds and signs	242,279.16	316,562.07	....	74,282.91
Station and office buildings	773,401.64	761,986.48	11,415.16	....
Roadway buildings	93,100.17	73,651.52	19,448.65	....
Water stations	285,351.74	285,778.09	....	426.35
Fuel stations	114,439.27	89,800.18	24,639.09	....
Shops and enginehouses	673,210.98	539,633.69	133,577.29	....
Storage warehouses	7,437.15	642.20	6,794.95	....
Wharves and docks	60,274.64	67,131.43	....	6,856.79
Coal and ore wharves	*67.57*	*769.27*	....	*701.70*
Telegraph and telephone lines	249,320.42	224,972.82	24,347.60	....
Signals and interlockers	619,623.95	576,977.17	42,646.78	....
Power plants	3,556.75	41,132.26	....	37,575.51
Power transmission systems	101,163.98	193,174.52	....	92,010.54

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

Maintenance of Way and Structures—Concluded	1937	1936	Increase	Decrease
Miscellaneous structures	$ 11,635.87	$ 20,224.72	....	$ 8,588.85
Roadway machines	193,189.96	174,245.17	$ 18,944.79	....
Small tools and supplies	286,942.72	284,486.46	2,456.26	....
Removing snow, ice, and sand	421,527.45	691,015.94	....	269,488.49
Public improvements—Maintenance	253,802.83	301,737.54	....	47,934.71
Injuries to persons	170,225.91	133,426.90	36,799.01	....
Insurance	36,326.82	33,402.62	2,924.20	....
Stationery and printing	24,976.25	24,413.61	562.64	....
Other expenses	14,114.37	12,448.33	1,666.04	....
Right of way expenses	16,121.05	21,567.60	....	5,446.55
Maintaining joint tracks, yards, and other facilities—Debit	1,282,155.27	1,082,401.78	199,753.49	....
Maintaining joint tracks, yards, and other facilities—Credit	*244,226.85*	*335,370.50*	....	*91,143.65*
Total maintenance of way and structures	$ 17,370,183.28	$ 18,561,825.34	....	$ 1,191,642.06
Maintenance of Equipment				
Superintendence	$ 769,094.09	$ 716,470.28	$ 52,623.81	....
Shop machinery	520,909.98	562,680.79	....	$ 41,770.81
Power plant machinery	178,192.61	104,091.19	74,101.42	....
Steam locomotives—Repairs	6,023,275.99	5,826,067.68	197,208.31	....
Other locomotives—Repairs	311,562.88	310,158.30	1,404.58	....
Freight train cars—Repairs	4,525,687.03	4,286,672.59	239,014.44	....
Passenger train cars—Repairs	1,920,897.50	1,645,420.33	275,477.17	....

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

Maintenance of Equipment—Concluded	1937	1936	Increase	Decrease
Floating equipment—Repairs	$ 18,221.54	$ 15,671.65	$ 2,549.89	....
Work equipment—Repairs	505,454.61	486,863.48	18,591.13	....
Miscellaneous equipment—Repairs	11,457.78	11,202.96	254.82	....
Equipment—Retirements	28,512.33	32,968.59	....	$ 4,456.26
Equipment—Depreciation	5,479,837.22	5,359,963.59	119,873.63	....
Injuries to persons	85,912.48	88,535.38	....	2,622.90
Insurance	43,119.51	41,975.57	1,143.94	....
Stationery and printing	22,946.40	19,237.98	3,708.42	....
Other expenses	43,065.11	33,449.29	9,615.82	....
Maintaining joint equipment—Debit	154,698.60	127,298.59	27,400.01	....
Maintaining joint equipment—Credit	*15,716.39*	*15,863.87*	....	*147.48*
Total maintenance of equipment	$ 20,627,129.27	$ 19,652,864.37	$ 974,264.90	....
Traffic				
Superintendence	$ 666,311.34	$ 618,482.69	$ 47,828.65	....
Outside agencies	1,388,579.79	1,311,143.58	77,436.21	....
Advertising	376,783.39	357,489.59	19,293.80	....
Traffic associations	80,411.00	81,908.63	....	$ 1,497.63
Industrial and immigration bureaus	51,872.76	45,753.00	6,119.76	....
Insurance	588.27	640.67	....	52.40
Stationery and printing	143,811.42	144,369.96	....	558.54
Total traffic expenses	$ 2,708,357.97	$ 2,559,788.12	$ 148,569.85	....

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

Transportation	1937	1936	Increase	Decrease
Superintendence	$ 927,928.73	$ 850,722.99	$ 77,205.74	....
Dispatching trains	531,236.78	524,549.32	6,687.46	....
Station employes	5,748,728.55	5,309,699.07	439,029.48	....
Weighing, inspection, and demurrage bureaus	160,406.70	158,004.51	2,402.19	....
Coal and ore wharves	5,868.60	4,613.40	1,255.20	....
Station supplies and expenses	360,437.89	340,511.34	19,926.55	....
Yardmasters and yard clerks	1,046,600.90	965,697.76	80,903.14	....
Yard conductors and brakemen	3,296,102.98	3,283,223.36	12,879.62	....
Yard switch and signal tenders	222,720.61	211,101.17	11,619.44	....
Yard enginemen	2,226,709.83	2,220,400.93	6,308.90	....
Yard motormen	42,660.13	34,572.21	8,087.92	....
Yard switching, fuel	1,155,801.57	1,085,417.03	70,384.54	....
Yard switching power purchased	21,179.94	23,051,53	....	$ 1,871.59
Water for yard locomotives	85,610.58	90,468.16	....	4,857.58
Lubricants for yard locomotives	23,257.49	22,251.38	1,006.11	....
Other supplies for yard locomotives	28,217.41	27,151.94	1,065.47	....
Enginehouse expenses—Yard	578,714.95	541,213.49	37,501.46	....
Yard supplies and expenses	65,693.70	61,376.63	4,317.07	....
Operating joint yards and terminals—Debit	1,493,666.97	1,321,642.22	172,024.75	....
Operating joint yards and terminals—Credit	*163,885.81*	*142,752.61*	*21,133.20*	....
Train enginemen	4,745,449.56	4,848,994.88	....	103,545.32
Train motormen	464,294.00	429,389.34	34,904.66	....
Train fuel	5,510,252.31	5,403,192.59	107,059.72	....
Train power purchased	1,054,736.74	1,027,757.04	26,979.70	....
Water for train locomotives	446,029.32	459,326.15	....	13,296.83
Lubricants for train locomotives	182,750.83	183,552.82	....	801.99
Other supplies for train locomotives	78,401.12	74,787.30	3,613.82	....

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

Transportation—Concluded	1937	1936	Increase	Decrease
Enginehouse expenses—Train	$ 1,046,754.71	$ 1,014,307.57	$ 32,447.14	
Trainmen	5,745,951.88	5,712,915.92	33,035.96	
Train supplies and expenses	1,944,647.53	1,740,808.46	203,839.07	
Operating sleeping cars	227,145.11	205,440.35	21,704.76	
Signal and interlocker operation	393,235.88	380,090.57	13,145.31	
Crossing protection	305,124.92	287,322.03	17,802.89	
Drawbridge operation	57,613.64	57,890.80		$ 277.16
Telegraph and telephone operation	298,291.91	286,021.49	12,270.42	
Operating floating equipment	85,939.54	68,958.07	16,981.47	
Stationery and printing	158,146.24	161,632.78		3,486.54
Other expenses	75,066.15	70,091.84	4,974.31	
Operating joint tracks and facilities—Debit	546,640.06	465,531.64	81,108.42	
Operating joint tracks and facilities—Credit	*254,032.89*	*244,067.10*	*9,965.79*	
Insurance	19,222.50	20,372.78		1,150.28
Clearing wrecks	56,841.17	69,864.23		13,023.06
Damage to property	67,209.58	70,121.80		2,912.22
Damage to live stock on right of way	70,891.11	59,697.29	11,193.82	
Loss and damage—Freight	467,951.57	408,231.46	59,720.11	
Loss and damage—Baggage	1,982.14	1,420.39	561.75	
Injuries to persons	330,810.82	305,395.44	25,415.38	
Total transportation expenses	$ 41,985,005.95	$ 40,501,963.76	$ 1,483,042.19	
Miscellaneous Operations				
Dining and buffet service	$ 842,926.91	$ 714,217.62	$ 128,709.29	
Hotels and restaurants	29,714.72	16,676.90	13,037.82	
Stockyards	18,559.29	48,361.48		$ 29,802.19
Producing power sold	38,115.08	36,399.50	1,715.58	
Total miscellaneous operations	$ 929,316.00	$ 815,655.50	$ 113,660.50	

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

General	1937	1936	Increase	Decrease
Salaries and expenses of general officers	$ 386,799.19	$ 350,003.76	$ 36,795.43	
Salaries and expenses of clerks and attendants	2,676,402.09	2,441,310.34	235,091.75	
General office supplies and expenses	114,142.69	104,498.14	9,644.55	
Law expenses	330,264.82	282,218.51	48,046.31	
Insurance	2,535.29	4,455.21		$ 1,919.92
Pensions	24,031.46	45,605.21		21,573.75
Stationery and printing	113,447.16	95,299.94	18,147.22	
Valuation expenses	33,609.66	31,324.77	2,284.89	
Other expenses	107,833.93	41,764.83	66,069.10	
General joint facilities—Debit	99,664.54	105,906.49		6,241.95
General joint facilities—Credit	*1,954.07*	*1,587.72*	*366.35*	
Total general expenses	$ 3,886,776.76	$ 3,500,799.48	$ 385,977.28	
Transportation for investment—Credit	$ *369,324.72*	$ *348,542.23*	$ *20,782.49*	
Total railway operating expenses	$ 87,137,444.51	$ 85,244,354.34	$ 1,893,090.17	

SUMMARY

	1937	1936	Increase	Decrease
Railway operating revenues	$107,662,276.04	$109,142,086.28		$ 1,479,810.24
Railway operating expenses	87,137,444.51	85,244,354.34	$ 1,893,090.17	
Net revenue from railway operations	$ 20,524,831.53	$ 23,897,731.94		$ 3,372,900.41
Railway tax accruals	6,761,355.00	8,135,000.00		1,373,645.00
Railway operating income	$ 13,763,476.53	$ 15,762,731.94		$ 1,999,255.41

COMPARATIVE STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES

For the Years Ended December 31, 1937 and 1936

RAILWAY OPERATING REVENUES

	1937		1936	
	Amount	Per Cent	Amount	Per Cent
Freight revenue	$ 88,576,457.35	82.27	$ 91,560,382.28	83.89
Passenger revenue	8,285,703.49	7.70	7,496,998.27	6.87
Other transportation revenue	8,167,031.31	7.58	8,278,590.34	7.59
Incidental revenue	1,450,236.15	1.35	1,357,387.35	1.24
Joint facility revenue	1,182,847.74	1.10	448,728.04	.41
Railway operating revenues	$107,662,276.04	100.00	$109,142,086,28	100.00

RAILWAY OPERATING EXPENSES

	1937 Amount	1937 Per Cent	1936 Amount	1936 Per Cent
Maintenance of way and structures	$ 17,370,183.28	16.13	$ 18,561,825.34	17.01
Maintenance of equipment	20,627,129.27	19.16	19,652,864.37	18.00
Traffic expenses	2,708,357.97	2.52	2,559,788.12	2.34
Transportation expenses	41,985,005.95	39.00	40,501,963.76	37.11
Miscellaneous operations	929,316.00	.86	815,655.50	.75
General expenses	3,886,776.76	3.61	3,500,799.48	3.21
Transportation for investment—Credit	*369,324.72*	*.34*	*348,542.23*	*.32*
Railway operating expenses	$ 87,137,444.51	80.94	$ 85,244,354.34	78.10

RECAPITULATION

	1937 Amount	1937 Per Cent	1936 Amount	1936 Per Cent
Railway operating revenues	$107,662,276.04	100.00	$109,142,086.28	100.00
Railway operating expenses	87,137,444.51	80.94	85,244,354.34	78.10
Net revenue from railway operations	$ 20,524,831.53	19.06	$ 23,897,731.94	21.90
Average miles in operation during the year, including miles of main track used under lease and trackage rights	11,096.78	....	11,125.55	....

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME

By Months for the Year Ended December 31, 1937

1937	Railway Operating Revenues	Railway Operating Expenses	Net Revenue from Railway Operations	Railway Tax Accruals	Railway Operating* Income	Equipment Rents Debit Bal.	Joint Facility Rents Debit Bal.	Net Railway Operating Income
January	$ 8,452,814 77	$ 6,696,520.47	$ 1,756,294.30	$ 744,000.00	$ 1,012,294.30	$ 212,744.07	$ 210,485.97	$ 589,064.26
February	7,875,855.35	6,400,845.71	1,475,009.64	740,000.00	735,009.64	154,759.57	219,158.47	361,091.60
March	9,156,833.17	7,028,447.12	2,128,386.05	691,355.00	1,437,031.05	169,790.82	218,141.73	1,049,098.50
April	8,544,486.55	7,141,456.09	1,403,030.46	722,000.00	681,030.46	128,503.01	212,080.76	340,446.69
May	8,660,724.17	7,595,551.61	1,065,172.56	691,000.00	374,172.56	130,123.68	222,256.53	21,792.35
June	8,989,601.48	7,602,124.02	1,387,477.46	*992,000.00*	2,379,477.46	200,814.53	178,517.62	2,000,145.31
July	9,386,208.29	7,702,455.65	1,683,752.64	685,000.00	998,752.64	284,608.37	207,511.75	506,632.52
August	9,833,303.48	7,699,887.38	2,133,416.10	715,000.00	1,418,416.10	300,213.25	203,694.27	914,508.58
September	9,802,532.12	7,510,427.43	2,292,104.69	716,000 00	1,576,104.69	308,860.32	228,327.07	1,038,917.30
October	9,996,170.32	7,815,118.78	2,181,051.54	727,000.00	1,454,051.54	251,760.42	217,773.66	984,517.46
November	8,697,064.26	7,004,240.08	1,692,824.18	697,000.00	995,824.18	183,054.42	211,485.86	601,283.90
December	8,266,682.08	6,940,370.17	1,326,311.91	625,000.00	701,311.91	168,255.46	149,893.44	383,163.01
Total	$107,662,276.04	$ 87,137,444.51	$20,524,831.53	$ 6,761,355.00	$13,763,476.53	$ 2,493,487.92	$ 2,479,327.13	$ 8,790,661.48

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ended December 31, 1937 and 1936

Commodities	1937			1936		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Products of Agriculture:						
Wheat	25,172	1,130,020	3.2	22,525	991,404	2.7
Corn	15,074	606,472	1.7	19,154	770,453	2.1
Oats	9,807	328,583	.9	9,593	315,178	.9
Barley and rye	17,344	704,960	2.0	20,274	818,154	2.3
Rice	299	11,077	....	205	7,074	....
Grain, n. o. s	147	4,497	....	269	8,987	....
Flour, wheat	26,489	674,965	1.9	30,169	765,211	2.1
Meal, corn	54	1,496	....	121	3,829	....
Flour and meal, edible, n. o. s	615	14,601	....	660	15,748	....
Cereal food preparations, edible, n. o. s	2,605	54,207	.1	3,207	66,717	.2
Mill products, n. o. s	17,559	415,019	1.2	18,124	428,447	1.2
Hay and alfalfa	4,775	66,494	.2	5,122	71,141	.2
Straw	2,148	29,394	.1	2,550	34,995	.1
Tobacco, leaf	1,054	16,985	.1	1,137	18,252	.1
Cotton in bales	1	25	....	6	149	....
Cotton linters, noils and regins	92	2,063	....	139	2,942	....
Cottonseed	13	271	....	9	181	....
Cottonseed meal and cake	701	16,459	.1	876	21,028	.1
Oranges and grapefruit	4,770	84,970	.2	5,731	102,371	.3
Lemons, limes and citrus fruits, n. o. s	497	8,552	....	793	12,168	....

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1937 and 1936

Commodities	1937			1936		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Products of Agriculture—Concluded:						
Apples, fresh	1,903	31,886	.1	1,997	35,109	.1
Bananas	2,965	31,454	.1	2,603	27,780	.1
Berries, fresh	92	841	....	273	2,836	....
Cantaloupes and melons, n. o. s	591	6,629	....	432	5,007	....
Grapes, fresh	1,407	22,629	.1	998	15,228	....
Peaches, fresh	664	8,129	....	705	8,984	....
Watermelons	375	4,901	....	411	5,250	....
Fruits, fresh, domestic, n. o. s	2,006	31,107	.1	2,157	33,887	.1
Fruits, fresh, tropical, n. o. s	66	832	....	100	1,304	....
Potatoes, other than sweet	6,142	108,389	.3	5,757	102,601	.3
Cabbage	1,094	14,143	....	1,329	17,229	.1
Onions	1,507	19,423	.1	1,234	15,931	....
Tomatoes	571	6,369	....	458	5,196	....
Vegetables, fresh, n. o. s	5,396	64,558	.2	5,363	65,639	.2
Beans and peas, dried	1,023	33,830	.1	933	29,613	.1
Fruits, dried or evaporated	561	16,968	.1	641	18,677	.1
Vegetables, dry, n. o. s	137	2,186	....	148	2,238	....
Vegetable-oil cake and meal, except cottonseed	2,502	57,625	.2	2,710	63,676	.2
Peanuts	850	12,714	....	904	13,845	....
Flaxseed	493	19,287	.1	52	1,955	....
Sugar beets	2,931	137,714	.4	3,072	142,547	.4
Products of agriculture, n. o. s	10,999	303,335	.9	11,763	326,450	.9
Total Products of Agriculture	173,491	5,116,059	14.5	184,704	5,395,411	14.9

STATEMENT OF COMMODITIES TRANSPORTED—Continued

DURING THE YEARS ENDED DECEMBER 31, 1937 AND 1936

Commodities	1937			1936		
		Tons			Tons	
	Carloads	Number	Per cent of total	Carloads	Number	Per cent of total
Animals and Products:						
Horses, mules, ponies and asses	1,483	17,667	....	2,490	29,396	.1
Cattle and calves, single-deck	32,507	357,027	1.0	41,910	469,428	1.3
Calves, double-deck	269	3,152	....	741	8,820	....
Sheep and goats, single-deck	1,341	8,276	....	1,736	11,399	....
Sheep and goats, double-deck	6,471	67,863	.2	8,116	84,666	.2
Hogs, single-deck	14,243	106,728	.3	19,381	147,758	.4
Hogs, double-deck	9,641	127,657	.4	11,991	156,691	.4
Fresh meats, n. o. s	31,734	380,073	1.1	35,280	425,675	1.2
Meats, cured, dried or smoked	859	13,795	....	933	16,234	.1
Butterine and margarine	28	364	....	17	265	....
Packing-house products, edible, n. o. s., not including canned meats	3,986	62,508	.2	3,533	58,272	.2
Poultry, live	447	4,013	....	490	4,539	....
Poultry, dressed	1,302	15,339	....	1,399	16,324	.1
Eggs	4,000	48,130	.1	4,023	49,565	.1
Butter	5,886	70,029	.2	6,122	72,481	.2
Cheese	3,952	60,168	.2	4,016	62,831	.2
Wool	1,229	17,545	.1	1,452	21,549	.1
Hides, green	4,206	104,736	.3	4,614	114,485	.3
Leather	619	10,385	....	639	10,630	....
Fish or sea-animal oil	948	28,502	.1	471	14,029	....
Animals, live, n. o. s	17	129	....	18	180	....
Animal products, n. o. s. (other than fertilizers and fertilizer materials)	2,991	65,492	.2	2,806	61,851	.2
Total Animals and Products	128,159	1,569,578	4.4	152,178	1,837,068	5.1

STATEMENT OF COMMODITIES TRANSPORTED—Continued

DURING THE YEARS ENDED DECEMBER 31, 1937 AND 1936

Commodities	1937			1936		
		Tons			Tons	
	Carloads	Number	Per cent of total	Carloads	Number	Per cent of total
Products of Mines:						
Anthracite coal	2,229	63,380	.2	2,705	77,475	.2
Bituminous coal	165,638	7,842,914	22.1	174,659	8,105,904	22.4
Coke	10,851	327,446	9	10,929	330,898	.9
xIron ore	18	873	....	11,688	852,721	2.4
Copper ore and concentrates	1,021	58,882	.2	886	49,607	.1
Lead ore and concentrates	79	3,349	....	24	1,008	....
Zinc ore and concentrates	452	22,251	.1	246	10,843	....
Ores and concentrates, n. o. s.	914	46,248	.1	652	29,889	.1
Gravel and sand (other than glass or moulding)	26,136	1,562,952	4.4	29,816	1,797,591	5.0
Stone, broken, ground or crushed	18,697	1,078,900	3.0	14,589	829,653	2.3
Stone, rough, n. o. s.	2,031	91,186	.2	1,185	48,867	.1
Stone, finished, n. o. s.	1,710	65,154	.2	2,162	85,150	.2
Petroleum, crude	1,773	56,830	.2	2,223	70,403	.2
Asphalt (natural, by-product or petroleum)	3,395	126,162	.4	2,427	89,272	.2
Salt	3,840	113,294	.3	4,041	119,495	.3
Phosphate rock, crude (ground or not ground)	449	31,684	.1	280	19,460	.1
Sulphur (brimstone)	476	21,822	.1	466	20,785	.1
Products of mines, n. o. s.	6,300	279,791	.8	5,451	258,603	.7
Total Products of Mines	246,009	11,793,118	33.3	264,429	12,797,624	35.3

xC. M. St. P. & P. and C. & N. W. Menominee Range Ore pooled, effective March 15, 1937: This ore with a minor exception is handled by the C. & N. W., and is not included in above table. C. M. St. P. & P. receives 34% of the revenue and pays 34% of the expense, and accounts for same in the operating revenue and expense Joint Facility Accounts.

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1937 and 1936

Commodities	1937			1936		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Products of Forests:						
Logs	47,775	1,845,505	5.2	49,761	1,981,404	5.5
Posts, poles and piling	6,515	186,854	.5	5,981	174,436	.5
Wood (fuel)	3,245	110,471	.3	3,351	111,408	.3
Ties, railroad	2,039	69,655	.2	1,914	70,672	.2
Pulpwood	10,227	370,678	1.0	9,443	362,034	1.0
Lumber, shingles and lath	60,290	1,685,240	4.8	59,430	1,665,922	4.6
Box, crate and cooperage materials	2,477	54,892	.2	2,359	50,566	.1
Veneer and built-up wood	2,140	57,923	.2	1,827	48,646	.1
Rosin	824	20,326	.1	816	20,591	.1
Turpentine	85	1,907	....	99	2,272	....
Crude rubber (not reclaimed)	53	1,527	....	67	2,042	....
Products of forests, n. o. s.	5,613	148,961	.4	4,450	112,759	.3
Total Products of Forests	141,283	4,553,939	12.9	139,498	4,602,752	12.7

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1937 and 1936

Commodities	1937			1936		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Manufactures and Miscellaneous:						
Petroleum oils, refined, and all other gasolines	76,344	2,087,290	5.9	75,221	2,053,896	5.7
Fuel, road and petroleum residual oils, n. o. s.	23,912	738,550	2.0	23,796	745,372	2.0
Lubricating oils and greases	5,667	121,926	.3	5,396	114,753	.3
Petroleum products, n. o. s.	323	7,401	....	263	5,927	....
Cottonseed oil	59	1,651	....	80	2,285	....
Linseed oil	597	15,694	....	598	15,152	....
Vegetable oils, n. o. s.	533	13,759	....	669	18,451	.1
Sugar (beet or cane)	4,658	177,235	.5	4,861	184,996	.5
Table syrups and edible molasses	1,706	61,353	.2	1,545	51,990	.1
Molasses, blackstrap and beet residual	420	18,411	.1	346	15,016	....
Iron, pig	3,363	181,003	.5	2,583	140,958	.4
Iron and steel, rated 6th class in official classification, n. o. s.	87	4,470	....	167	7,193	....
Rails, fastenings, frogs and switches	422	16,900	.1	642	27,752	.1
Cast iron pipe and fittings	767	19,248	.1	1,064	26,429	.1
Iron and steel pipe and fittings, n. o. s.	4,585	137,832	.4	3,431	108,507	.3
Iron and steel: Nails and wire, not woven	2,819	74,389	.2	2,513	66,171	.2

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1937 and 1936

Commodities	1937			1936		
	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)	34,008	1,335,155	3.8	31,222	1,215,899	3.3
Copper: Ingot, matte and pig	1,685	89,195	.3	1,361	68,330	.2
Copper, brass and bronze: Bar, sheet and pipe	73	1,812	....	116	2,637	....
Lead and zinc: Ingot, pig or bar	1,168	56,728	.2	1,378	66,557	.2
Aluminum: Ingot, pig or slab	3	50	....	3	46	....
Machinery and boilers	8,923	160,892	.5	7,376	133,929	.4
Cement, natural or Portland (building)	19,258	703,217	2.0	19,197	676,685	1.9
Brick, common	2,385	80,584	.2	2,959	101,395	.3
Brick, n. o. s., and building tile	3,028	98,640	.3	2,311	73,758	.2
Artificial stone, n. o. s	634	20,401	.1	923	27,958	.1
Lime, common (quick or slaked)	2,587	64,492	.2	2,598	63,707	.2
Plaster (stucco or wall) and dry kalsomine	1,729	45,919	.1	1,572	40,872	.1
Sewer pipe and drain tile (not metal)	2,184	40,277	.1	2,578	47,836	.1
Agricultural implements and parts, n. o. s	11,864	180,329	.5	8,927	132,395	.4
Vehicles, horse-drawn and parts, n. o. s	90	1,245	....	125	1,777	....
Tractors and parts	8,676	128,340	.4	7,357	108,772	.3
Railway car wheels, axles and trucks	271	7,013	....	146	3,854	....
Automobiles (passenger)	21,462	129,481	.4	22,900	137,555	.4

STATEMENT OF COMMODITIES TRANSPORTED—Continued

During the Years Ended December 31, 1937 and 1936

Commodities	1937			1936		
	Carloads	Tons		Carloads	Tons	
		Number	Per cent of total		Number	Per cent of total
Manufactures and Miscellaneous—Continued:						
Auto trucks	350	2,977	....	429	3,653	....
Automobiles and auto trucks, K. D., and parts, n. o. s	21,804	329,142	.9	24,308	354,703	1.0
Automobile and auto truck tires	2,377	37,341	.1	1,558	25,944	.1
Furniture, metal	294	3,243	....	333	3,457	....
Furniture, other than metal	5,419	41,641	.1	4,484	35,014	.1
Beverages	27,772	509,387	1.4	27,896	484,938	1.3
Ice	2,572	128,593	.4	1,919	81,477	.2
Fertilizers, n. o. s	3,805	106,455	3	2,987	85,478	.2
Newsprint paper	3,140	83,986	.2	2,786	75,693	.2
Printing paper, n. o. s	3,914	89,019	.3	3,183	73,744	.2
Alcohol, denatured or wood	381	7,659	....	557	10,929	....
Sulphuric acid	339	13,661	....	263	10,220	....
Explosives, n. o. s	426	6,346	....	445	7,007	....
Cotton cloth and cotton fabrics, n. o. s	138	1,776	....	119	1,601	....
Bagging and bags, burlap, gunny or jute	253	4,811	....	315	5,951	....
Canned food products, n. o. s	17,585	414,802	1.2	17,698	415,404	1.2
Tobacco, manufactured products	312	6,147	....	371	7,228	....
Paints in oil and varnishes	1,225	32,668	1	1,258	36,484	.1
Furnace slag	44	2,438	....	26	1,294	....

STATEMENT OF COMMODITIES TRANSPORTED—Concluded

DURING THE YEARS ENDED DECEMBER 31, 1937 AND 1936

Commodities	1937 Carloads	1937 Tons Number	1937 Tons Per cent of total	1936 Carloads	1936 Tons Number	1936 Tons Per cent of total
MANUFACTURES AND MISCELLANEOUS—Concluded:						
Scrap iron and scrap steel	10,007	454,351	1.3	8,937	408,855	1.1
Paper bags and wrapping paper	4,301	105,770	.3	4,542	110,665	.3
Paperboard, pulpboard and wallboard (paper)	7,897	180,909	.5	6,551	148,126	.4
Building paper and prepared roofing materials	2,363	56,636	.2	2,637	63,060	.2
Building woodwork (millwork)	4,532	83,945	.2	4,101	75,156	.2
Soap and washing compounds	1,145	24,050	.1	1,139	23,718	.1
Glass, flat, other than plate	740	20,230	.1	588	16,310	.1
Glass: Bottles, jars and jelly glasses	4,725	78,929	.2	4,664	69,331	.2
Manufactures and miscellaneous, n. o. s.	113,907	2,026,448	5.7	102,777	1,830,001	5.1
Total Manufactures and Miscellaneous	488,057	11,674,242	33.0	463,095	10,954,281	30.2
GRAND TOTAL CARLOAD TRAFFIC	1,176,999	34,706,936	98.1	1,203,904	35,587,136	98.2
All L. C. L. Freight	....	685,503	1.9	....	646,086	1.8
GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC	....	35,392,439	100.0	....	36,233,222	100.0

MILES OF TRACK, DECEMBER 31, 1937

	Operated	Not Operated	Total
Miles of Road:			
*Owned solely	9,853.38	12.23	9,865.61
Owned jointly	170.92	....	170.92
Leased	334.14	....	334.14
Trackage rights	666.53	....	666.53
Total main track	11,024.97	12.23	11,037.20
Additional main tracks:			
Owned solely	890.49	15.32	905.81
Owned jointly	10.84	.70	11.54
Leased	44.82	....	44.82
Trackage rights	259.08	....	259.08
Total additional main tracks	1,205.23	16.02	1,221.25
Yard tracks and sidings:			
Owned solely	3,302.32	4.70	3,307.02
Owned jointly	241.78	4.16	245.94
Leased	219.19	....	219.19
Trackage rights	503.08	....	503.08
Total yard tracks and sidings	4,266.37	8.86	4,275.23
Totals:			
Owned solely	14,046.19	32.25	14,078.44
Owned jointly	423.54	4.86	428.40
Leased	598.15	....	598.15
Trackage rights	1,428.69	....	1,428.69
Grand Total all tracks	16,496.57	37.11	16,533.68

Average miles of main track in operation during the year:

*Owned solely	9,890.59 miles
Owned jointly	134.03 "
Leased	356.19 "
Operated under trackage rights	715.97 "
Total average miles operated	11,096.78 "

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

Wisconsin	1,658.39 miles
Illinois	490.14 "
Iowa	1,817.84 "
Minnesota	1,185.35 "
North Dakota	367.22 "
South Dakota	1,774.03 "
Missouri	138.43 "
Michigan	179.34 "
Montana	1,258.61 "
Idaho	230.65 "
Washington	936.53 "
Total main track owned solely and jointly	10,036.53 "

*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, 1937 and 1936

	1937	1936
Average mileage of road operated—Total..	11,096.78	11,125.55
Average mileage of road—Freight Service.	11,088.47	11,117.22
Average mileage of road—Passenger service	6,980.02	7,043.35
Train-Miles		
Freight Trains:		
Ordinary (with locomotives)...........	16,199,230	16,581,490
Light (with locomotives)...............	80,968	91,478
Total—Freight trains................	16,280,198	16,672,968
Passenger Trains:		
Ordinary (with locomotives)...........	10,051,657	10,117,550
Total (without locomotives)...........	997,567	975,394
Total—Passenger trains..............	11,049,224	11,092,944
Total Transportation Service:		
Ordinary (with locomotives)...........	26,250,887	26,699,040
Light (with locomotives)...............	80,968	91,478
Total (with locomotives)..............	26,331,855	26,790,518
Total (without locomotives)..........	997,567	975,394
Grand Total—Transportation service.	27,329,422	27,765,912
Work trains...........................	748,042	856,368
Locomotive-Miles		
Freight Trains:		
Principal................................	16,293,142	16,683,662
Helper...................................	1,123,098	1,206,469
Light....................................	753,460	819,165
Train switching........................	1,666,812	1,772,527
Yard switching.........................	7,038,707	7,116,759
Total................................	26,875,219	27,598,582
Passenger Trains:		
Principal................................	10,051,657	10,117,550
Helper...................................	231,620	227,503
Light....................................	164,457	148,430
Train switching........................	36	540
Yard switching.........................	474,480	459,750
Total................................	10,922,250	10,953,773

(Continued on page 57)

TRANSPORTATION STATISTICS—Continued

For the Years Ended December 31, 1937 and 1936

	1937	1936
Locomotive-Miles—Concluded		
Transportation Service:		
Principal................................	26,344,799	26,801,212
Helper...................................	1,354,718	1,433,972
Light....................................	917,917	967,595
Train switching........................	1,666,848	1,773,067
Yard switching.........................	7,513,187	7,576,509
Total................................	37,797,469	38,552,355
Work trains...........................	1,174,661	1,284,390
Car-Miles		
Freight Trains:		
Loaded freight cars..................	437,162,686	443,109,307
Empty freight cars....................	265,588,588	276,792,502
Passenger coaches.....................	1,291,719	1,337,243
Sleeping and parlor cars..............	207,579	210,857
Club lounge, dining, and observation cars	8,386	9,393
Business cars..........................	39,718	41,408
Mail, express, and baggage cars and combination cars other than passenger	2,839,211	3,173,988
Combination passenger cars (mail, express, or baggage with passenger)...	799,416	804,520
Caboose................................	15,516,843	16,139,481
Total Freight-train car-miles.........	723,454,146	741,618,699
Passenger trains:		
Loaded freight cars..................	427,820	709,662
Empty freight cars....................	16,343	91,279
Passenger coaches.....................	18,478,885	17,618,452
Sleeping and parlor cars..............	20,951,970	20,212,171
Club lounge, dining, and observation cars	6,547,559	6,322,149
Business cars..........................	105,631	106,011
Mail, express, and baggage cars and combination cars other than passenger....	24,635,826	23,935,818
Combination passenger cars (mail, express, or baggage with passenger).....	1,569,333	1,626,426
Caboose................................	35,015	37,385
Total Passenger-train car-miles.......	72,768,382	70,853,353
Transportation Service:		
Loaded freight cars..................	437,590,506	443,818,969
Empty freight cars....................	265,604,931	276,883,781
Passenger coaches.....................	19,770,604	19,155,695
Sleeping and parlor cars..............	21,159,549	20,423,028
Club lounge, dining, and observation cars	6,555,945	6,331,542
Business cars..........................	145,349	141,419
Mail, express, and baggage cars and combination cars other than passenger....	27,475,037	27,100,806
Combination passenger cars (mail, express, or baggage with passenger)....	2,368,749	2,430,946
Caboose................................	15,551,858	16,176,866
Total Transportation Service car-miles	796,222,528	812,472,052
Work trains—car-miles................	7,935,272	10,820,716

(Continued on page 58)

TRANSPORTATION STATISTICS—Continued
For the Years Ended December 31, 1937 and 1936

	1937	1936
Freight Traffic		
Tons—Revenue freight	35,392,439	36,233,222
Tons—Non-revenue freight	4,910,724	4,831,210
Tons—Total	40,303,163	41,064,432
Ton-miles—Revenue freight A	9,691,026,608	9,689,405,998
Ton-miles—Non-revenue freight	1,587,137,541	1,616,705,938
Ton-miles—Total A	11,278,164,149	11,306,111,936
Gross ton miles including locomotives and tenders	31,762,114,317	32,187,669,645
Gross ton miles excluding locomotives and tenders	27,884,746,016	28,246,912,623
Passenger Traffic		
Revenue passengers carried—Commutation	1,803,136	1,695,549
Revenue passengers carried—Other B	2,724,890	2,571,157
Revenue passengers carried—Total B	4,528,026	4,266,706
Revenue passenger-miles—Commutation	33,300,871	30,274,718
Revenue passenger-miles—Other C	447,224,211	405,470,074
Revenue passenger-miles—Total C	480,525,082	435,744,792
Revenues and Expenses		
Freight Revenue D	$ 88,580,700	$ 91,560,382
Passenger revenue—Commutation	293,237	266,340
Passenger revenue—Other E	7,996,878	7,236,300
Passenger revenue—Total E	8,290,115	7,502,640
ØPassenger service train revenue	13,499,493	12,965,419
Operating revenues F	107,588,711	108,918,459
Operating expenses G	87,071,282	85,186,630
Net operating revenues H	20,517,429	23,731,829
Net railway operating income I	8,789,588	9,301,037

Amounts Excluded	1937	1936
A—Ton-miles on truck lines	81,932	....
B—Passengers carried on bus lines only	17,462	17,447
C—Passenger-miles on bus lines	575,503	573,342
D—Revenue from truck line operations	$ *4,243*	....
E—Revenue from bus line operations	*4,411*	$ *5,642*
F—Revenue not assignable to rail-line transportation service	73,565	223,627
G—Expenses not assignable to rail-line transportation service	66,162	57,724
H—Net revenue not assignable to rail-line transportation service	7,403	165,903
I—Net railway operating income not assignable to rail-line transportation service	1,073	160,321

ØRepresents revenue from passengers, mail, express, sleeping car and other earnings in passenger trains.

(Continued on page 59)

TRANSPORTATION STATISTICS—Continued
For the Years Ended December 31, 1937 and 1936

	1937	1936
Averages Per Mile of Road		
Freight-train miles	1,468.	1,500.
Passenger-train miles	1,583.	1,575.
Transportation service—train-miles	2,463.	2,496.
Work-train miles	67.	77.
Freight-train car-miles	65,244.	66,709.
Passenger-train car-miles	10,426.	10,060.
Freight revenue	$ 7,988.54	$ 8,235.91
Passenger service train revenue	1,934.02	1,840.80
Operating revenues	9,695.49	9,789.94
Operating expenses	7,846.54	7,656.85
Net operating revenues	1,848.95	2,133.09
Net railway operating income	792.08	836.01
Ton-miles—Revenue freight	873,973.	871,567.
Ton-miles—All freight	1,017,107.	1,016,991.
Revenue—Passenger-miles	68,843.	61,866.
Averages Per Train-Mile		
Loaded freight car-miles—Freight trains	26.85	26.58
Empty freight car-miles—Freight trains	16.31	16.60
Ton-miles—Revenue freight per Freight-train mile	595.26	581.14
Ton-miles—All freight per Freight-train mile	692.75	678.11
Freight gross ton-miles, excluding locomotives and tenders per Freight-train mile	1,712.80	1,694.17
Locomotive-miles—Freight trains	1.12	1.12
Locomotive-miles—Passenger trains A	1.04	1.04
Passenger train car-miles—Pass. trains	6.59	6.39
Revenue passenger-miles per Passenger-train mile	43.49	39.28
Freight revenue per Freight-train mile	$ 5.44	$ 5.49
Passenger service train revenue	1.22	1.17
Operating revenues	3.94	3.92
Operating expenses	3.19	3.07
Net operating revenues	.75	.85
Averages Per Locomotive-Mile		
Train-miles—Freight trains	.90	.89
Car-miles—Freight trains	39.82	39.64
Train-miles—Passenger trains A	.96	.96
Car-miles—Passenger trains B	6.79	6.58
Averages Per Loaded Freight Car-Mile		
Ton-miles—Revenue freight	22.15	21.83
Ton-miles—All freight	25.77	25.47
Freight revenue	$ .20243	$ .20680
Averages Per Car-Mile—Passenger		
Revenue passenger-miles C	11.41	10.68
Passenger revenue C	$ .19685	$ .18391

	1937	1936
A—Excludes motor train miles	997,567	975,394
B—Excludes motor car and trailer miles	1,862,021	1,770,186

C—Includes ½ of combination Passenger Car-miles.

(Concluded on page 60)

TRANSPORTATION STATISTICS—Concluded
For the Years Ended December 31, 1937 and 1936

	1937	1936
Miscellaneous Averages		
Per cent empty of loaded freight car-miles	60.70	62.39
Miles hauled—Revenue freight	273.82	267.42
Miles hauled—Non-revenue freight	323.20	334.64
Miles hauled—All freight	279.83	275.33
Miles carried—Revenue passengers—Commutation	18.47	17.86
Miles carried—Revenue passengers—Other	164.13	157.70
Miles carried—Revenue passengers—Total	106.12	102.13
Revenue per ton of freight	$ 2.50281	$ 2.52697
Revenue per ton-mile of freight	.00914	.00945
Per cent revenue ton-miles of gross ton-miles excluding locomotives and tenders	34.75	34.30
Revenue per passenger—Commutation	$ .16263	$ .15708
Revenue per passenger—Other	2.93475	2.81441
Revenue per passenger—Total	1.83085	1.75842
Revenue per passenger-mile—Commutation	.00881	.00880
Revenue per passenger-mile—Other	.01788	.01785
Revenue per passenger-mile—Total	.01725	.01722
Operating ratio A	80.93	78.21

A—Excluding Revenues and Expenses not assignable to rail-line transportation service as shown by notes F and G on page 58.

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY
General Balance Sheet as of December 31, 1937

Asset Side		
Investments:		
Road and equipment		$ 347,898.10
Current Assets:		
Cash	$ 17,092.06	
Traffic and car-service balances receivable	2,095.59	
Due from agents and conductors	52.25	
Miscellaneous accounts receivable	730.30	
Material and supplies	2,061.71	
Other current assets	31.00	
Total current assets		22,062.91
Deferred Assets:		
Working fund advances		366.94
Unadjusted Debits:		
Insurance premiums paid in advance	$ 42.32	
Other unadjusted debits	784.75	
Total unadjusted debits		827.07
Grand total		$ 371,155.02
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	$ 1,786.17	
Payrolls and vouchers	6,331.96	
Miscellaneous accounts payable	33.54	
Other current liabilities	2.20	
Total current liabilities		8,153.87
Unadjusted Credits:		
Tax liability	$ 1,088.86	
Accrued depreciation—Equipment	1,090.97	
Other unadjusted credits	43.71	
Total Unadjusted credits		2,223.54
Corporate Surplus:		
Additions to property through income and surplus	$ 21,269.15	
Profit and loss, credit balance	12,879.51	
Total corporate surplus		34,148.66
Grand total		$ 371,155.02

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY

Income Account, Year Ended December 31, 1937

I. Operating Income	
Railway Operating Income:	
Railway operating revenues	$ 20,870.64
Railway operating expenses	17,676.73
Net revenue from railway operations	$ 3,193.91
Railway tax accruals	2,431.87
Railway operating income	$ 762.04
Rents Payable:	
Hire of freight cars—Debit balance	$ 555.80
Joint facility rents	26.85
Total rents payable	$ 582.65
Net railway operating income	$ 179.39
II. Other Income	
Miscellaneous rent income	$ 135.00
Total income	$ 314.39
IV. Fixed Charges	
Rent for leased roads and equipment	$ 422.31
Interest on unfunded debt	.02
Total fixed charges	$ 422.33
Net deficit	$ 107.94

Profit and Loss Account—December 31, 1937

Credits:	
Credit balance at beginning of year	$ 13,976.24
Debits:	
Dividend appropriations of surplus	$ 750.00
Surplus appropriated for investment in physical property	238.79
Debit balance transferred from income	107.94
Total Debits	$ 1,096.73
Credit balance, December 31, 1937 carried to General Balance Sheet	$ 12,879.51

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

General Balance Sheet as of December 31, 1937

Asset Side		
Investments:		
Road and equipment	$28,333,758.33	
Deposits in lieu of mortgaged property sold	4,500.00	
Miscellaneous physical property	27,870.30	
Affiliated companies	12,504.00	
Total investments		$28,378,632.63
Current Assets:		
Cash	$ 1,195.95	
Special deposits	187.50	
Rents receivable	266,929.17	
Other current assets	276,075.25	
Total current assets		544,387.87
Deferred Assets:		
Other deferred assets		2,800,283.31
Grand total		$31,723,303.81
Liability Side		
Capital Stock:		
Common stock		$ 4,172,905.00
Governmental Grants:		
Grants in aid of construction		35,228.53
Long Term Debt:		
Funded debt unmatured	$23,444,000.00	
Non-negotiable debt to affiliated companies	679,280.92	
Total long term debt		24,123,289.02
Current Liabilities:		
Interest matured unpaid	$ 276,262.75	
Unmatured interest accrued	266,929.17	
Total current liabilities		543,191.92
Deferred Liabilities:		
Other deferred liabilities		1,382,122.07
Unadjusted Credits:		
Accrued depreciation—Equipment	$ 65,060.89	
Other unadjusted credits	1,740.46	
Total unadjusted credits		66,810.35
Corporate Surplus:		
Additions to property through income and surplus	$ 117,741.87	
Profit and loss, credit balance	1,281,924.15	
Total corporate surplus		1,399,666.02
Grand total		$31,723,303.81

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

Income Account Year Ended December 31, 1937

Income:		
Income from lease of road		$ 1,109,231.85
Income from funded securities		10.00
Gross Income		$ 1,109,241.85
Deductions from Gross Income:		
Interest on funded debt	$ 1,099,330.00	
Railway tax accruals	16.48	
Maintenance of investment organization	3,003.24	
Miscellaneous income charges	6,882.13	
Total deductions from gross income		$ 1,109,231.85
Net Income		$ 10.00

Profit and Loss Account December 31, 1937

Credits:	
Credit balance at beginning of year	$ 1,276,199.78
Credit balance transferred from income	10.00
Donations	1,625.00
Miscellaneous credits	5,714.37
Total credits	$ 1,283,549.15
Debits:	
Surplus appropriated for investment in physical property	$ 1,625.00
Credit balance December 31, 1937, carried to General Balance Sheet	$ 1,281,924.15

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

Funded Debt Unmatured, December 31, 1937

Description of Bonds	Date of Maturity	In Hands of Public	Interest: Rate %	Interest: Payable	Interest: 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 $[illegible] pledged with Trustee under the C. M. St. P. and P. R. R. First and Refunding Mortgage.

EQUIPMENT OWNED DECEMBER 31, 1937,

DESCRIPTION	Number December 31, 1936		Added			
			New		Converted from other classes	
	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE
Locomotives Owned:						
Standard gauge—Coal burning	1,104	27	14		1	
Standard gauge—Oil burning	70		1		1	
Standard gauge—Electric	57					
Standard gauge—Gas electric	2					
Total locomotives owned	1,233	27	15		2	
Revenue Freight Equipment Owned:						
Refrigerator cars—Iced	8					
Box cars	28,341	898			* 96	
Automobile cars	4,536		1050			
Package cars	20					
Stock cars, single deck	3,246					
Stock cars, double deck	817					
Coal cars	12,694	772	1300			
Ore cars	546	517				
Flat cars (includes 12 water cars, 2 well cars and 2 transformer cars)	3,647	267			** 200	
Total revenue freight equipment owned	53,855	2,454	2350		296	
Non-Revenue Equipment Owned:						
Locomotives	7					
Caboose cars	848	50			21	
Officers and pay cars	12	2				
Derrick cars	26	1				
Steam shovels	1					
Wrecking cars and other company service equipment	2,683	142	52		230	18
Total non-revenue equipment owned	3,577	195	52		251	18
Passenger Equipment Owned:						
Coaches	347		20			
Passenger and express cars	61	5	5			
Passenger, mail and express cars	0				1	
Gas electric motor cars	19					
Buffet—Cafe cars	23					
Buffet lounging cars	4					
Open top observation cars	4					
Dining cars	24		7			
Parlor cars	31					
Sleeping cars—Standard	43					
Sleeping cars—Tourist	33				1	
Mail apartment cars	104		1			
Express and tap room cars	2					
Express cars	270					
Postal cars	10					
Total passenger train equipment owned	975	5	33		2	
Floating Equipment Owned:						
Tug boats	1					
Barges	5					
Total floating equipment owned	6					
Grand Total Equipment Owned	59,646	2,681	2450		551	18

*96 automobile cars were changed to box cars.
**200 coal cars were changed to flat cars.

WITH CHANGES DURING THE YEAR

DESCRIPTION	Added				Retired						Number December 31, 1937	
	Reinstated		Total		Retired		Converted to other classes		Total			
	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			15		6		1		7		1,112	27
Standard gauge—Oil burning			2				1		1		71	
Standard gauge—Electric											57	
Standard gauge—Gas electric											2	
Total locomotives owned			17		6		2		8		1,242	27
Revenue Freight Equipment Owned:												
Refrigerator cars—Iced							2		2		6	
Box cars			96		561		142		703		27,734	898
Automobile cars			1,050		52		99		151		5,435	
Package cars					8				8		12	
Stock cars, single deck					12				12		3,234	
Stock cars, double deck					1				1		816	
Coal cars	17		1,317		93	125	209	1	302	126	13,709	646
Ore cars					86				86		460	517
Flat cars (includes 12 water cars, 2 well cars and 2 transformer cars)			200		29	4	50	17	79	21	3,768	246
Total revenue freight equipment owned	17		2,663		842	129	502	18	1,344	147	55,174	2,307
Non-Revenue Equipment Owned:												
Locomotives											7	
Caboose cars			21		8		1		9		860	50
Officers and pay cars											12	2
Derrick cars					2				2		24	1
Steam shovels											1	
Wrecking cars and other company service equipment			282	18	144		1		145		2,820	160
Total non-revenue equipment owned			303	18	154		2		156		3,724	213
Passenger Equipment Owned:												
Coaches			20		2		24		26		341	
Passenger and express cars			5		7				7		59	5
Passenger, mail and express cars			1								1	
Gas electric motor cars											19	
Buffet—Cafe cars											23	
Buffet lounging cars											4	
Open top observation cars											4	
Dining cars			7								31	
Parlor cars											31	
Sleeping cars—Standard							1		1		42	
Sleeping cars—Tourist			1				1		1		33	
Mail apartment cars			1		2		3		5		100	
Express and tap room cars											2	
Express cars											270	
Postal cars											10	
Total passenger train equipment owned			35		11		29		40		970	5
Floating Equipment Owned:												
Tug boats											1	
Barges											5	
Total floating equipment owned											6	
Grand Total Equipment Owned	17		3,018	18	1,013	129	535	18	1,548	147	61,116	2,552

INDEX

ONTARIO
LAKE SUPERIOR
WISCONSIN
MICHIGAN
LAKE MICHIGAN
ILLINOIS
MISSOURI
INDIANA
KENTUCKY
TENNESSEE
DULUTH
SUPERIOR
Ashland
ST. PAUL
LA CROSSE
MADISON
MILWAUKEE
RACINE
CHICAGO
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CEDAR RAPIDS
ROCK ISLAND
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PEORIA
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Muskegon
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