CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

HENRY A. SCANDRETT, WALTER J. CUMMINGS, GEORGE I. HAIGHT, Trustees

FOURTEENTH ANNUAL REPORT

YEAR ENDED DECEMBER 31, 1941

1941

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of the

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

HENRY A. SCANDRETT, WALTER J. CUMMINGS, GEORGE I. HAIGHT, Trustees

for the

YEAR ENDED DECEMBER 31, 1941

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

J. T. GILLICK	Chief Operating Officer	Chicago
E. B. FINEGAN	Chief Traffic Officer	Chicago
A. N. WHITLOCK	Counsel for Trustees	Chicago
M. L. BLUHM	General Solicitor	Chicago
D. C. CURTIS	Chief Purchasing Officer	Chicago
R. J. MARONY	New York Fiscal Representative	New York
J. N. DAVIS	Assistant to Trustee	Seattle
J. W. SEVERS	Assistant to Trustee	Chicago
F. H. JOHNSON	Public Relations Officer	Chicago
T. W. BURTNESS	Secretary	Chicago
W. V. WILSON	Comptroller	Chicago
J. DICKIE	Treasurer	Chicago
F. H. JEFFREY	Assistant Treasurer	Chicago
S. GREENGARD	Assistant Treasurer	Seattle
J. WELCH	Ass't Secretary—Ass't Treasurer	New York
L. G. WEIFFENBACH	Ass't Secretary—Ass't Treasurer	New York
O. N. HARSTAD	General Manager—Lines East	Chicago
N. A. RYAN	General Manager—Lines West	Seattle
W. H. PENFIELD	Chief Engineer	Chicago

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DIRECTORS

TERM EXPIRES MAY 12, 1942

LOUIS M. ATHERTON	Boston
MORTIMER N. BUCKNER (Deceased, February 25, 1942)	New York
HARRY E. BYRAM (Deceased, November 11, 1941)	New York
HOWLAND S. DAVIS	New York
JOSHUA GREEN	Seattle
LAWRENCE HOWE (Deceased, March 17, 1942)	Chicago
ROBERT J. MARONY	New York
HARVEY C. ORTON	Chicago
WM. CHURCH OSBORN	New York
EDWARD A. PIERCE	New York
PHILIP J. ROOSEVELT (Deceased, November 8, 1941)	New York
ROBERT T. SWAINE	New York

EXECUTIVE COMMITTEE

HOWLAND S. DAVIS	WM. CHURCH OSBORN
ROBERT J. MARONY	ROBERT T. SWAINE

GENERAL OFFICERS OF THE CORPORATION

J. T. GILLICK	Vice President	Chicago
R. J. MARONY	Vice President	New York
H. H. FIELD (Deceased, April 2, 1942)	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
T. W. BURTNESS	Secretary	Chicago
J. WELCH	Asst. Secretary-Asst. Treasurer	New York
L. G. WEIFFENBACH	Asst. Secretary-Asst. Treasurer	New York
G. GRIFFIN	Transfer Agent	New York
W. H. PENFIELD	Chief Engineer	Chicago

The Trustees desire to record the following minutes of the Board of Directors and Executive Committee in respect of Harry E. Byram, Chairman and Director, who died in Fairfield, Connecticut, on November 11, 1941, Mortimer N. Buckner, Director, who died in New York City on February 25, 1942, and Philip J. Roosevelt, Director, who died in Oyster Bay, New York, on November 8, 1941:

"Mr. BYRAM was elected President of the Chicago, Milwaukee & St. Paul Railway Company in October, 1917, and held this office until 1925 when he was appointed Receiver. Since the termination of Receivership in 1928 he has been Chairman of the Board of Directors to the date of his death. In recognition of the valuable services rendered and his splendid character it is

"Resolved that we tender to his family our deep sympathy in the great loss they have sustained and that they be furnished with a copy of this resolution."

"Mr. MORTIMER N. BUCKNER, who served as a director of this Company since February 13, 1928, and on the Board of Directors of the predecessor Company from February, 1921, until March, 1925, died suddenly in New York City on February 25, 1942.

"Despite the constant and increasing demands of his regular activities and of the many worthy causes which commanded his attention he found the time to give the affairs of this Company an extraordinary measure of loyal and devoted service and this, too, particularly in the years when the financial condition of the property required his wise counsel in the efforts that were made to avoid bankruptcy. To those who were associated with him, his many years of service on the Board were attended by the esteem of his associates who wish to express their affection for him and their sorrow and loss in the records of the Company."

"Mr. ROOSEVELT was elected a member of the Board of Directors on May 11, 1937. On June 13, 1940, he was authorized to represent this Company on the Committee of Directors provided for in the Agreement among various railroads for Commissioner Plan, Western District. He held these positions to the date of his death.

"This Executive Committee desires to record its sympathy and also its appreciation of the services he so faithfully rendered to this Company."

The FOURTEENTH ANNUAL REPORT *of* CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

HENRY A. SCANDRETT, WALTER J. CUMMINGS, GEORGE I. HAIGHT, Trustees

FOR THE YEAR ENDED DECEMBER 31, 1941

Our country is at war. It is total war such as we have never known. Transportation is an indispensable arm of war service. The Milwaukee Road knows this and is determined to discharge its full obligation which means intelligent, well-directed and unceasing effort in carrying forward its part of the war program. This includes, of course, effective team work with all railroads, other transportation and industrial organizations, and with government agencies. To this we are pledged. In this effort we are receiving, and in increasing measure, tremendous help from our patrons.

PLAN OF REORGANIZATION:

As stated in the 1940 Annual Report, appeals were taken to the United States Court of Appeals for the Seventh Circuit by various parties from the order of the District Court approving the plan. These appeals were thereafter argued and submitted, and on December 4, 1941, that Court reversed the order of the District Court with directions to it to set aside its order of approval and to remand the case to the Interstate Commerce Commission for the making of findings and, if necessary, the taking of additional evidence, the Court holding that the findings were not sufficiently specific to enable it to pass upon the fairness of the plan and the reasonableness of the allocation of the new securities. The Court held that the evidence supported the finding of the Interstate Commerce Commission, approved by the District Court, that there was no value to either the common or preferred stock of the Debtor. A petition for certiorari to review the judgment of the Circuit Court of Appeals has been filed in the Supreme Court of the United States by the Group of Institutional Investors and other interests but has not been passed upon by the Supreme Court.

INCOME:

The following is a condensed income account for the year 1941, compared with 1940:

	1941	1940	+Increase —Decrease Amount	Percent
Railway Operating Income:				
Railway operating revenues	$139,646,122.06	$114,375,588.58	+$25,270,533.48	+22.09
Deduct—Expenses, Taxes and Rents:				
Railway operating expenses	97,765,536.10	87,170,143.90	+ 10,595,392.20	+ 12.15
Unemployment Insurance and Railroad Retirement taxes	3,808,773.25	3,274,741.17	+ 534,032.08	+ 16.31
Property and other miscellaneous taxes	5,427,226.75	5,445,258.83	— 18,032.08	— .33
Equipment and joint facility rents—Net Debit	4,462,610.68	4,639,800.21	— 177,189.53	— 3.82
Total expenses, taxes and rents	$111,464,146.78	$100,529,944.11	+$10,934,202.67	+ 10.88
Net railway operating income	$ 28,181,975.28	$ 13,845,644.47	+ 14,336,330.81	+103.54
Other Income—less deductions	757,743.99	1,021,348.45	— 263,604.46	— 25.81
Income available for Fixed Charges	$ 28,939,719.27	$ 14,866,992.92	+$14,072,726.35	+ 94.66
Fixed Charges:				
Rent for leased road and equipment, interest, and amortization of discount on funded debt	14,264,700.82	14,549,829.81	— 285,128.99	— 1.96
Income available for contingent charges	$ 14,675,018.45	$ 317,163.11	+ 14,357,855.34	+4526.96
Contingent Charges:				
5% interest on Adjustment Mortgage Bonds	9,143,684.65	9,143,684.65	....	....
Net Income or *Deficit*	$ 5,531,333.80	$ *8,826,521.54*	+$14,357,855.34	....

On the basis of the present capitalization, no Federal Income or Excess Profits taxes are considered as being payable. The net income for the year 1941 was more than offset by deficits in taxable income for the two previous years, which the Internal Revenue Code permits to be carried forward in computing the taxable income for the current year.

OPERATING REVENUES:

Freight revenue was $117,246,205, an increase over 1940 of 23.3%. Revenue from Products of Agriculture increased 22.45% over 1940; Animals and Products, 4.5%; Products of Mines, 14.8%; Products of Forests, 21.85%; Manufactures and Miscellaneous, 32.8%, and L.c.l. freight, 16.49%. Passenger revenue was $9,646,900, an increase of 19.1% over the previous year. All other operating revenue was $12,753,017, an increase of 14.3% over 1940. The greater part of the increases resulted from the Government's defense program.

OPERATING EXPENSES:

Maintenance of Way and Structures expenses were $20,043,659, an increase of 11.4% over 1940, due to a heavier maintenance program, higher prices of material and wage increases effective September 1, 1941. In 1941, rail was relaid on 397 miles of track, as compared with 300 miles in 1940, and 313 miles of track were re-ballasted in 1941, as compared with 169 miles in 1940.

Maintenance of Equipment expenses, including depreciation, were $22,782,449, an increase of 10.8% over 1940. The increase was due to higher wages and prices of material and to more maintenance work because of the heavier volume of traffic.

Transportation expenses were $47,028,458, an increase of 13.9% over 1940. The increase was due to the heavier volume of traffic and increases in material and labor costs.

Other operating expenses, which include traffic, miscellaneous operations, non-transportation and general expenses, amounted to $7,910,970, an increase of 8.0% over 1940.

WAGE INCREASES:

In June, 1941, the five operating brotherhoods and fourteen non-operating organizations initiated proposals to the railroads for increased wages. After negotiations between representatives of the carriers and employes, the services of the National Mediation Board were invoked, but did not result in a settlement, and on September 10, 1941, the President of the United States appointed an Emergency Board to investigate the facts and to report its recommendations. The report of the Board was made on November 5, 1941. The carriers indicated their acceptance of the proposals contained in the report, but the employe groups declined to do so. Strike dates were set by the operating group.

The President again convened the Board and, through mediation conducted by it, agreements were reached. The agreements provided, effective December 1, 1941, for a basic wage increase of 9½ cents per hour for the operating employes and 10 cents per hour for the non-operating employes. They also provided for retroactive pay increases for the period September 1, 1941, to November 30, 1941, of 7½% in the case of the operating employes, and 9 cents per hour in the case of the non-operating employes.

The 1941 operating costs were increased, as a result of these agreements, $2,275,040, and the annual payroll increase, as a result of the wage increases and vacations with pay, on the basis of 1941 employment, is estimated at $8,861,823.

FREIGHT AND PASSENGER RATES:

As a result of the wage increases granted to their employees, the railroads on December 13, 1941, filed a petition with the Interstate Commerce Commission asking for authority to increase freight rates and passenger fares. With few exceptions, authority was asked for a uniform increase of 10 percent in all interstate passenger fares and a uniform increase of 10 percent in all interstate freight rates, excepting those applicable to the movement of coal, coke and iron ore. As to these commodities, authority was sought for an increase in cents per ton. Petitions seeking authority to increase intrastate rates, fares and charges were also filed in all of the states.

Hearings were held in St. Louis, January 5 to 14, 1942. On January 21, the Commission entered an order granting the increase requested on passenger fares, which became effective February 10 on interstate traffic. The increased intrastate passenger fares also became effective on the same date in most of the states. It is estimated the increase in passenger revenue will approximate $1,000,000 in 1942.

On March 2, 1942, the Interstate Commerce Commission, in Ex Parte No. 148, authorized temporary increases in freight rates which became effective on March 18, 1942, and which will expire six months after the termination of the present war. In general, the Commission authorized an increase of 6% on all commodities, with the exception of certain "basic or raw commodities" which are products of agriculture, live stock and products, and low grade products of mines, such as sand, gravel, broken rock, and slag, on which a 3% increase was approved. On coal and coke, specific increases were granted, dependent upon the present rates, which resulted in increases of from three to five cents per net ton. No increase was granted on iron ore. Increases of 6% were granted on accessorial charges. Based on the revenues for the year 1941, the annual increase in our freight revenue is estimated at $5,120,000, or 4.37%.

No important freight rate adjustments occurred during the year, with the exception of revision of rates on refined petroleum, as prescribed by the Interstate Commerce Commission in I.C.C. Docket 28106, effective June 11, 1941. As a result of this decision, rates were reduced from Southwestern Territory to Western Trunk Line Territory and, based on the volume of business we handled in 1940, it was estimated that the loss in revenue to this company would approximate $400,000 per annum.

FINANCIAL:

On May 1, 1941, the Trustees sold $3,120,000 principal amount of Equipment Trust Certificates, Series "V," at 100.053% of par, plus accrued dividends. These certificates are dated April 1, 1941, bear interest at the rate of 2⅛% per annum, are payable semi-annually on April 1 and October 1 of each year, and mature in twenty equal semi-annual installments of $156,000, from October 1, 1941, to April 1, 1951, inclusive. Proceeds of these certificates were to finance not to exceed 75% of the cost of 16 Diesel locomotives, 500 box cars, 25 cabooses and 20 passenger-train cars.

$2,744,000 principal amount of Equipment Trust Certificates, Series "W," were sold on November 13, 1941, at 100.173% of par, plus accrued dividends. These certificates are dated November 1, 1941, bear interest at the rate of 1⅜% per annum, are payable semi-annually on May 1 and November 1 of each year, and mature in fourteen equal semi-annual installments of $196,000, from May 1, 1942, to November 1, 1948, inclusive. Proceeds of these certificates will be used to finance not to exceed 50% of the cost of 1,000 box cars, 500 automobile cars, 500 hopper cars and 25 cabooses.

On August 1, 1941, the Trustees by making a payment of $407,153.61, of which $398,654.74 represented unpaid principal as of that date, paid off in full the Railroad Company's obligation under agreement of sublease dated July 21, 1930, with the General American Tank Car Corporation, thereby acquiring title to 499 stock cars and effecting a savings in interest of $45,022.88.

Funded debt and Trustees' securities outstanding in the hands of the public as of December 31, 1941, amounted to $473,683,581.50, as compared with $475,632,651.50 outstanding as of December 31, 1940, or a decrease of $1,949,070.00. This difference is explained as follows:

INCREASE:			
Equipment Trust Certificates Series V		$3,120,000.00	
Equipment Trust Certificates Series W		2,744,000.00	$5,864,000.00
DECREASE:			
Payments on Equipment Trust Certificates Series E to V, inclusive		$3,578,000.00	
Payments on Trustees' Certificates of Indebtedness		2,200,000.00	
Equipment Trust Certificates, Series A, C, D, J and K, purchased by Trustees under Indenture dated as of July 15, 1940, and pledged thereunder to secure $5,000,000 principal amount of Trustees' Certificates of Indebtedness		29,400.00	
Reconstruction Finance Corporation Loans:			
Registered collateral note paid at maturity, January 1, 1941		290,000.00	
Income from securities pledged under First and Refunding Mortgage applied in payment of principal, as follows:			
Partial payment on note matured June 30, 1935	$1,188,000.00		
Payment in full of registered collateral note maturing January 1, 1942, and partial payment on note maturing January 1, 1943	527,670.00	$1,715,670.00	$7,813,070.00
Net Decrease			$1,949,070.00

The net increase in Investment in Road and Equipment during the year was $3,494,033. This increase was due to gross additions and betterments to road property of $4,016,827, and to equipment, $3,847,053, or a total of $7,863,880, less retirements and conversions of $4,369,847.

REAL ESTATE DEPARTMENT:

During 1941, industrial sites were leased to 41 industries not previously located on this company's lines, of which 20 sites were for bulk oil stations, four for elevators, six for coal, lumber and material yards, three for scrap metal yards, and eight for various industrial uses such as automobile warehouses, beer warehouses and sheep and cattle yards.

The Real Estate Department actively cooperated with the United States Government during 1941 in the selection of defense plant sites at locations capable of being served by The Milwaukee Road.

AGRICULTURAL AND MINERAL DEVELOPMENT DEPARTMENT:

Service in many fields of agriculture and mining was given by representatives of this department in initiating and carrying forward programs designed to develop agricultural and mineral tonnage in all territory served by our lines. Increasing demands for service in the fields of mining and geology from producers, processors and consumers of mineral products, together with the emergency strategic mineral situation, made desirable an extension in the scope of the work of the Agrictultural Development Department to include mineral development. To aid in this work, a geologist, with headquarters at Spokane, Washington, was appointed on October 1, 1941.

OFFICE OF DEFENSE TRANSPORTATION:

An Executive Order was issued by the President on December 17, 1941, establishing the Office of Defense Transportation in the Executive Office of the President, and defining its functions and duties. Mr. Joseph B. Eastman, Chairman of the Interstate Commerce Commission, was appointed Director. The principal duties of the office are to coordinate the transportation policies and activities of the several Federal agencies and private transportation groups, in effecting such adjustments in the domestic transportation systems of the Nation as the successful prosecution of the war may require; to develop measures designed to secure the maximun use of existing transportation facilities; to stimulate the provision of necessary additional transport facilities and equipment in order to achieve the level of domestic transportation services required; and to coordinate and direct domestic traffic movements, with the objective of preventing possible points of traffic congestion and assuring the orderly and expeditious movement of men, material and supplies to points of need.

ADDITIONS AND BETTERMENTS

RAIL:

33,323 gross tons of new rail and 14,268 gross tons of secondhand rail were laid replacing lighter rail.

BALLAST:

270 miles of main tracks were improved by the application of 241,767 cubic yards of additional gravel ballast.

ROADWAY PROTECTION:

A total of 25,118 linear feet of drain tile was installed in wet cuts and fills, and 3,972 linear feet in yards, to improve track conditions and reduce maintenance costs.

MAIN AND SIDE TRACKS:

16,604 linear feet of new passing track extensions were constructed to permit the economical operation of longer trains. To reduce curvature, changes in main track alignment, aggregating 28,725 linear feet of main track, were completed between Chicago and Omaha, and 4,052 linear feet of track between Chicago and Minneapolis.

BRIDGES, TRESTLES AND CULVERTS:

4,067 linear feet of open deck untreated timber bridges were filled or replaced with structures of a more permanent character; 364 linear feet being replaced with steel bridges, 1,390 linear feet with creosoted timber ballasted deck bridges and 2,313 linear feet with embankment. 1,038 linear feet of steel bridge structures were replaced with similar structures of heavier design.

Six grade separation projects carried out under the Federal Aid Grade Crossing Program were completed and placed in service.

STATION FACILITIES:

A new one-story concrete and masonry passenger depot with platforms and station driveway was completed at Austin, Minnesota.

New 50′—150-ton capacity track scales were installed at Latta, Indiana, and St. Maries, Idaho.

A 60′x150′—150-car capacity potato warehouse was constructed at Ontonagon, Michigan.

Freight handling facilities, consisting of a 320′ timber and concrete covered platform, a refrigerator storage building and office were constructed at 9th Avenue South, Minneapolis, Minnesota.

At Tacoma, Washington, a 50′x100′ second story addition to the present freight house was constructed to provide space for the consolidation of division offices.

At Seattle, Washington, an 86′x160′ frame warehouse building was constructed.

WATER STATIONS:

New lime-soda water treating plants were constructed at Oxford Junction and Perry, Iowa, at Watertown, Wisconsin, and Wabasha, Minnesota, to provide improved locomotive water used by steam locomotives with high pressure boilers.

100,000-gallon capacity steel water tanks, with necessary pumping equipment, were installed at New Lisbon, Wisconsin, Mildred, Montana, and Hettinger, North Dakota, and 50,000-gallon capacity tanks were erected at Red Wing, Minnesota, and Madison, Wisconsin.

FUEL STATIONS:

A modern 50-ton automatically operated mechanical coaling station was erected at Faribault, Minnesota.

Twelve stations for fueling Diesel locomotives, consisting of oil storage tanks, pumping equipment, pipe lines, etc., were constructed at various points on the system.

SHOPS AND ENGINEHOUSES:

Roundhouse and shop facilities at Green Bay, Wisconsin, have been improved by the construction of a machine shop addition to the roundhouse building. Machinery and equipment previously located in the old shop have been moved to the new structure and this will result in the centralization of all repair operations in one building.

At St. Paul, Minnesota, a one-story addition to the present wash and locker room has been constructed which will provide more adequate facilities for roundhouse and shop employees.

At Aberdeen, South Dakota, a new steam heat unit heater system has been installed in the roundhouse replacing the old hot air system, thereby providing better working conditions for roundhouse employees.

At Western Avenue, Chicago, Illinois, facilities for servicing Diesel locomotives, consisting of inspection pits, platforms, transfer table, water, sanding, lubricating and fueling facilities, including water and electrical services have been constructed. Facilities for repairing Diesel power have also been improved by construction of a 47′ x 160′ metal building to house the Diesel inspection pits. This improvement will materially improve working conditions and furnish protection to shop men during inclement weather.

At Tacoma, Washington, a 40′ extension to 7 stalls of the roundhouse has been completed, including construction of driver removal pit and installation of a 50-ton jack to facilitate housing and servicing of converted Mallet locomotives.

SIGNALS AND INTERLOCKERS:

An automatic type interlocking plant was installed at the crossing with the Chicago & North Western Railway at Slater, Iowa, replacing a mechanical plant. The electric interlocking plant at Ranney, Wisconsin, was retired due to the abandonment of the Chicago & North Western line. An electric type interlocking plant was installed at the Black River Drawbridge west of LaCrosse, Wisconsin, and the electric interlocking plant at Sturtevant, Wisconsin, was enlarged. The interlocking plants at Savanna Yard, Illinois, Cone, Linby, Beverly and Seymour, Iowa, and Clinton Junction and Fond du Lac, Wisconsin, were rebuilt.

Operative approach signals were installed at Grays Lake, Illinois, Seymour, Iowa, and Drummond, Sappington, Huson, Rocker and Silver Bow, Montana.

Automatic block signals were installed on the third main track between Pacific Junction and Western Avenue, Chicago, Illinois, and the automatic block signals between Chicago, Illinois, and Manilla, Iowa, were respaced to provide adequate protection for the new high speed trains. The installation of color light signals and centralized traffic control signaling between Manilla and Council Bluffs, Iowa, was authorized and will be completed early in 1942.

Additional rock slide protection fences were constructed at Stetson, Idaho, and Deer Park, Montana.

Spring switches with the necessary signal protection were installed at Madison and Lake, Wisconsin, Deer Lodge and Haugan, Montana, Northfield, Minnesota, Mannheim and Davis Junction, Illinois.

A total of 47 highway and street crossings were protected by automatic signals or gates, 36 of the installations being carried out under the Federal Aid program.

COMMUNICATION SYSTEMS:

Additional teletype printers were installed at Dubuque, Iowa, Chicago and Savanna, Illinois, Milwaukee, Wisconsin, Seattle and Tacoma, Washington. A carrier type telephone channel was provided, between Chicago, Illinois, and Milwaukee, Wisconsin.

EQUIPMENT

LOCOMOTIVES:

During 1941 one 5400 H.P. Diesel freight locomotive was acquired for service between Avery, Idaho and Othello, Washington, to handle freight trains between the two electrified sections. Two 4000 H.P. Diesel passenger locomotives were acquired to handle some of the high speed trains between Chicago and the Twin Cities. Two 1000 H.P. Diesel road switchers were acquired to handle the traffic of the lines from Spokane to Metaline Falls, Washington, and Spokane to Marengo, Washington, and to perform switching at Spokane. One 600 H.P. Diesel switcher was acquired for switching at Spokane, and ten 380 H.P. 44-ton Diesel locomotives were ordered for service on light density branch lines. All of this equipment, except two of the 44-ton Diesel branch line locomotives, was received during the year. The remaining two have since been received.

Additional locomotives consisting of one 5400 H.P. Diesel freight locomotive and ten 1000 H.P. Diesel switching locomotives have been ordered, and delivery is expected late in 1942 or early in 1943.

FREIGHT CARS:

Due to the continued demand of shippers for large capacity freight cars, 500-50′6″ box cars were constructed in the Milwaukee Shops in 1941. Twenty-five of these cars were constructed for use in handling merchandise in high speed passenger trains. In addition, there were also constructed in the Shops at Milwaukee, 25 steel cabooses, 2 well flat cars and 4 depressed flat cars.

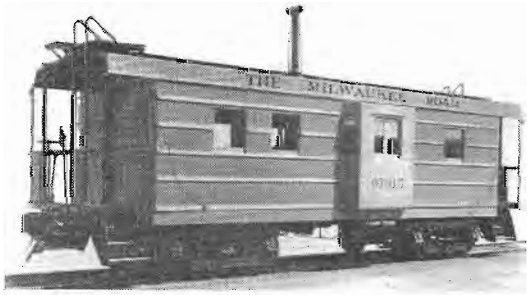
Orders were placed for the construction in the Milwaukee Shops of 1000-40′6″ all steel box cars, 500-40′6″ all steel automobile cars, 500 50-ton self clearing hopper coal cars, 35 70-ton all steel mill type gondolas, 35 70-ton covered hopper cars and 25 steel cabooses, and construction is now under way.

TYPES OF EQUIPMENT ACQUIRED IN 1941

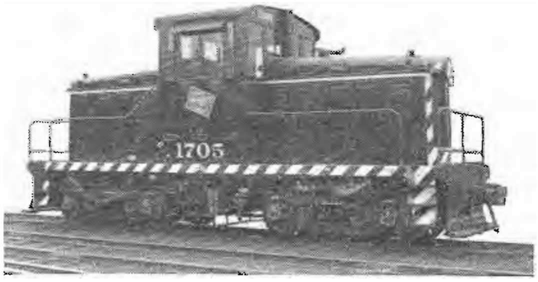
One of two 4,000 H.P. high speed Diesel passenger locomotives for high speed service between Chicago and the Twin Cities.

The 5,400 H.P. Diesel freight locomotive to handle the freight service between Avery, Idaho, and Othello, Washington, between our two electrified sections.

One of two 1,000 H.P. Diesel road switchers, for combination branch line road and terminal switching service.



One of 25 all steel caboose cars constructed in our Milwaukee Shops.



One of ten 380 H.P. 44-ton branch line locomotives for use on our light density branch lines.

One of 475-50′6″ all steel box cars constructed in our Milwaukee Shops.

One of 25-50′6″ all steel cars constructed in our Milwaukee Shops for handling merchandise in high speed passenger trains.

PASSENGER CARS:

Orders were placed for the construction in our Milwaukee Shops of 31 passenger-train cars. Construction has been somewhat delayed due to the difficulty of obtaining materials, but they are expected to be available for service during the first half of 1942.

JOINT FACILITIES:

On May 8, 1941, the Interstate Commerce Commission authorized the Trustees to extend their operations, through acquisition of trackage rights, over approximately ten miles of the Pennsylvania Railroad's Green County Coal Branch in Green and Sullivan Counties, Indiana, to reach extensive coal properties not then served by the Milwaukee Railroad. Since the acquisition of these trackage rights, one large strip mine has been opened and a large shaft mine is expected to start production in the near future.

During the past two years the Trustees have been negotiating with the Rock Island for the construction, at joint expense, of a new low grade entrance into Kansas City from Birmingham, Missouri, as the existing Missouri River Bridge must be replaced because of its age and condition. Negotiations have also been carried on with the Kansas City Southern Railway Company for a coordination of the terminal facilities and operations in the Kansas City terminal area. Hearings were held by the Interstate Commerce Commission, and on January 17, 1942, Division 4 of the Commission authorized the Trustees to proceed with the construction and coordination. The Railway Labor Executives' Association, Protestant, filed with the Commission a petition for re-argument and reconsideration of the Order of Division 4 by the entire Commission. The effective date of the Order of Division 4 was thereupon extended until such time as the case could be heard by the entire Commission. It is expected that the original Order will be sustained, and that substantial progress will be made in the construction of the new line and bridge during the year 1942.

LINES ABANDONED:

The line between Renner and Colton Jct., South Dakota, 13.82 miles, was abandoned and removed, and operation over the line between Colton Jct. and Wentworth, South Dakota, 15.60 miles, owned jointly with the Great Northern Railway, was discontinued, with the approval of the Interstate Commerce Commission. The one-half ownership interest in the latter line was sold to the Great Northern Railway, at the estimated salvage value, in accordance with the terms of the contract.

OPERATED MILEAGE AT CLOSE OF YEAR:

	1941	1940	Increase+ Decrease—
Miles of Road	10,821.13	10,854.17	—33.04
Miles of Additional Main Tracks	1,220.29	1,219.86	+ .43
Miles of Yard Tracks and Sidings	4,091.05	4,099.73	— 8.68
	16,132.47	16,173.76	—41.29

General Balance Sheet, Income and Profit and Loss accounts, detailed statements of Railway Operating Revenues, Expenses and Income, and other tables relating to the affairs of the Railroad are appended hereto.

The Trustees are happy to make record of the loyal and efficient services of all employees in this critical period of the life of our country and to make the confident assertion that, however long or short the war may be, the constant and unremitting effort will be to do the job as it should be done.

HENRY A. SCANDRETT,
WALTER J. CUMMINGS,
GEORGE I. HAIGHT,
Trustees.

April 15, 1942.

GENERAL BALANCE SHEET—ASSET SIDE

ITEMS	December 31, 1941	December 31, 1940	Increase	Decrease
INVESTMENTS:				
Road and equipment property	$713,239,952.99	$709,745,920.22	$ 3,494,032.77	
Improvements on leased property	394,296.42	390,841.75	3,454.67	
Deposits in lieu of mortgaged property sold	361,266.11	61,245.18	300,020.93	
Miscellaneous physical property	6,111,465.88	6,274,267.03		$ 162,801.15
Investments in affiliated companies:				
Stocks	$ 5,169,143.87	$ 5,169,143.87		
Bonds	1,497,001.00	1,497,801.00		$ 800.00
Notes	7,503,246.53	8,199,531.49		696,284.96
Advances	5,531,134.02	5,630,413.62		99,279.60
	$ 19,700,525.42	$ 20,496,889.98		$ 796,364.56
Other Investments:				
Stocks	$ 8,284.80	$ 8,284.80		
Bonds	1,000.00	101,000.00		$ 100,000.00
Notes	32,482.59	42,402.53		9,919.94
Advances	2,500.00	2,500.00		
Miscellaneous		135.00		135.00
	$ 44,267.39	$ 154,322.33		$ 110,054.94
Total Investments	$739,851,774.21	$737,123,486.49	$ 2,728,287.72	
CURRENT ASSETS:				
Cash	$ 35,473,740.22	$ 17,815,621.54	$ 17,658,118.68	
Special deposits	4,318,320.55	1,494,129.89	2,824,190.66	
Loans and bills receivable	17.00	338.26		$ 321.26
Due from agents and conductors	1,918,278.74	1,576,769.54	341,509.20	
Miscellaneous accounts receivable	3,243,932.26	2,106,471.65	1,137,460.61	
Material and supplies	16,077,685.88	10,388,750.69	5,688,935.19	
Interest and dividends receivable	12,260.13	13,259.51		999.38
Other current assets	76,995.10	103,066.80		26,071.70
Total Current Assets	$ 61,121,229.88	$ 33,498,407.88	$ 27,622,822.00	
DEFERRED ASSETS:				
Working fund advances	$ 43,898.32	$ 45,327.05		$ 1,428.73
Other deferred assets	1,892,090.29	3,470,485.70		1,578,395.41
Total Deferred Assets	$ 1,935,988.61	$ 3,515,812.75		$ 1,579,824.14
UNADJUSTED DEBITS:				
Rents and insurance premiums paid in advance	$ 29,447.37	$ 22,267.94	$ 7,179.43	
Discount on funded debt	316,109.87	333,002.95		$ 16,893.08
Other unadjusted debits	4,680,495.28	3,227,147.76	1,453,347.52	
Total Unadjusted Debits	$ 5,026,052.52	$ 3,582,418.65	$ 1,443,633.87	
GRAND TOTAL	$807,935,045.22	$777,720,125.77	$ 30,214,919.45	

GENERAL BALANCE SHEET—LIABILITY SIDE

ITEMS	December 31, 1941	December 31, 1940	Increase	Decrease
Capital Stock:				
Common Stock:				
In hands of public (1,174,060 shares—no par value)	$105,088,721.00	$105,102,990.28		$ 14,269.28
Preferred Stock:				
In hands of public (1,193,073 shares)	119,307,300.00	119,307,300.00		
Total Capital Stock	$224,396,021.00	$224,410,290.28		$ 14,269.28
Governmental Grants:				
Grants in aid of construction	$ 2,479,559.18	$ 2,913,286.64		$ 433,727.46
Funded Debt Unmatured:				
Bonds:				
Fixed interest bearing	$269,003,096.00	$269,003,096.00		
Contingent interest bearing	182,873,693.00	182,873,693.00		
Reconstruction Finance Corporation Collateral Notes	313,330.00	1,131,000.00		$ 817,670.00
Equipment obligations	4,227,000.00	5,819,000.00		1,592,000.00
Total	$456,417,119.00	$458,826,789.00		$ 2,409,670.00
Less—Bonds in Treasury or Pledged	20,820,000.00	20,820,000.00		
Total Funded Debt Unmatured in Hands of Public	$435,597,119.00	$438,006,789.00		$ 2,409,670.00
Long-Term Debt in Default $20,235,462.50				
Less—Securities Pledged 6,202,000.00	$ 14,033,462.50	$ 15,250,862.50		$ 1,217,400.00
Trustees' Securities:				
Secured 1¾% Certificates of Indebtedness	$ 2,800,000.00	$ 5,000,000.00		$ 2,200,000.00
Equipment Obligations	21,253,000.00	17,375,000.00	$ 3,878,000.00	
Total Trustees' Securities	$ 24,053,000.00	$ 22,375,000.00	$ 1,678,000.00	
Total Capital Stock, Governmental Grants, Funded Debt and Trustees' Securities	$700,559,161.68	$702,956,228.42		$ 2,397,066.74
Current Liabilities:				
Loans and bills payable	$ 3,500,000.00	$ 3,500,000.00		
Traffic and car-service balances—credit	1,782,777.21	# 2,173,191.73		$ 390,414.52
Payrolls and vouchers	8,733,740.57	6,729,620.02	$ 2,004,120.55	
Miscellaneous accounts payable	257,881.66	638,771.24		380,889.58
Interest matured unpaid	431,934.90	623,069.47		191,134.57
Unmatured interest accrued	2,518,933.99	2,548,315.29		29,381.30
Unmatured rents accrued	291,393.63	303,830.98		12,437.35
Accrued tax liability	5,178,473.52	# 4,213,398.13	965,075.39	
Other current liabilities	765,147.86	597,905.34	167,242.52	
Total Current Liabilities	$ 23,460,283.34	$ 21,328,102.20	$ 2,132,181.14	
Deferred Liabilities:				
Matured interest in default	$ 70,308,584.67	$ 58,456,407.70	$ 11,852,176.97	
Adjustment Mortgage Bond Interest Accrued—Unmatured	106,981,110.40	97,837,425.75	9,143,684.65	
Liability for purchase of equipment under Lease and Conditional Sale Agreements	2,445,443.03	3,242,942.86		$ 797,499.83
Other deferred liabilities	4,174,724.41	3,555,840.71	618,883.70	
Total Deferred Liabilities	$183,909,862.51	$163,092,617.02	$ 20,817,245.49	
Unadjusted Credits:				
Premium on funded debt	$ 53,503.57	$ 63,928.94		$ 10,425.37
Accrued depreciation—Equipment	68,364,158.13	62,912,220.49	$ 5,451,937.64	
Other unadjusted credits	5,563,906.00	4,421,733.54	1,142,172.46	
Total Unadjusted Credits	$ 73,981,567.70	$ 67,397,882.97	$ 6,583,684.73	
Corporate Surplus:				
Additions to property through income and surplus	$ 591,249.88	$ 584,773.34	$ 6,476.54	
Funded debt retired through income and surplus	43,104.16	43,104.16		
Total Appropriated Surplus	$ 634,354.04	$ 627,877.50	$ 6,476.54	
Profit and loss, debit balance	*$174,610,184.05*	*$177,682,582.34*		*$ 3,072,398.29*
Total Corporate Surplus (*Deficit*)	*$173,975,830.01*	*$177,054,704.84*		*$ 3,078,874.83*
Grand Total	$807,935,045.22	$777,720,125.77	$ 30,214,919.45	

#Restated to conform to revised Interstate Commerce Commission Accounting Classification effective January 1, 1941.

INCOME ACCOUNT 1941—1937

Items	1941	1940	1939	1938	1937
Railway Income:					
Operating Revenues:					
Freight	$117,246,205	$ 95,113,461	$ 88,622,160	$ 82,219,057	$ 88,576,457
Passenger	9,646,900	8,100,381	7,893,798	7,797,830	8,285,704
Mail	3,377,247	3,184,284	3,112,376	3,029,406	3,110,942
Express	1,718,915	1,570,701	1,521,840	1,481,599	1,701,082
Switching	3,312,140	2,959,990	2,654,757	2,347,147	2,672,959
All Other	4,344,715	3,446,772	3,070,449	2,561,807	3,315,132
Total Railway Operating Revenues	$139,646,122	$114,375,589	$106,875,380	$ 99,436,846	$107,662,276
Operating Expenses:					
Maintenance of Way and Structures	$ 20,043,659	$ 17,989,750	$ 18,293,695	$ 14,824,274	$ 17,370,183
Maintenance of Equipment	22,782,449	20,560,370	19,816,655	19,131,875	20,627,129
Traffic	2,819,676	2,774,772	2,739,990	2,762,213	2,708,358
Transportation	47,028,458	41,292,552	40,267,212	39,623,468	41,985,006
Miscellaneous	1,219,351	960,560	945,121	908,809	929,316
General	4,153,625	3,884,748	3,800,744	3,721,030	3,886,777
Transportation for Investment—Cr.	Cr. 281,682	Cr. 292,608	Cr. 351,603	Cr. 298,482	Cr. 369,325
Total Railway Operating Expenses	$ 97,765,536	$ 87,170,144	$ 85,511,814	$ 80,673,187	$ 87,137,444
(Operating Ratio)	(70.01%)	(76.21%)	(80.01%)	(81.13%)	(80.94%)
Net Revenue from Railway Operations	$ 41,880,586	$ 27,205,445	$ 21,363,566	$ 18,763,659	$ 20,524,832
Income Items:					
Railway Tax Accruals	$ 9,236,000	$ 8,720,000	$ 8,297,000	$ 8,705,000	$ 6,761,355
Uncollectible Railway Revenues					
Equipment Rents—Net Debit	2,129,168	2,039,741	2,438,838	2,317,945	2,493,488
Joint Facility Rents—Net Debit	2,333,443	2,600,060	2,503,534	2,466,175	2,479,328
Total Income Items	$ 13,698,611	$ 13,359,801	$ 13,239,372	$ 13,489,120	$ 11,734,171
Net Railway Operating Income	$ 28,181,975	$ 13,845,644	$ 8,124,194	$ 5,274,539	$ 8,790,661
Other Income:					
Income:					
Income from Lease of Road and Equipment	$ 241,082	$ 239,438	$ 231,810	$ 32,944	$ 105,120
Miscellaneous Rent Income	379,995	383,469	421,761	418,443	425,090
Dividend Income	270,082	278,006	434,783	156,412	320,590
All Other Accounts	268,263	241,312	343,546	321,012	283,841
Total Other Income	$ 1,159,422	$ 1,142,225	$ 1,431,900	928,811	$ 1,134,641
Deductions:					
Miscellaneous Rents	$ 24,405	$ 27,416	$ 26,805	$ 27,686	$ 29,594
Miscellaneous Tax Accruals	32,679	38,550	29,134	33,149	29,787
Miscellaneous Income Charges	344,594	54,910	44,706	40,649	41,187
Total Deductions	$ 401,678	$ 120,876	$ 100,645	$ 101,484	$ 100,568
Net Other Income	$ 757,744	$ 1,021,349	$ 1,331,255	$ 827,327	$ 1,034,073
Income Available for Fixed Charges	$ 28,939,719	$ 14,866,993	$ 9,455,449	$ 6,101,866	$ 9,824,734
Fixed Charges:					
Rents for Leased Roads and Equipment	$ 1,108,970	$ 1,109,815	$ 1,110,854	$ 1,112,053	$ 1,109,652
Interest on Funded Debt	12,896,947	13,198,118	12,593,955	12,915,026	12,876,194
Interest on Unfunded Debt	234,077	215,404	# 1,008,880	# 900,482	# 888,773
Amortization of Discount on Funded Debt	24,706	26,493	25,458	26,890	27,701
Total Fixed Charges	$ 14,264,700	$ 14,549,830	$ 14,739,147	$ 14,954,451	$ 14,902,320
Net Income Before Contingent Charges	$ 14,675,019	$ 317,163	*$ 5,283,698*	*$ 8,852,585*	*$ 5,077,586*
Contingent Charges:					
Interest Accrued on Adjustment Mortgage Bonds (at 5%)	$ 9,143,685	$ 9,143,685	$ 9,143,685	$ 9,143,685	$ 9,143,685
Net Income or *Deficit*	$ 5,531,334	*$ 8,826,522*	*$ 14,427,383*	*$ 17,996,270*	*$ 14,221,271*
#Includes interest on matured funded debt			$ 813,731	$ 660,254	$ 620,539

Italics indicate deficits.

INCOME ACCOUNT 1936–1932

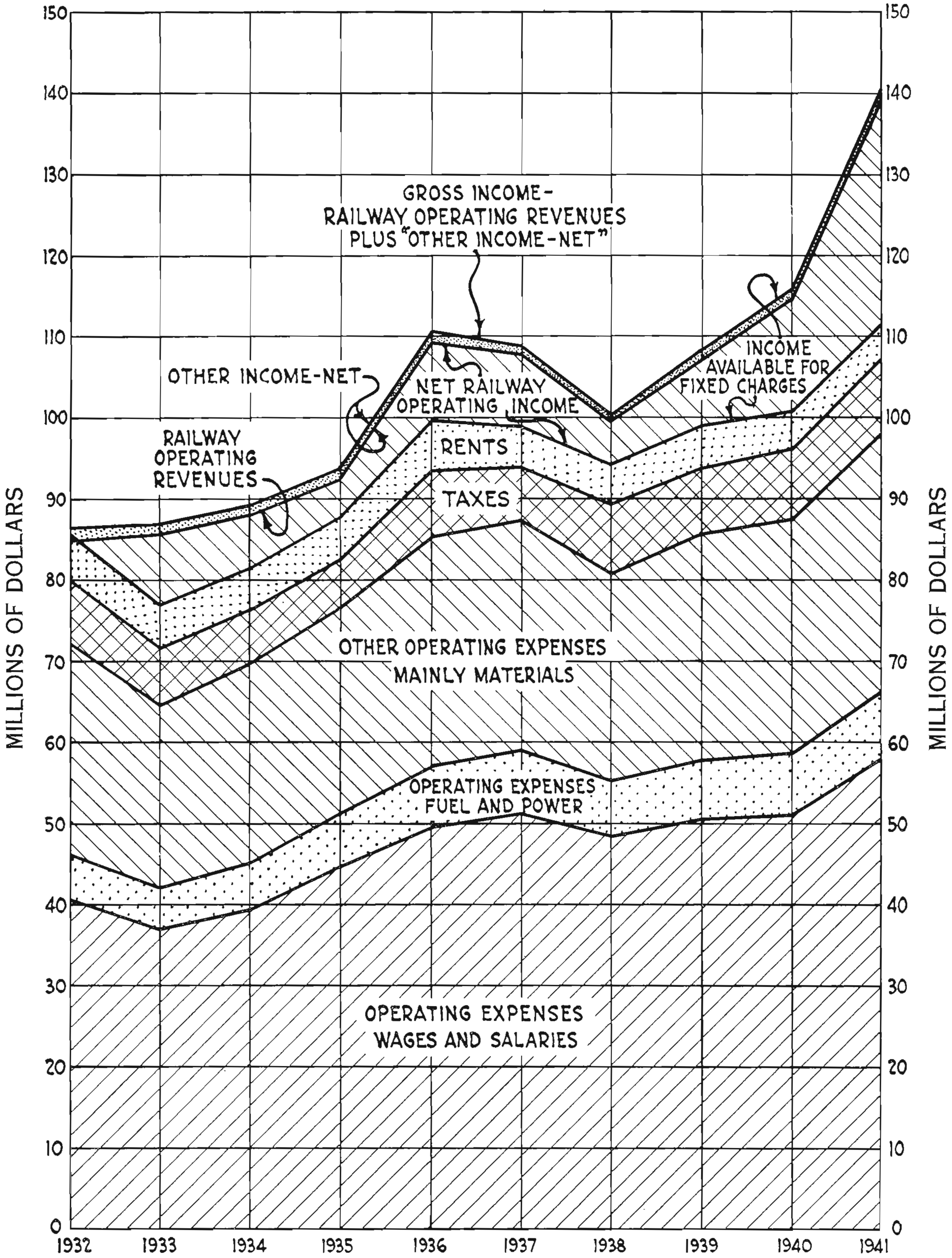
Items	1936	1935	1934	1933	1932
Railway Income:					
Operating Revenues:					
Freight	$91,560,382	$77,311,239	$73,382,543	$71,571,456	$70,302,779
Passenger	7,496,998	6,041,992	5,616,950	5,699,841	5,947,700
Mail	3,077,277	3,002,951	2,953,659	2,916,554	3,082,960
Express	1,770,062	1,554,768	1,554,438	1,297,996	1,638,393
Switching	2,802,750	2,527,722	2,345,634	2,177,152	1,922,147
All Other	2,434,617	2,035,121	2,006,568	1,832,221	2,006,854
Total Railway Operating Revenues	$109,142,086	$92,473,793	$87,859,792	$85,495,220	$84,900,833
Operating Expenses:					
Maintenance of Way and Structures	$18,561,825	$17,023,868	$12,851,519	$10,162,788	$13,446,229
Maintenance of Equipment	19,652,864	17,849,146	16,849,617	17,240,737	18,683,044
Traffic	2,559,788	2,546,099	2,456,437	2,437,541	2,812,759
Transportation	40,501,964	36,184,971	33,346,658	31,374,166	33,545,311
Miscellaneous	815,656	629,470	558,853	475,116	509,799
General	3,500,799	2,592,933	3,819,533	3,024,148	3,481,174
Transportation for Investment—Cr.	Cr. 348,542	Cr. 409,970	Cr. 227,070	Cr. 117,655	Cr. 400,197
Total Railway Operating Expenses	$85,244,354	$76,416,517	$69,655,547	$64,596,841	$72,078,119
(Operating Ratio)	(78.10%)	(82.64%)	(79.28%)	(75.56%)	(84.90%)
Net Revenue from Railway Operations	$23,897,732	$16,057,276	$18,204,245	$20,898,379	$12,822,714
Income Items:					
Railway Tax Accruals	$ 8,135,000	$ 5,992,000	$ 6,405,000	$ 6,942,500	$ 7,921,000
Uncollectible Railway Revenues	....	27,096	23,500	28,044	34,901
Equipment Rents—Net Debit	3,334,094	2,750,695	2,716,490	2,599,646	2,767,638
Joint Facility Rents—Net Debit	2,967,280	2,563,502	2,520,201	2,730,870	2,617,291
Total Income Items	$14,436,374	$11,333,293	$11,665,191	$12,301,060	$13,340,830
Net Railway Operating Income	$ 9,461,358	$ 4,723,983	$ 6,539,054	$ 8,597,319	$ *518,116*
Other Income:					
Income:					
Income from Lease of Road and Equipment	$ 433,888	$ 424,921	$ 424,859	$ 423,713	$ 420,468
Miscellaneous Rent Income	397,179	393,475	373,027	339,962	413,238
Dividend Income	383,389	342,204	347,383	193,767	204,312
All Other Accounts	245,124	237,751	256,740	307,509	481,112
Total Other Income	$ 1,459,580	$ 1,398,351	$ 1,402,009	$ 1,264,951	$ 1,519,130
Deductions:					
Miscellaneous Rents	$ 28,501	$ 33,658	$ 37,023	$ 47,941	$ 21,722
Miscellaneous Tax Accruals	25,480	28,478	30,525	30,126	52,989
Miscellaneous Income Charges	15,626	24,484	21,380	20,477	20,115
Total Deductions	$ 69,607	$ 86,620	$ 88,928	$ 98,544	$ 94,826
Net Other Income	$ 1,389,973	$ 1,311,731	$ 1,313,081	$ 1,166,407	$ 1,424,304
Income Available for Fixed Charges	$10,851,331	$ 6,035,714	$ 7,852,135	$ 9,763,726	$ 906,188
Fixed Charges:					
Rent for Leased Roads and Equipment	$ 1,108,212	$ 1,109,414	$ 1,110,392	$ 1,112,290	$ 1,113,979
Interest on Funded Debt	12,913,401	13,227,619	13,494,589	13,791,889	13,838,051
Interest on Unfunded Debt	# 845,111	# 543,390	329,302	104,712	55,352
Amortization of Discount on Funded Debt	37,030	20,354	21,788	23,291	24,799
Total Fixed Charges	$14,903,754	$14,900,777	$14,956,071	$15,032,182	$15,032,181
Net Income Before Contingent Charges	$ *4,052,423*	$ *8,865,063*	$ *7,103,936*	$ *5,268,456*	*$14,125,993*
Contingent Charges:					
Interest Accrued on Adjustment Mortgage Bonds (at 5%)	$ 9,143,685	$ 9,143,685	$ 9,143,685	$ 9,143,685	$ 9,143,685
Net Income or *Deficit*	*$13,196,108*	*$18,008,748*	*$16,247,621*	*$14,412,141*	*$23,269,678*

#Includes interest on matured funded debt	$534,411	$226,044

Italics indicate deficits.

CHART SHOWING DISPOSITION OF GROSS INCOME

1932-1941



PROFIT AND LOSS ACCOUNT
FOR THE YEARS 1941 AND 1940

	1941	1940
DEBITS		
Debit balance at beginning of year	$177,682,582.34	$165,628,898.47
Debit balance transferred from Income	....	8,826,521.54
Surplus appropriated for investment in physical property	8,103.17	34,152.88
Debits from retired road and equipment	2,224,381.07	2,997,213.03
Miscellaneous debits	335,551.59	278,500.28
Total Debits	$180,250,618.17	$177,765,286.20
CREDITS		
Credit balance transferred from Income	$ 5,531,333.80	$.............
Credits from retired road and equipment	88,629.92	4,240.06
Donations	8,103.17	34,152.88
Miscellaneous credits	12,367.23	44,310.92
Total Credits	$ 5,640,434.12	$ 82,703.86
Debit balance, December 31, carried to General Balance Sheet	$174,610,184.05	$177,682,582.34

INVESTMENT IN ROAD AND EQUIPMENT DURING YEAR

Account	C. M. St. P. & P.		C. T. H. & S. E.	
	Gross Expenditures	Net Charges	Gross Expenditures	Net Charges
Engineering	$ 71,815.83	$ _43,300.49_	$ 7,481.62	$ 4,533.49
Land for transportation purposes	52,570.38	_166,566.89_	5,331.61	2,526.41
Other right-of-way expenditures	23,596.42	12,730.99	246.62	246.62
Grading	220,321.84	_150,173.39_	26,925.74	15,011.97
Tunnels and subways	80,754.97	77,371.20	....	....
Bridges, trestles and culverts	732,681.23	26,811.08	11,814.65	175.33
Ties	129,139.54	_117,190.88_	28,511.63	12,512.89
Rails	503,827.36	156,090.79	17,395.96	_2,526.26_
Other track material	941,612.51	777,751.58	8,445.02	1,810.76
Ballast	191,161.76	85,832.76	27,303.01	20,988.29
Track laying and surfacing	164,013.67	_35,134.87_	18,533.90	7,268.90
Fences, snowsheds, and signs	11,569.81	13,131.29	355.46	485.79
Station and office buildings	281,628.46	_56,230.21_	25,522.63	21,694.63
Roadway buildings	6,356.75	_24,860.06_	46.11	_2,928.79_
Water stations	187,629.64	95,506.27	100.04	_3,984.73_
Fuel stations	67,989.16	_3,988.09_	....	_47.02_
Shops and enginehouses	192,753.40	61,731.84	637.96	_8,530.41_
Storage warehouses	_727.98_	_283.44_	....	....
Wharves and docks	2,847.26	1,915.26	....	....
Coal and ore wharves	1,603.54	1,748.54	....	....
Telegraph and telephone lines	26,788.50	2,201.31	_26.40_	_220.71_
Signals and interlockers	*_284,971.41_	* _431,332.72_	* _31,200.92_	* _31,605.58_
Power plants	835.53	_566.47_	....	....
Power transmission systems	30,370.45	13,238.81	_23.52_	_23.52_
Miscellaneous structures	4,712.82	208.82	....	_2,107.00_
Roadway machines	101,948.82	73,428.19	....	_984.79_
Roadway small tools	5,439.44	_41,325.23_	....	_871.00_
Public improvements—Construction	62,663.45	23,729.65	865.36	444.36
Shop machinery	148,562.52	27,552.69	3,341.55	_7,552.72_
Power plant machinery	57,461.02	32,611.89	....	....
Total road	$4,016,956.69	$ 412,640.22	$151,608.03	$ 26,316.91
Steam locomotives	$ 137,215.95	$ 123,718.88	$ 1,645.03	$ _3,722.97_
Other locomotives	1,797,846.56	1,738,084.20	....	....
Freight-train cars	1,668,578.61	1,095,297.73	....	_28,286.37_
Passenger-train cars	129,106.51	59,769.24	....	....
Floating equipment	....	....	....	....
Work equipment	64,036.23	35,865.59	9,963.30	8,474.39
Miscellaneous equipment	50,269.21	29,608.35	1,479.08	1,479.08
Total equipment	$3,847,053.07	$3,082,343.99	$ 13,087.41	$ _22,055.87_
General expenditures	$ _128.87_	$ _951.44_	....	....
GRAND TOTAL	$7,863,880.89	$3,494,032.77	$164,695.44	$ 4,261.04

INVESTMENT IN MISCELLANEOUS PHYSICAL PROPERTY DURING YEAR

Account	C. M. St. P. & P.		C. T. H. & S. E.	
	Gross Expenditures	Net Charges	Gross Expenditures	Net Charges
Non-operating property	$ 119,862.87	$ _153,647.06_	$ 407.08	$ 407.08
Track material loaned	67,539.98	_9,154.09_	....	....
Total	$ 187,402.85	$ _162,801.15_	$ 407.08	$ 407.08

*Includes credits resulting from reversing charges to Investment and credits to Grants in Aid of Construction reported in previous years for expenditures made by governmental agencies in connection with flashing light signals.

Credits designated in italics.

SECURITIES OWNED DECEMBER 31, 1941

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.		5,000	500,000.00	500,000.00
Excelsior Coal Co.		250	25,000.00	56,750.00
Republic Coal Co.		1,000	100,000.00	100,000.00
Railway Express Agency, Incorporated		26	None	2,600.00
Continental Telegraph Co.		50	5,000.00	300.00
#Cowlitz, Chehalis & Cascade Ry.	A	697	69,700.00	133,909.26
Cowlitz, Chehalis & Cascade Ry.		2.71+	271.03	520.71
Nonaffiliated Companies:				
Miscellaneous Stocks			8,285.00	8,284.80
Bonds:				
Affiliated Companies:				
Chicago, Milwaukee & Gary Ry. Co.	A-E		2,700,000.00	1.00
Minneapolis Eastern Ry. Co.	A		74,000.00	59,200.00
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
Notes:				
Affiliated Companies:				
Milwaukee Land Co.			6,815,000.00	6,815,000.00
Chicago, Terre Haute & So. East. Ry. Co.			640,392.30	640,392.30
Kansas City Terminal Ry. Co.			45,354.23	45,354.23
Cowlitz, Chehalis & Cascade Ry.			2,500.00	2,500.00
Nonaffiliated Companies:				
Yellowstone Park Co.			31,585.00	31,585.00
Rainier National Park Co.			882.00	882.00
Miscellaneous Notes			15.59	15.59
Total			$ 22,094,813.48	$ 14,211,158.79

#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, except Directors' qualifying shares.

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.

E—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 22.

FUNDED DEBT UNMATURED, DECEMBER 31, 1941

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—Charged to Income
Fixed Interest Bearing:								
Gen.Mtge.—CM&StPRyCo.—A....	May 1, 1989	$ 48,241,000.00	....	....	$ 48,241,000.00	4	Jan. and July	$ 1,929,640.00
Gen.Mtge.—CM&StPRyCo.—B....	May 1, 1989	8,950,000.00	....	....	8,950,000.00	3½	Jan. and July	313,250.00
Gen.Mtge.—CM&StPRyCo.—C....	May 1, 1989	42,597,000.00	....	....	42,597,000.00	4½	Jan. and July	1,916,865.00
Gen.Mtge.—CM&StPRyCo.—E....	May 1, 1989	24,000,000.00	....	....	24,000,000.00	4½	Jan. and July	1,080,000.00
Gen.Mtge.—CM&StPRyCo.—F....	May 1, 1989	15,000,000.00	....	....	15,000,000.00	4¾	Jan. and July	712,500.00
Gen.Mtge.—CM&StPRyCo.—G...	May 1, 1989	11,212,000.00	....	②$11,212,000.00	....	5	Jan. and July	....
③Chi. Mil. & Gary Ry. Co. 1st Mtge.	April 1, 1948	3,000,000.00	....	....	3,000,000.00	5	April and Oct.	150,000,00
First and Refunding Mortgage.....	June 1, 1943	9,608,000.00	$943,000.00	② 8,665,000.00	....	6	June and Dec.	....
Fifty Year Mortgage..............	Feb. 1, 1975	106,395,096.00	....	....	106,395,096.00	5	Feb. and Aug.	5,319,754.80
Total Mortgage Bonds........	....	$269,003,096.00	$943,000.00	②$19,877,000.00	$248,183,096.00	....	....	$11,422,009.80
Equipment Trust Certificates, E...	①July 1, 1943	$ 338,000.00	....	....	$ 338,000.00	4½	Jan. and July	$ 19,012.50
Equipment Trust Certificates, F...	①July 1, 1943	656,000.00	....	....	656,000.00	4½	Jan. and July	36,900.00
Equipment Trust Certificates, G...	July 1, 1941	....	....	....	....	4½	Jan. and July	1,507.50
Equipment Trust Certificates, H...	July 1, 1941	....	....	....	....	4½	Jan. and July	1,012.50
Equipment Trust Certificates, J...	①June 1, 1944	1,674,000.00	....	....	1,674,000.00	5	June and Dec.	95,325.00
Equipment Trust Certificates, K...	①Nov. 1, 1944	423,000.00	....	....	423,000.00	4½	May and Nov.	24,322.50
Equipment Trust Certificates, L...	①Mar. 1, 1945	1,136,000.00	....	....	1,136,000.00	4½	Mar. and Sept.	53,250.00
Total Equipment Trust Certificates..........................	....	$ 4,227,000.00	....	....	$ 4,227,000.00	....	....	$ 231,330.00
⑥Reconstruction Finance Corpn. Registered Collateral Notes.....	⑤Jan. 1, 1944	$ 313,330.00	....	....	$ 313,330.00	4	Jan. & July	$ 21,732.78
Total Fixed Interest Bearing..	....	$273,543,426.00	$943,000.00	$ 19,877,000.00	$252,723,426.00	....	....	$11,675,072.58
Contingent Interest Bearing:								
Convertible Adjustment Mortgage.	Jan. 1, 2000	$182,873,693.00	....	....	$182,873,693.00	5	④April & Oct.	$ 9,143,684.65
Grand Total...............	....	$456,417,119.00	$943,000.00	$ 19,877,000.00	$435,597,119.00	....	....	$20,818,757.23

Notes In Relation To Funded Debt Unmatured December 31, 1941.

①The principal of Equipment Trust Certificates mature in equal annual installments as follows, the last one in each case on date of maturity stated in the above table.

Series E, July 1st	$169,000	Series J, June 1st	$558,000
" F, July 1st	$328,000	" K, November 1st	$141,000
		" L, March 1st	$284,000

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.

④When declared by the Board of Directors.

⑤Federal Emergency Administrator of Public Works Loan, assigned to Reconstruction Finance Corporation, $52,330 matures January 1, 1943, and $261,000 on January 1, 1944.

⑥Total Indebtedness to Reconstruction Finance Corporation:

Unmatured Registered Collateral Notes	$ 313,330.00
Matured Short Term Notes	3,500,000.00
Matured Long Term Notes	6,811,462.50
Total	$10,624,792.50

LONG-TERM DEBT IN DEFAULT, DECEMBER 31, 1941

Description of Securities	Date of Maturity	Pledged	In Hands of Public	Interest	
				Rate %	Accrued During the Year—Charged to Income
①Equipment Trust Certificates:					
Series A	July 15, 1937		$ 1,400.00	5	
Series C	April 1, 1935—April 1, 1938		17,400.00	5½	
Series D	Aug. 1, 1935—Aug. 1, 1940		7,600.00	5	
Series J	June 1, 1934—June 1, 1940		6,600.00	5	
Total			①$33,000.00		

①Matured Equipment Trust Certificates, Series A and C to L, inclusive, in the principal amount of $5,843,000.00 are pledged with the Continental Illinois National Bank and Trust Co. of Chicago, Trustee, under Indenture dated July 15, 1940, securing Trustees' Certificates of Indebtedness which were issued to refinance in part matured certificates of these series outstanding on July 30, 1940. Funds are on deposit with the Trustee under this Indenture to purchase the remaining matured certificates of these series outstanding as of December 31, 1941, in the principal amount of $33,000.

Description of Securities	Date of Maturity	Pledged	In Hands of Public	Rate %	Accrued During the Year—Charged to Income
②Reconstruction Finance Corporation Loan (Seven Notes):					
Note dated June 30, 1932	June 30, 1935		$ 2,087,899.50	4	$103,873.28
Note dated Aug. 1, 1932	Aug. 1, 1935		3,829,682.00	4	153,187.27
Note dated Dec. 1, 1932	Dec. 1, 1935		592,881.00	4	23,715.24
Note dated Dec. 16, 1932	Dec. 16, 1935		191,000.00	4	7,640.00
Note dated Dec. 22, 1932	Dec. 22, 1935		73,000.00	4	2,920.00
Note dated Jan. 31, 1933	Jan. 31, 1936		30,000.00	4	1,200.00
Note dated Feb. 27, 1933	Feb. 27, 1936		7,000.00	4	280.00
Total			$6,811,462.50	③	$292,815.79
Bellingham Bay & British Columbia R. R. Co. First Mortgage Bonds	Dec. 1, 1932	⑤$301,000.00		5	
Milwaukee & Northern R.R. Co.:					
④First Mortgage Bonds	June 1, 1934	⑥ 38,000.00	6,000.00	4½	$ 270.00
First Mortgage Bonds	June 1, 1939		2,111,000.00	4½	94,995.00
④Consolidated Mortgage Bonds	June 1, 1934	⑥ 20,000.00	25,000.00	4½	1,125.00
Consolidated Mortgage Bonds	June 1, 1939		5,047,000.00	4½	227,115.00
Total		$ 359,000.00	$ 7,189,000.00		$323,505.00
Grand Total		$ 359,000.00	$14,033,462.50		$616,320.79

②For total indebtedness to Reconstruction Finance Corporation, see Note 6 on page 22.

③Notes provide for interest at 6% per annum. Present rate 4%.

④Bonds Pledged not extended and bonds In Hands of Public not presented for extension under Extension Agreement dated May 31, 1934.

⑤Pledged with the Reconstruction Finance Corporation for loans.

⑥Pledged with Trustee under C. M. St. P. & P. R. R. Co. First and Refunding Mortgage.

TRUSTEES' SECURITIES, DECEMBER 31, 1941

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—Charged to Income
Equipment Trust Certificates, M	①Sept. 1, 1947	$ 745,000.00	....	....	$ 745,000.00	2½	Mar. and Sept.	$ 20,000.00
Equipment Trust Certificates, N	①May 1, 1945	48,000.00	....	....	48,000.00	2¼	May and Nov.	1,300.00
Equipment Trust Certificates, O	①Sept. 1, 1946	1,707,000.00	....	....	1,707,000.00	4	Mar. and Sept.	78,520.00
Equipment Trust Certificates, P	①Jan. 1, 1952	2,332,000.00	....	....	2,332,000.00	3½	Jan. and July	81,620.00
Equipment Trust Certificates, Q	①Mar. 1, 1952	1,947,000.00	....	....	1,947,000.00	3¼	Mar. and Sept.	64,236.25
Equipment Trust Certificates, R	①Aug. 1, 1952	1,408,000.00	....	....	1,408,000.00	3¾	Feb. and Aug.	55,600.00
Equipment Trust Certificates, S	①April 1, 1953	1,788,000.00	....	....	1,788,000.00	3¾	April and Oct.	68,446.88
Equipment Trust Certificates, T	①April 1, 1954	1,664,000.00	....	....	1,664,000.00	3	April and Oct.	50,880.00
Equipment Trust Certificates, U	①Dec. 1, 1949	3,906,000.00	....	....	3,906,000.00	2½	June and Dec.	109,291.66
Equipment Trust Certificates, V	①April 1, 1951	2,964,000.00	....	....	2,964,000.00	2⅛	April and Oct.	② 10,609.75
Equipment Trust Certificates, W	①Nov. 1, 1948	2,744,000.00	....	....	2,744,000.00	1⅜	May and Nov.	② —
Total	....	$21,253,000.00	....	....	$21,253,000.00	...	....	$ 540,504.54
Secured 1¾% Certificates of Indebtedness	Quarterly to ③Apr. 15, 1944	$ 2,800,000.00	....	....	$ 2,800,000.00	1¾	Quarterly Commencing Jan. 15, 1941	$ 65,049.50
Grand Total	....	$24,053,000.00	....	....	$24,053,000.00	...	....	$ 605,554.04

①The principal of Equipment Trust Certificates mature in equal annual installments, except Series M, V and W, which mature semi-annually, as follows; the last one in each case on date of maturity stated in the table above.

Series 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 Series S April 1st.......$149,000 Series V April 1st and October 1st...$156,000
" Q March 1st......$177,000 " T April 1st.......$128,000 " W May 1st and November 1st..$196,000
" R August 1st.....$128,000 " U December 1st...$508,000, except December 1st, 1949, which is $350,000.

②Excludes interest accrued during the year charged to Investment Account as follows: Equipment Trust Series V, $32,769.69; Series W, $5,035.23.

③Payable quarterly January 15, 1942 to April 15, 1944. Quarterly payments in 1942, $375,000 each; 1943, $225,000 each, and two payments in 1944 of $200,000 each.

LIABILITY FOR PURCHASE OF EQUIPMENT UNDER LEASE AND CONDITIONAL SALE AGREEMENTS, DECEMBER 31, 1941

Description of Agreement	Date of Lease or Agreement	Date of Maturity Monthly to	Principal Balance December 31, 1941	Interest Payable Monthly	
				Rate %	Accrued During the Year—Charged to Income
General American Tank Car Corporation—Sub-Lease: Four Hundred Ninety-nine Stock Cars (Paid off in full August 1, 1941)	July 21, 1930	Oct. 1, 1945	—	5.9+	$ 20,982.21
General American Transportation Corporation—Lease: Thirty-five Hopper Cars	April 27, 1940	Aug. 1, 1955	$ 119,969.57	3	3,675.76
Conditional Sale Agreements for purchase of Equipment:					
Assigned to First National Bank of Chicago, Ill.:					
American Locomotive Company. Two Diesel Switching Locomotives	April 1, 1939	June 1, 1947	88,577.70	2½	2,385.22
Electro-Motive Corporation. Four Diesel Switching Locomotives	April 1, 1939	July 1, 1947	211,808.59	2½	5,697.08
Electro-Motive Corporation. One Diesel Switching Locomotive	Aug. 1, 1939	Sept. 1, 1947	46,317.70	2½	1,243.09
Baldwin Locomotive Works. One Diesel Switching Locomotive	Mar. 1, 1940	June 1, 1948	50,884.80	2½	1,354.15
General Electric Company. One Diesel Switching Locomotive	Mar. 1, 1940	Oct. 1, 1948	30,816.35	2½	817.42
Whitcomb Locomotive Company. One Diesel Switching Locomotive (Locomotive sold and agreement paid off in full August 21, 1941)	Mar. 1, 1940	Nov. 1, 1948	—	2½	410.24
Electro-Motive Corporation. Twelve Diesel Switching Locomotives	Mar. 1, 1940	May 1, 1948	606,283.89	2½	16,147.37
American Locomotive Company. Three Diesel Switching Locomotives	Mar. 1, 1940	May 1, 1948	168,023.10	2½	4,475.00
Assigned to Continental Illinois National Bank & Trust Company of Chicago, Ill.:					
American Locomotive Company. Four Diesel Switching Locomotives	Sept. 1, 1940	Nov. 1, 1948	275,950.13	2	5,857.86
Electro-Motive Corporation. Two Diesel Switching Locomotives	Sept. 1, 1940	Jan. 1, 1949	142,022.45	2	3,010.44
Baldwin Locomotive Works. Two Diesel Switching Locomotives	Sept. 1, 1940	Dec. 1, 1948	145,832.57	2	3,093.46
Assigned to New York Trust Company:					
Electro-Motive Corporation. Ten Diesel Switching Locomotives	Sept. 1, 1940	Jan. 1, 1949	558,956.18	2	11,848.19
Totals	....	....	$ 2,445,443.03	....	$ 80,997.49

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, 1941

Description of Payments Authorized by Court	1941 Maturities: Principal	1941 Maturities: Interest	Authorized for Payment by Court: Principal	Authorized for Payment by Court: Interest
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY				
Equipment Trust Certificates and Trustees Certificates of Indebtedness:				
Equipment Trust Certificates:				
Series E	July 1	Jan. 1 and July 1	$ 169,000.00	$ 22,815.00
" F	July 1	Jan. 1 and July 1	328,000.00	44,280.00
" G	July 1	Jan. 1 and July 1	67,000.00	3,015.00
" H	July 1	Jan. 1 and July 1	45,000.00	2,025.00
" J	June 1	June 1 and Dec. 1	558,000.00	97,650.00
" K	November 1	May 1 and Nov. 1	141,000.00	25,380.00
" L	March 1	Mar. 1 and Sept. 1	284,000.00	57,510.00
" M	Mar. 1 and Sept. 1	Mar. 1 and Sept. 1	132,000.00	21,100.00
" N	May 1	May 1 and Nov. 1	12,000.00	1,350.00
" O	September 1	Mar. 1 and Sept. 1	384,000.00	83,640.00
" P	January 1	Jan. 1 and July 1	212,000.00	85,330.00
" Q	March 1	Mar. 1 and Sept. 1	177,000.00	66,153.75
" R	August 1	Feb. 1 and Aug. 1	128,000.00	57,600.00
" S	April 1	Apr. 1 and Oct. 1	149,000.00	69,843.75
" T	April 1	Apr. 1 and Oct. 1	128,000.00	51,840.00
" U	December 1	June 1 and Dec. 1	508,000.00	110,350.00
" V	October 1	October 1	156,000.00	33,165.60
Trustees Certificates of Indebtedness: Principal and interest matured quarterly Jan. 15 to Oct. 15, 1941, incl.			2,200,000.00	94,957.00
Other Equipment Obligations:				
General American Tank Car Corporation Equipment Sub-lease dated July 21, 1930—Monthly rental payments—Jan. 1-July 1, incl., and principal amount outstanding July 31 paid in full Aug. 1, 1941			445,801.02	23,238.59
General American Transportation Corporation Agreement of Lease dated April 27, 1940—Monthly rental payments Jan. 1 to Dec. 1, incl.			7,017.36	3,675.76
Conditional Sale Agreements—Monthly rental payments Jan. 1 to Dec. 1, incl.				
Assigned to First National Bank of Chicago:				
American Locomotive Company dated April 1, 1939			14,838.31	2,416.13
" " " " March 1, 1940			23,844.28	4,524.68
Electro Motive Corporation " April 1, 1939			34,914.74	5,769.82
" " " " August 1, 1939			7,397.94	1,258.50
" " " " March 1, 1940			86,038.42	16,326.62
Baldwin Locomotive Works " March 1, 1940			7,120.89	1,368.99
General Electric Co. " March 1, 1940			4,084.71	825.93
Whitcomb Locomotive Co. " March 1, 1940			26,800.12	466.08
Assigned to Continental Illinois National Bank & Trust Co. of Chicago:				
American Locomotive Company dated September 1, 1940			36,747.24	5,930.75
Baldwin Locomotive Works " September 1, 1940			19,217.43	3,125.49
Electro Motive Corporation " September 1, 1940			16,953.55	3,029.87
Assigned to New York Trust Co.:				
Electro Motive Corporation dated September 1, 1940			66,723.82	11,954.98
Notes:				
Reconstruction Finance Corporation Loans—1941 Interest maturities, and Principal payments made by Trustee under First and Refunding Mortgage from income received on pledged securities, on note matured June 30, 1935, $1,080,000 on May 20, 1941, and $108,000 on November 27, 1941			1,188,000.00	433,076.12
Federal Emergency Administrator of Public Works Loan—Assigned to Reconstruction Finance Corporation—1941 Interest maturities—$290,000 Principal matured Jan. 1, 1941 and Principal payments made by Trustee under First and Refunding Mortgage from income received on pledged securities, $479,700 on May 21, 1941 and $47,970 on Nov. 27, 1941, applied to $290,000 notes maturing Jan. 1, 1942, and Jan. 1, 1943			817,670.00	37,308.00
Total C.M.St.P.& P.R.R. Co.			$8,581,169.83	$1,482,301.41
CHICAGO, TERRE HAUTE & SOUTHEASTERN RAILWAY COMPANY				
Bedford Belt First Mortgage: Interest matured Jan. 1 and July 1, 1941				12,500.00
Southern Indiana First Mortgage: Interest matured Feb. 1 and Aug. 1, 1941				291,480.00
First and Refunding Mortgage: Interest matured June 1 and Dec. 1, 1941				402,800.00
Income Mortgage: Interest matured Mar. 1 and Sept. 1, 1941				316,800.00
Total C.T.H.& S.E. Ry. Co.				$1,023,580.00
Grand Total			$8,581,169.83	$2,505,881.41

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES AS OF DECEMBER 31, 1941

Items	Principal Amount Outstanding Dec. 31, 1941
Chicago Union Station Company:	
1. First Mortgage Bonds, $3\frac{3}{4}$%, Series E, due July 1, 1963	$44,000,000
2. First Mortgage Bonds, $3\frac{1}{8}$%, Series F, due July 1, 1963	16,000,000
3. Guaranteed Serial Bonds, 0.70% to 2.10% due January 1, 1942, to July 1, 1951	6,860,000
4. Guaranteed $1\frac{1}{2}$% Notes of 1940—due semi-annually to April 1, 1945	420,000
5. Guaranteed 4% Bonds, due April 1, 1944	113,000
Nature of Contingent Liability	$67,393,000
Principal and interest guaranteed jointly and severally by proprietors at time of issue. Railroad Trustees with 3 other proprietors are guarantors of issues numbered 1 to 4, incl., while the Railroad Company and other proprietors are guarantors on the issue numbered 5. The Railroad Trustees with other proprietors have agreed that gross rental to be paid by them for use of Chicago Union Station facilities shall include a sum sufficient to pay interest on all of these securities and to advance amounts required to pay at maturity principal of Items 3 and 4 and sinking fund payments required for Item 5.	
St. Paul Union Depot Company:	
1. First and Refunding Mortgage Bonds, $3\frac{1}{8}$%, Series B, due October 1, 1971	$14,737,000
2. Guaranteed Serial 1% Notes of 1941, due April 1, 1942 to October 1, 1944	900,000
3. Consolidated Mortgage Bonds, 5%, due May 1, 1944	132,000
4. Consolidated Mortgage Bonds, 4%, due May 1, 1944	83,000
Nature of Contingent Liability	$15,852,000
Issues numbered 1 and 2 are guaranteed jointly and severally by Railroad Trustees and 7 other proprietors, each of which is also obligated to pay its ownership proportion of these issues and its proportion, based upon use, of the interest on all 4 issues shown.	
Chicago, Terre Haute and Southeastern Railway Company:	
1. Bedford Belt Ry. Co. First Mortgage Bonds, 5%, matured July 1, 1938	$ 250,000#
2. Southern Indiana Ry. Co. First Mortgage Bonds, 4%, due February 1, 1951	7,287,000
3. C. T. H. & S. E. Ry. Co. First and Refunding Mortgage Bonds, 5%, due December 1, 1960	8,056,000‡
4. C. T. H. & S. E. Ry. Co. Income Mortgage Bonds, 5%, due December 1, 1960	6,335,800
#Excludes $100,000 pledged under C. T. H. & S. E. 1st & Ref. Mtge. ‡Excludes $1,515,000 " " C. M. St. P. & P. " " " "	$21,928,800
Nature of Contingent Liability	
Bonds of a Lessor Company. Obligations under Lease dated July 1, 1921, assumed by C. M. St. P. & P. R. R. Co. Lease provides, among other things, for payment by lessee of interest on and principal of all these bonds, and for the guaranty by the lessee, by endorsement on the Income Mortgage bonds of the principal with interest from July 1, 1921, at the rate of 5% per annum. $6,333,900 principal amount of the Income Mortgage Bonds have been so endorsed up to December 31, 1941.	
Indiana Harbor Belt Railroad Company:	
1. General Mortgage Gold Bonds, 4%, due July 1, 1957	$ 4,225,000
2. General Mortgage Gold Bonds, $4\frac{1}{2}$%, due July 1, 1957	5,000,000
Nature of Contingent Liability	$ 9,225,000
C. M. St. P. & P. R. R. Co. is obligated to the extent of 20% to protect The Michigan Central R. R. Co. and The N. Y. C. R. R. Co. on their guaranties of the 4% Bonds. C. M. St. P. & P. R. R. Co. and other proprietors are obligated under an agreement, in the event of default by the I. H. Belt R. R. Co., to loan to the Belt Railroad, in proportion to their stock holdings, to the extent necessary, the principal of and interest on these bonds.	
Kansas City Terminal Railway Company:	
1. First Mortgage 50-Year Bonds, 4%, due January 1, 1960	$49,121,000
Nature of Contingent Liability	
Under a certain operating agreement, C. M. St. P. & P. R. R. Co. and 11 other proprietors are obligated to pay to the Terminal Co. or in case of default to the mortgage trustee, in equal shares the principal of and interest on these bonds.	
The Minnesota Transfer Railway Company:	
1. First Mortgage Bonds, $3\frac{3}{4}$%, due June 1, 1956	$ 1,913,000
Nature of Contingent Liability	
Under provisions of the by-laws of the Transfer Co., the Railroad Trustees and 8 other proprietors, are required to contribute, on an ownership basis, to (a) a semi-annual sinking fund for these bonds equal to one-half of 1% of face value of all bonds issued under the First Mortgage, and (b) semi-annual installments of interest on the bonds.	

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1941 AND 1940

RAILWAY OPERATING REVENUES

	1941	1940	INCREASE	DECREASE
TRANSPORTATION				
Freight	$117,246,204.85	$ 95,113,461.03	$ 22,132,743.82	....
Passenger	9,646,899.88	8,100,380.73	1,546,519.15	....
Baggage	24,967.68	22,613.79	2,353.89	....
Sleeping car	279,154.13	263,736.53	15,417.60	....
Parlor and chair car	124,256.56	108,137.88	16,118.68	....
Mail	3,377,247.16	3,184,283.78	192,963.38	....
Express	1,718,915.00	1,570,700.80	148,214.20	....
Other passenger train	94,553.48	95,995.79	....	$ 1,442.31
Milk	116,964.11	112,461.42	4,502.69	....
Switching	3,312,139.67	2,959,990.40	352,149.27	....
Total transportation revenue	$135,941,302.52	$111,531,762.15	$ 24,409,540.37	....
INCIDENTAL				
Dining and buffet	$ 713,890.39	$ 577,387.03	$ 136,503.36	....
Hotel and restaurant	15,723.31	12,983.59	2,739.72	....
Station, train and boat privileges	20,256.36	23,657.93	....	$ 3,401.57
Parcel room	88.35	57.10	31.25	....
Storage—Freight	25,285.66	22,825.49	2,460.17	....
Storage—Baggage	2,457.40	2,022.73	434.67	....
Demurrage	365,144.62	215,502.09	149,642.53	....
Telegraph and telephone	23,763.94	15,771.32	7,992.62	....
Stockyard	29,051.93	27,462.64	1,589.29	....
Power	80,998.34	75,552.12	5,446.22	....
Rents of buildings and other property	151,612.83	128,712.09	22,900.74	....
Miscellaneous	314,736.83	253,024.45	61,712.38	....
Total incidental operating revenue	$ 1,743,009.96	$ 1,354,958.58	$ 388,051.38	....
JOINT FACILITY				
Joint facility—Credit	$ 1,973,226.33	$ 1,491,478.03	$ 481,748.30	....
Joint facility—Debit	*11,416.75*	*2,610.18*	*8,806.57*	....
Total joint facility operating revenue	$ 1,961,809.58	$ 1,488,867.85	$ 472,941.73	....
Total railway operating revenues	$139,646,122.06	$114,375,588.58	$ 25,270,533.48	....

RAILWAY OPERATING REVENUES AND EXPENSES—CONTINUED

RAILWAY OPERATING EXPENSES

	1941	1940	Increase	Decrease
Maintenance of Way and Structures				
Superintendence	$ 1,489,863.61	$ 1,380,015.38	$ 109,848.23	
Roadway maintenance	1,742,604.67	1,388,730.54	353,874.13	
Tunnels and subways	8,865.57	32,940.53		$ 24,074.96
Bridges, trestles and culverts	1,388,881.49	1,487,993.67		99,112.18
Ties	3,020,711.49	3,115,310.46		94,598.97
Rails	657,802.87	546,902.41	110,900.46	
Other track material	1,268,216.45	891,487.74	376,728.71	
Ballast	355,635.86	270,738.81	84,897.05	
Track laying and surfacing	4,034,512.86	3,136,765.13	897,747.73	
Fences, snowsheds and signs	149,498.02	165,720.50		16,222.48
Station and office buildings	853,306.06	859,689.64		6,383.58
Roadway buildings	98,241.34	87,027.89	11,213.45	
Water stations	198,518.60	180,611.80	17,906.80	
Fuel stations	115,783.37	138,791.77		23,008.40
Shops and enginehouses	653,438.48	633,215.05	20,223.43	
Storage warehouses	91.29	1,672.39		1,581.10
Wharves and docks	40,127.11	63,258.90		23,131.79
Coal and ore wharves	2.10		2.10	
Telegraph and telephone lines	269,473.46	299,454.42		29,980.96
Signals and interlockers	714,247.27	575,507.42	138,739.85	
Power plants	21,030.34	20,513.68	516.66	
Power transmission systems	143,719.94	146,970.46		3,250.52
Miscellaneous structures	14,571.50	13,818.91	752.59	
Roadway machines	235,024.33	268,444.10		33,419.77
Small tools and supplies	366,333.13	274,757.74	91,575.39	
Removing snow, ice, and sand	178,456.06	334,423.44		155,967.38
Public improvements—Maintenance	302,381.43	484,464.78		182,083.35
Injuries to persons	107,932.39	70,877.77	37,054.62	
Insurance	29,388.24	28,864.65	523.59	
Stationery and printing	37,063.27	28,467.03	8,596.24	
Other expenses	34,987.19	17,386.88	17,600.31	
Right of way expenses	25,428.07	16,495.90	8,932.17	
Maintaining joint tracks, yards, and other facilities—Debit	1,797,054.96	1,268,354.83	528,700.13	
Maintaining joint tracks, yards, and other facilities—Credit	*309,533.68*	*239,924.94*	*69,608.74*	
Total maintenance of way and structures	$ 20,043,659.14	$ 17,989,749.68	$ 2,053,909.46	
Maintenance of Equipment				
Superintendence	$ 836,233.93	$ 822,399.21	$ 13,834.72	
Shop machinery	617,214.46	619,111.66		$ 1,897.20
Power plant machinery	111,265.60	127,581.08		16,315.48
Steam locomotives—Repairs	6,155,789.79	5,445,549.31	710,240.48	
Other locomotives—Repairs	496,512.29	360,827.71	135,684.58	
Freight-train cars—Repairs	5,313,419.01	4,223,016.74	1,090,402.27	
Passenger-train cars—Repairs	2,164,027.45	2,128,743.95	35,283.50	
Floating equipment—Repairs	31,114.36	16,401.31	14,713.05	
Work equipment—Repairs	467,607.38	458,899.32	8,708.06	
Miscellaneous equipment—Repairs	18,630.92	15,906.52	2,724.40	
Equipment—Retirements	14,542.15	35,010.30		20,468.15
Equipment—Depreciation	6,079,950.20	5,986,428.24	93,521.96	
Injuries to persons	61,489.35	54,505.75	6,983.60	
Insurance	42,099.17	39,461.14	2,638.03	
Stationery and printing	29,290.28	22,780.62	6,509.66	
Other expenses	45,889.19	43,681.67	2,207.52	
Maintaining joint equipment—Debit	315,716.77	175,508.66	140,208.11	
Maintaining joint equipment—Credit	*18,343.23*	*15,443.42*	*2,899.81*	
Total maintenance of equipment	$ 22,782,449.07	$ 20,560,369.77	$ 2,222,079.30	
Traffic				
Superintendence	$ 682,557.24	$ 664,502.28	$ 18,054.96	
Outside agencies	1,447,916.59	1,390,562.73	57,353.86	
Advertising	402,430.97	414,953.34		$ 12,522.37
Traffic associations	85,299.65	90,070.51		4,770.86
Industrial and immigration bureaus	53,588.56	51,429.12	2,159.44	
Insurance	385.51	137.48	248.03	
Stationery and printing	147,305.70	162,905.87		15,600.17
Other expenses	192.00	210.35		18.35
Total traffic expenses	$ 2,819,676.22	$ 2,774,771.68	$ 44,904.54	

RAILWAY OPERATING REVENUES AND EXPENSES—Concluded

RAILWAY OPERATING EXPENSES—Concluded

	1941	1940	Increase	Decrease
Transportation				
Superintendence	$ 1,067,321.60	$ 948,602.27	$ 118,719.33	
Dispatching trains	587,140.65	553,779.45	33,361.20	
Station employees	6,570,231.29	5,790,548.63	779,682.66	
Weighing, inspection, and demurrage bureaus	161,420.59	155,652.23	5,768.36	
Station supplies and expenses	391,608.67	357,332.20	34,276.47	
Yardmasters and yard clerks	1,234,416.26	1,092,550.80	141,865.46	
Yard conductors and brakemen	3,874,009.05	3,273,090.56	600,918.49	
Yard switch and signal tenders	268,222.46	247,798.46	20,424.00	
Yard enginemen	2,022,460.43	1,914,224.74	108,235.69	
Yard motormen	618,484.49	338,871.81	279,612.68	
Yard switching fuel	1,020,052.94	1,010,826.17	9,226.77	
Yard switching power purchased	22,293.16	22,737.59		$ 444.43
Water for yard locomotives	120,215.87	111,681.79	8,534.08	
Lubricants for yard locomotives	44,046.72	27,517.95	16,528.77	
Other supplies for yard locomotives	27,195.01	26,317.80	877.21	
Enginehouse expenses—Yard	623,232.21	564,092.08	59,140.13	
Yard supplies and expenses	81,814.34	73,555.75	8,258.59	
Operating joint yards and terminals—Debit	1,720,492.56	1,417,969.83	302,522.73	
Operating joint yards and terminals—Credit	*206,070.07*	*176,908.41*	*29,161.66*	
Train enginemen	5,115,013.30	4,522,356.96	592,656.34	
Train motormen	563,198.55	438,683.81	124,514.74	
Train fuel	6,024,859.63	5,384,350.90	640,508.73	
Train power purchased	1,183,585.90	1,045,865.45	137,720.45	
Water for train locomotives	528,472.14	478,117.23	50,354.91	
Lubricants for train locomotives	215,076.46	181,666.98	33,409.48	
Other supplies for train locomotives	81,565.41	73,758.99	7,806.42	
Enginehouse expenses—Train	1,203,829.45	1,026,695.89	177,133.56	
Trainmen	6,515,603.93	5,652,442.90	863,161.03	
Train supplies and expenses	2,293,295.71	1,952,212.68	341,083.03	
Operating sleeping cars	211,887.17	206,510.28	5,376.89	
Signal and interlocker operation	390,312.58	389,867.04	445.54	
Crossing protection	372,784.67	316,386.06	56,398.61	
Drawbridge operation	63,376.59	60,895.82	2,480.77	
Telegraph and telephone operation	315,943.04	279,882.47	36,060.57	
Operating floating equipment	158,352.21	77,541.05	80,811.16	
Stationery and printing	197,739.67	156,254.98	41,484.69	
Other expenses	86,841.65	75,263.32	11,578.33	
Operating joint tracks and facilities—Debit	587,338.53	536,051.58	51,286.95	
Operating joint tracks and facilities—Credit	*271,271.34*	*255,993.16*	*15,278.18*	
Insurance	19,647.89	14,812.76	4,835.13	
Clearing wrecks	49,358.82	53,092.51		3,733.69
Damage to property	41,479.84	66,865.50		25,385.66
Damage to live stock on right of way	37,597.99	37,196.02	401.97	
Loss and damage—Freight	463,522.42	401,230.05	62,292.37	
Loss and damage—Baggage	1,863.08	1,998.50		135.42
Injuries to persons	328,594.85	368,303.95		39,709.10
Total transportation expenses	$ 47,028,458.37	$ 41,292,552.22	$ 5,735,906.15	
Miscellaneous Operations				
Dining and buffet service	$ 1,127,832.86	$ 876,018.94	$ 251,813.92	
Hotels and restaurants	26,011.60	22,652.29	3,359.31	
Stockyards	23,781.88	21,374.63	2,407.25	
Producing power sold	41,724.59	40,514.35	1,210.24	
Total miscellaneous operations	$ 1,219,350.93	$ 960,560.21	$ 258,790.72	
General				
Salaries and expenses of general officers	$ 367,858.73	$ 377,365.79	$	$ 9,507.06
Salaries and expenses of clerks and attendants	2,817,781.59	2,664,115.86	153,665.73	
General office supplies and expenses	182,526.42	170,167.08	12,359.34	
Law expenses	336,990.31	304,105.13	32,885.18	
Insurance	2,430.61	1,794.11	636.50	
Pensions	47,566.35	34,150.38	13,415.97	
Stationery and printing	158,537.58	126,013.39	32,524.19	
Valuation expenses	30,674.15	34,313.84		3,639.69
Other expenses	112,603.25	85,269.40	27,333.85	
General joint facilities—Debit	99,821.42	90,276.90	9,544.52	
General joint facilities—Credit	*3,166.00*	*2,823.63*	*342.37*	
Total general expenses	$ 4,153,624.41	$ 3,884,748.25	$ 268,876.16	
Transportation for investment—Credit	*$ 281,682.04*	*$ 292,607.91*		*$ 10,925.87*
Total railway operating expenses	$ 97,765,536.10	$ 87,170,143.90	$ 10,595,392.20	

CONDENSED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES FOR THE YEARS ENDED DECEMBER 31, 1941 AND 1940

RAILWAY OPERATING REVENUES

	1941		1940	
	Amount	Per Cent	Amount	Per Cent
Freight revenue	$117,246,204.85	83.96	$ 95,113,461.03	83.16
Passenger revenue	9,646,899.88	6.91	8,100,380.73	7.08
Other transportation revenue	9,048,197.79	6.48	8,317,920.39	7.27
Incidental revenue	1,743,009.96	1.25	1,354,958.58	1.19
Joint facility revenue	1,961,809.58	1.40	1,488,867.85	1.30
Railway operating revenues	$139,646,122.06	100.00	$114,375,588.58	100.00

RAILWAY OPERATING EXPENSES

	1941 Amount	1941 Per Cent	1940 Amount	1940 Per Cent
Maintenance of way and structures	$ 20,043,659.14	14.35	$ 17,989,749.68	15.73
Maintenance of equipment	22,782,449.07	16.32	20,560,369.77	17.98
Traffic expenses	2,819,676.22	2.02	2,774,771.68	2.42
Transportation expenses	47,028,458.37	33.68	41,292,552.22	36.10
Miscellaneous operations	1,219,350.93	.87	960,560.21	.84
General expenses	4,153,624.41	2.97	3,884,748.25	3.40
Transportation for investment—Credit	*281,682.04*	*.20*	*292,607.91*	*.26*
Railway operating expenses	$ 97,765,536.10	70.01	$ 87,170,143.90	76.21
Net revenue from railway operations	$ 41,880,585.96	29.99	$ 27,205,444.68	23.79
Average miles of road operated including miles of road used under lease and trackage rights	10,845.86	....	10,874.14	....

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME

BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1941

1941	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	$ 9,702,449.16	$ 6,859,797.57	$ 2,842,651.59	$ 725,000.00	$ 2,117,651.59	$ 160,076.16	$ 201,153.46	$ 1,756,421.97
February	9,060,984.55	6,346,405.92	2,714,578.63	705,000.00	2,009,578.63	141,239.18	202,838.41	1,665,501.04
March	10,576,684.71	6,860,856.96	3,715,827.75	736,000.00	2,979,827.75	123,300.80	190,698.78	2,665,828.17
April	10,045,773.73	7,442,660.17	2,603,113.56	730,000.00	1,873,113.56	31,888.72	174,988.11	1,666,236.73
May	11,194,886.46	8,384,936.22	2,809,950.24	761,000.00	2,048,950.24	164,669.61	205,025.31	1,679,255.32
June	11,526,354.83	8,575,957.36	2,950,397.47	769,000.00	2,181,397.47	302,207.86	180,047.24	1,699,142.37
July	13,134,199.86	8,570,240.61	4,563,959.25	780,000.00	3,783,959.25	328,911.10	171,808.30	3,283,239.85
August	13,562,207.44	8,694,185.40	4,868,022.04	817,000.00	4,051,022.04	279,921.33	195,832.97	3,575,267.74
September	13,552,116.21	8,528,646.33	5,023,469.88	808,000.00	4,215,469.88	170,892.45	201,458.22	3,843,119.21
October	13,389,032.58	9,531,496.13	3,857,536.45	832,000.00	3,025,536.45	104,573.09	199,180.61	2,721,782.75
November	11,369,041.80	8,671,142.47	2,697,899.33	780,000.00	1,917,899.33	157,610.86	197,054.20	1,563,234.27
December	12,532,390.73	9,299,210.96	3,233,179.77	793,000.00	2,440,179.77	163,877.11	213,356.80	2,062,945.86
Total	$139,646,122.06	$97,765,536.10	$41,880,585.96	$9,236,000.00	$32,644,585.96	$2,129,168.27	$2,333,442.41	$28,181,975.28

REVENUE FREIGHT AND PASSENGER STATISTICS 1932–1941

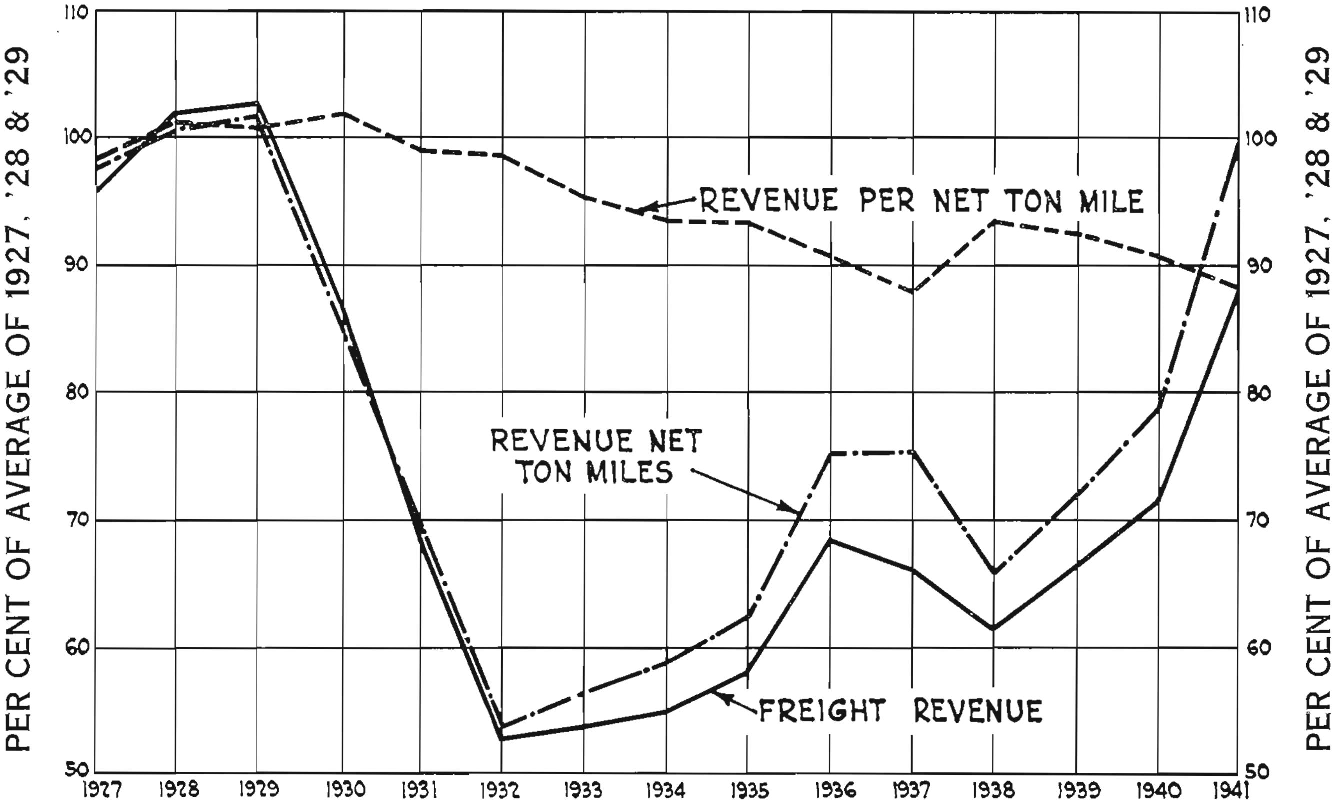
REVENUE FREIGHT TRAFFIC STATISTICS 1932–1941
EXCLUDING TRUCK SERVICE

Year	Freight Revenue	Tons Carried	Ton Miles	Average Haul Miles	Freight Revenue	
					Per Ton	Cents Per Ton Mile
1932	$ 70,302,779	24,950,259	6,859,165,866	274.91	$2.82	1.025
1933	71,571,456	25,864,326	7,220,790,618	279.18	2.77	.991
1934	73,382,543	28,098,754	7,540,899,349	268.37	2.61	.973
1935	77,311,239	29,682,938	7,978,909,250	268.80	2.60	.969
1936	91,560,382	36,233,222	9,689,405,998	267.42	2.53	.945
1937	88,580,700	35,392,439	9,691,026,608	273.82	2.50	.914
1938	82,220,776	30,934,327	8,479,448,397	274.11	2.66	.970
1939	88,623,648	33,841,422	9,234,307,122	272.87	2.62	.960
1940	95,115,270	35,320,967	10,097,196,568	285.87	2.69	.942
1941	117,247,949	42,907,270	12,804,595,331	298.42	2.73	.916

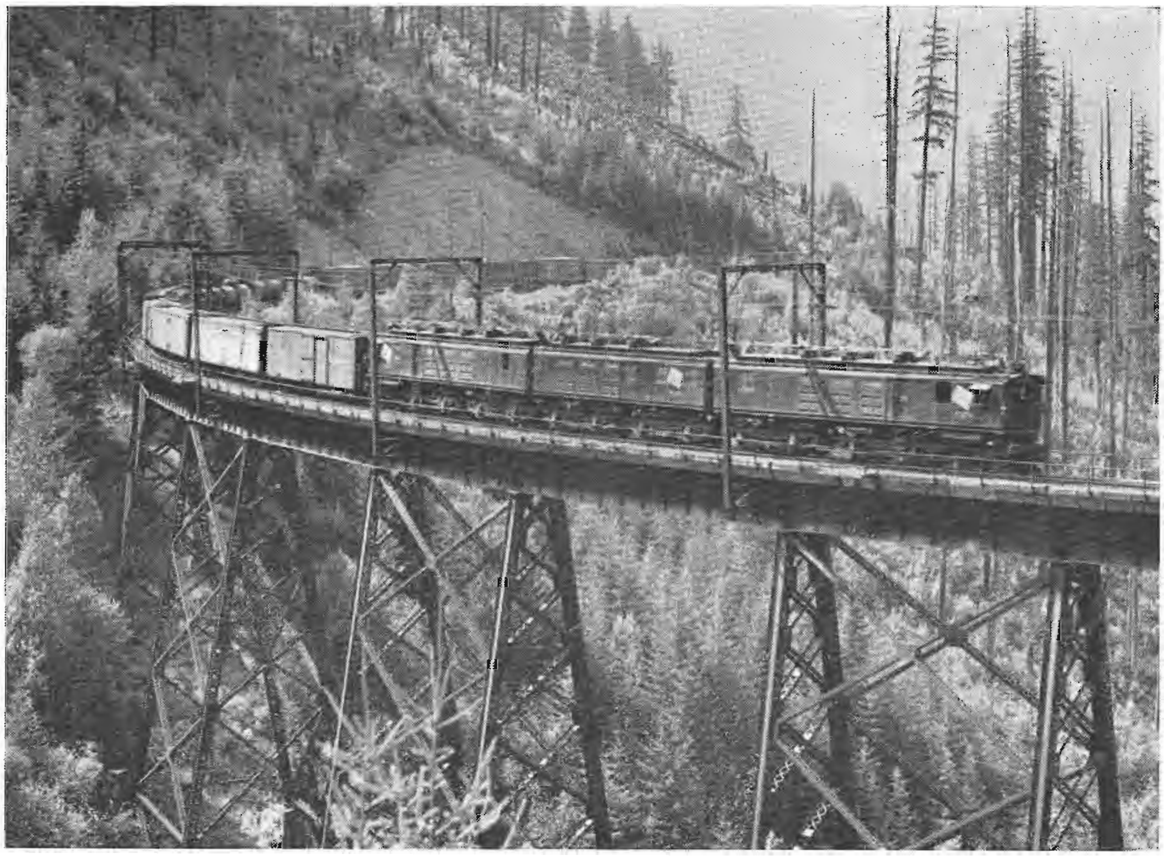
REVENUE PASSENGER TRAFFIC STATISTICS 1932–1941
EXCLUDING BUS SERVICE

Year	Class of Service	Passenger Revenue	Passengers Carried	Passenger Miles	Average Distance Travelled	Revenue	
						Per Passenger	Cents Per Pass. Mile
1932	Commutation	$ 357,118	2,105,031	38,525,254	18.30	$ .17	.927
	Other	5,583,612	1,352,235	223,684,361	165.42	4.13	2.496
	Total	$5,940,730	3,457,266	262,209,615	75.84	1.72	2.266
1933	Commutation	$ 282,158	1,797,539	30,916,572	17.20	.16	.913
	Other	5,411,889	1,383,892	277,623,965	200.61	3.91	1.949
	Total	$5,694,047	3,181,431	308,540,537	96.98	1.79	1.845
1934	Commutation	$ 252,042	1,668,705	28,666,649	17.18	.15	.879
	Other	5,357,231	1,869,510	313,075,659	167.46	2.87	1.711
	Total	$5,609,273	3,538,215	341,742,308	96.59	1.59	1.641
1935	Commutation	$ 252,294	1,628,084	28,505,801	17.51	.15	.885
	Other	5,799,191	2,068,950	321,432,967	155.36	2.80	1.804
	Total	$6,051,485	3,697,034	349,938,768	94.65	1.64	1.729
1936	Commutation	$ 266,340	1,695,549	30,274,718	17.86	.16	.880
	Other	7,236,300	2,571,157	405,470,074	157.70	2.81	1.785
	Total	$7,502,640	4,266,706	435,744,792	102.13	1.76	1.722
1937	Commutation	$ 293,237	1,803,136	33,300,871	18.47	.16	.881
	Other	7,996,878	2,724,890	447,224,211	164.13	2.93	1.788
	Total	$8,290,115	4,528,026	480,525,082	106.12	1.83	1.725
1938	Commutation	$ 309,708	1,835,672	35,504,859	19.34	.17	.872
	Other	7,493,412	2,414,120	398,409,465	165.03	3.10	1.881
	Total	$7,803,120	4,249,792	433,914,324	102.10	1.84	1.798
1939	Commutation	$ 336,233	1,992,809	38,670,537	19.41	.17	.869
	Other	7,562,557	2,419,949	406,766,397	168.09	3.13	1.859
	Total	$7,898,790	4,412,758	445,436,934	100.94	1.79	1.773
1940	Commutation	$ 370,206	2,172,714	42,743,602	19.67	.17	.866
	Other	7,735,173	2,521,805	429,870,167	170.46	3.07	1.799
	Total	$8,105,379	4,694,519	472,613,769	100.67	1.73	1.715
1941	Commutation	$ 419,878	2,455,023	48,727,616	19.85	.17	.862
	Other	9,226,806	2,854,905	515,785,044	180.67	3.23	1.789
	Total	$9,646,684	5,309,928	564,512,660	106.31	1.82	1.709

CHART OF FREIGHT TRAFFIC 1927-1941
EXCLUDING TRUCK SERVICE

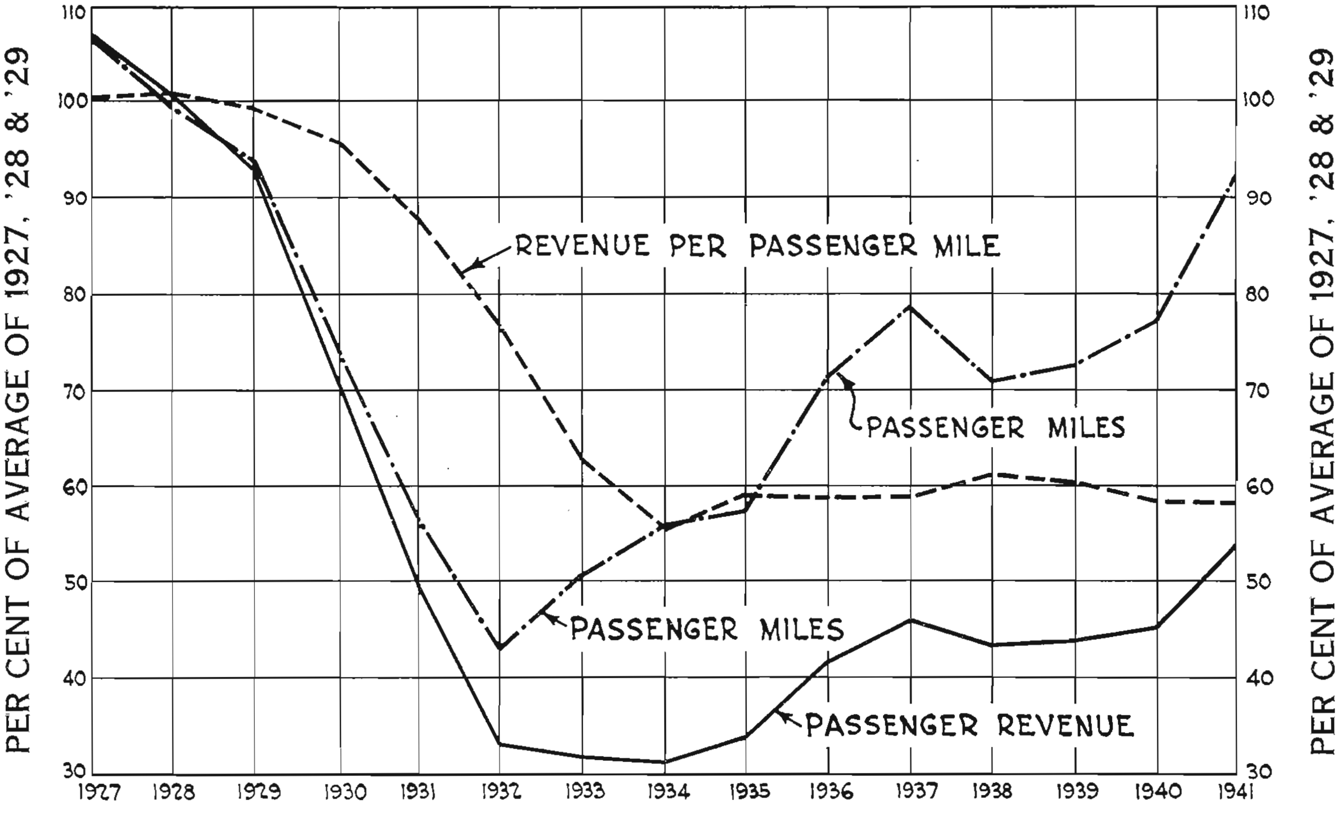


FREIGHT ON ELECTRIFIED SECTION THROUGH MOUNTAINS



A CHICAGO-TWIN CITIES "HIAWATHA"

CHART OF PASSENGER TRAFFIC 1927-1941
INCLUDING COMMUTATION SERVICE—EXCLUDING BUS SERVICE



REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1941 AND 1940

Commodities	1941		1940		Increase + or Decrease —	
	Tons Carried	Percent of Total	Tons Carried	Percent of Total	Tons	Percent
Products of Agriculture:						
Wheat	1,637,475	3.8	1,389,343	3.9	+ 248,132	+ 17.9
Corn	1,241,251	2.9	960,372	2.7	+ 280,879	+ 29.2
Barley and rye	853,069	2.0	681,785	2.0	+ 171,284	+ 25.1
Other grain	309,030	.7	229,031	.6	+ 79,999	+ 34.9
Flour, meal, and mill products	1,301,281	3.0	1,212,717	3.5	+ 88,564	+ 7.3
Citrus fruits	115,063	.3	112,626	.3	+ 2,437	+ 2.2
Other fresh fruits	120,231	.3	126,430	.4	— 6,199	— 4.9
Potatoes, other than sweet	115,400	.3	118,916	.3	— 3,516	— 3.0
Other fresh vegetables	89,402	.2	89,450	.3	— 48	— .1
Sugar beets	235,926	.5	253,030	.7	— 17,104	— 6.8
Other products of agriculture	856,170	2.0	679,099	1.9	+ 177,071	+ 26.1
Total	6,874,298	16.0	5,852,799	16.6	+ 1,021,499	+ 17.5
Animals and Products:						
Cattle, calves, sheep and goats	340,388	.8	357,499	1.0	— 17,111	— 4.8
Hogs	263,586	.6	317,229	.9	— 53,643	— 16.9
Fresh meats	506,287	1.2	471,736	1.3	+ 34,551	+ 7.3
Poultry, eggs, butter and cheese	248,897	.6	220,898	.6	+ 27,999	+ 12.7
Wool, hides and leather	194,709	.5	138,517	.4	+ 56,192	+ 40.6
Other animals and products	234,837	.5	196,141	.6	+ 38,696	+ 19.7
Total	1,788,704	4.2	1,702,020	4.8	+ 86,684	+ 5.1
Products of Mines:						
Bituminous coal	8,624,425	20.1	8,272,047	23.4	+ 352,378	+ 4.3
Coke	433,502	1.0	353,317	1.0	+ 80,185	+ 22.7
Ores and concentrates	255,051	.6	154,875	.4	+ 100,176	+ 64.7
Gravel and sand	1,959,406	4.6	1,010,898	2.9	+ 948,508	+ 93.8
Stone, broken, ground or crushed	1,031,713	2.4	414,478	1.2	+ 617,235	+148.9
Stone, rough and finished	113,100	.3	105,279	.3	+ 7,821	+ 7.4
Asphalt	151,269	.3	125,592	.4	+ 25,677	+ 20.4
Salt	137,664	.3	120,398	.3	+ 17,266	+ 14.3
Other products of mines	680,275	1.6	422,644	1.2	+ 257,631	+ 61.0
Total	13,386,405	31.2	10,979,528	31.1	+ 2,406,877	+ 21.9
Products of Forests:						
Logs, posts, poles and cordwood	2,830,718	6.6	2,636,039	7.5	+ 194,679	+ 7.4
Pulpwood	314,145	.7	285,629	.8	+ 28,516	+ 10.0
Lumber and mill products	2,306,998	5.4	1,858,821	5.2	+ 448,177	+ 24.1
Veneer and built-up wood	167,836	.4	99,691	.3	+ 68,145	+ 68.4
Other products of forests	316,711	.7	211,720	.6	+ 104,991	+ 49.6
Total	5,936,408	13.8	5,091,900	14.4	+ 844,508	+ 16.6
Manufactures and Miscellaneous:						
Refined petroleum and products	2,871,431	6.7	2,789,821	7.9	+ 81,610	+ 2.9
Sugar, table sirups and molasses	301,651	.7	252,470	.7	+ 49,181	+ 19.5
Iron and steel products	2,472,850	5.8	1,604,482	4.5	+ 868,368	+ 54.1
Other metals	214,977	.5	173,857	.5	+ 41,120	+ 23.7
Machinery and boilers	213,603	.5	137,471	.4	+ 76,132	+ 55.4
Cement	784,216	1.8	630,235	1.8	+ 153,981	+ 24.4
Brick, building tile and artificial stone	207,440	.5	168,622	.5	+ 38,818	+ 23.0
Lime and plaster	129,322	.3	103,676	.3	+ 25,646	+ 24.7
Agricultural implements, tractors and parts	291,915	.7	232,876	.6	+ 59,039	+ 25.4
Autos, trucks, parts and tires	534,815	1.3	468,045	1.3	+ 66,770	+ 14.3
Beverages	484,161	1.1	380,494	1.1	+ 103,667	+ 27.2
Ice	90,131	.2	89,656	.3	+ 475	+ .5
Fertilizers	135,822	.3	132,934	.4	+ 2,888	+ 2.2
Paper and paper products	635,410	1.5	463,492	1.3	+ 171,918	+ 37.1
Canned food products	696,215	1.6	489,800	1.4	+ 206,415	+ 42.1
Scrap iron and scrap steel	560,604	1.3	468,472	1.3	+ 92,132	+ 19.7
Building paper, roofing and woodwork	179,188	.4	132,148	.4	+ 47,040	+ 35.6
Other manufactures and miscellaneous	3,415,908	8.0	2,392,475	6.7	+ 1,023,433	+ 42.8
Total	14,219,659	33.2	11,111,026	31.4	+ 3,108,633	+ 28.0
Grand Total Carload Traffic	42,205,474	98.4	34,737,273	98.3	+ 7,468,201	+ 21.5
All L. C. L. Freight	701,796	1.6	583,694	1.7	+ 118,102	+ 20.2
Grand Total Carload and L. C. L. Traffic	42,907,270	100.0	35,320,967	100.0	+ 7,586,303	+ 21.5

LOCOMOTIVE EQUIPMENT OWNED AND LEASED

NUMBER, TRACTIVE POWER AND WEIGHT OF STEAM AND OTHER LOCOMOTIVES AS OF DECEMBER 31

Kind	Year	Number	Tractive Power		Weight Exclusive of Tender		Average Weight On Drivers Per Locomotive (Tons)
			Total (Pounds)	Average Per Locomotive (Pounds)	Total (Tons)	Average Per Locomotive (Tons)	
Steam Locomotives	1932	1,672	69,184,264	41,378	188,632	112.82	86.90
	1933	1,643	68,626,871	41,769	187,116	113.89	87.65
	1934	1,259	54,878,998	43,589	148,852	118.23	90.67
	1935	1,224	53,636,099	43,820	145,313	118.72	90.85
	1936	1,201	52,679,254	43,863	142,718	118.83	91.11
	1937	1,210	53,583,834	44,284	145,718	120.43	91.75
	1938	1,224	54,758,724	44,738	150,187	122.70	92.60
	1939	1,201	54,006,115	44,968	147,895	123.14	93.04
	1940	1,112	50,965,795	45,833	140,103	125.99	94.64
	1941	1,111	50,937,637	45,848	140,045	126.05	94.67
Electric Locomotives	1932	64	6,658,290	104,036	17,058	266.53	207.41
	1933	62	6,658,290	107,392	17,100	275.81	214.79
	1934	62	6,658,290	107,392	17,100	275.81	214.79
	1935	60	6,637,865	110,631	17,059	284.32	221.26
	1936	59	6,652,365	112,752	16,963	287.51	225.50
	1937	59	6,655,990	112,813	16,970	287.63	225.63
	1938	59	6,670,490	113,059	16,874	286.00	226.12
	1939	58	6,656,640	114,770	16,753	288.84	229.54
	1940	57	6,656,640	116,783	16,753	293.91	233.57
	1941	54	6,565,250	121,579	16,570	306.85	243.16
Diesel Locomotives	1939	7	374,500	53,500	749	107.00	107.00
	1940	43	2,222,559	51,687	4,533	105.42	105.42
	1941	58	3,091,491	53,302	6,400	110.34	106.60
Total Locomotives	1941	1,223	60,594,378	49,546	163,015	133.29	101.79

MILES OF TRACK, DECEMBER 31, 1941

Items	Owned Solely	Owned Jointly	Leased	Trackage Rights	Total
Miles of 1st Main (Road):					
Operated	*9,671.92	155.59	324.71	668.91	10,821.13
Not operated	12.21	....	....	....	12.21
Additional Main Tracks:					
Operated	890.02	9.75	45.58	274.94	1,220.29
Not operated	15.32	.70	....	....	16.02
Yard Tracks and Sidings:					
Operated	*3,169.33	198.26	211.83	511.63	4,091.05
Not operated	9.40	41.49	....	....	50.89
Total operated	13,731.27	363.60	582.12	1,455.48	16,132.47
Total Not Operated	36.93	42.19	....	....	79.12
Grand Total	13,768.20	405.79	582.12	1,455.48	16,211.59

*Miles of 1st main "operated" includes .97 mile; Yard tracks and Sidings "operated" includes 1.24 miles; owned by C. M. St. P. & P. R. R., leased to Des Moines Union Ry. Co. but used by C. M. St. P. & P. R. R. under contract.

MILES OF ROAD BY STATES, DECEMBER 31, 1941

State	Road Operated				
	Line Owned		Leased	Trackage Rights	Total
	Main Line	Branch Line			
Idaho	112.72	117.92		2.10	232.74
Illinois	339.97	141.61	115.16	154.69	751.43
Indiana			209.45		209.45
Iowa	*1,199.74	533.75	.10	66.51	*1,800.10
Kansas				2.69	2.69
Michigan	57.82	121.59		.98	180.39
Minnesota	769.24	416.08		193.62	1,378.94
Missouri	138.42			9.20	147.62
Montana	747.89	503.32			1,251.21
Nebraska				5.62	5.62
North Dakota	102.50	264.73			367.23
South Dakota	1,039.62	695.52			1,735.14
Washington	341.56	578.99		201.11	1,121.66
Wisconsin	1,056.15	548.37		32.39	1,636.91
Total	5,905.63	3,921.88	324.71	668.91	*10,821.13

Includes .97 mile owned by C. M. St. P. & P. R. R., leased to Des Moines Union Ry. Co. but used by C. M. St. P. & P. R. R. under contract.

NUMBER OF EMPLOYEES AND COMPENSATION 1928–1941 INCLUSIVE

Year	Regular Employees			*Part Time Employees Compensation	Total Compensation All Employees		
	Average No. of Employees (Middle of Month Count)	Compensation	Average Compensation Per Employee		Total Compensation	Charged To	
						Operating Expenses	Additions and Betterments and Other Accounts
1928	48,129	$81,744,769	$1,698	$135,855	$81,880,624	$75,548,543	$ 6,332,081
1929	47,995	83,540,420	1,741	137,631	83,678,051	76,795,279	6,882,772
1930	42,326	71,198,791	1,682	149,072	71,347,863	65,531,534	5,816,329
1931	34,569	56,871,675	1,645	150,722	57,022,397	52,891,878	4,130,519
1932	28,827	43,014,585	1,492	135,511	43,150,096	40,271,832	2,878,264
1933	26,493	39,042,823	1,474	129,469	39,172,292	36,740,362	2,431,930
1934	28,065	42,385,752	1,510	130,799	42,516,551	39,186,108	3,330,443
1935	30,109	48,398,365	1,607	139,536	48,537,901	44,788,277	3,749,624
1936	32,178	54,061,839	1,680	148,763	54,210,602	49,472,441	4,738,161
1937	32,784	56,372,965	1,720	127,669	56,500,634	51,078,213	5,422,421
1938	28,988	52,830,262	1,822	112,370	52,942,632	48,236,913	4,705,719
1939	30,224	55,042,582	1,821	122,809	55,165,391	50,465,157	4,700,234
1940	29,674	55,664,577	1,876	136,211	55,800,788	50,954,049	4,846,739
1941	31,583	63,000,300	1,995	169,287	63,169,587	57,796,806	5,372,781

*Employees not subject to the continuing authority of the Railroad.

NUMBER OF EMPLOYEES AND COMPENSATION BY STATES — 1941

State	Regular Employees			Part Time Employees Total Compensation	Total Compensation All Employees
	Average Number	Total Compensation	Average Compensation Per Employee		
Illinois	7,698	$15,280,909	$1,985	$34,765	$15,315,674
Iowa	4,133	7,777,221	1,882	21,451	7,798,672
Wisconsin	8,238	16,295,779	1,978	40,347	16,336,126
Minnesota	3,822	7,575,931	1,982	16,948	7,592,879
Michigan	232	400,695	1,727	1,996	402,691
Missouri	473	922,176	1,950	8,000	930,176
Indiana	831	1,720,130	2,070	5,461	1,725,591
South Dakota	1,789	3,355,112	1,875	9,815	3,364,927
North Dakota	178	287,732	1,616	1,600	289,332
Montana	1,890	4,109,262	2,174	16,344	4,125,606
Idaho	196	373,198	1,904	120	373,318
Washington	1,951	4,473,219	2,293	8,095	4,481,314
New York	38	116,299	3,061	600	116,899
All Other	114	312,637	2,742	3,745	316,382
Total	31,583	$63,000,300	$1,995	$169,287	$63,169,587

TRANSPORTATION STATISTICS—RAIL LINE

TRAIN, LOCOMOTIVE AND CAR-MILES WITH TRAIN-HOURS AND MILES OF ROAD OPERATED

Items	Freight		Passenger		Total	
	1941	1940	1941	1940	1941	1940
Average Mileage of Road Operated	10,838.05	10,866.33	7,121.10	7,115.58	10,845.86	10,874.14
Train-Miles:						
With Locomotives:						
Ordinary	16,852,194	14,723,437	10,313,847	10,094,743	27,166,041	24,818,180
Light	84,207	73,593	....	....	84,207	73,593
Total	16,936,401	14,797,030	10,313,847	10,094,743	27,250,248	24,891,773
Without Locomotives	....	....	892,060	910,999	892,060	910,999
Grand Total	16,936,401	14,797,030	11,205,907	11,005,742	28,142,308	25,802,772
Work Trains	....	....	....	....	697,472	541,650
Train-hours	1,033,654	899,765	297,215	298,356	1,330,869	1,198,121
Locomotive-Miles:						
Principal	16,956,336	14,814,415	10,313,847	10,094,743	27,270,183	24,909,158
Helper	695,196	604,907	196,089	141,609	891,285	746,516
Light	671,255	602,262	195,763	157,375	867,018	759,637
Train Switching	1,629,294	1,481,351	2,184	2,364	1,631,478	1,483,715
Yard Switching	7,621,269	6,648,177	494,688	492,822	8,115,957	7,140,999
Total	27,573,350	24,151,112	11,202,571	10,888,913	38,775,921	35,040,025
Work Trains	....	....	....	....	1,178,719	989,886
Car-Miles:						
Loaded Freight Cars	526,776,845	436,986,309	612,649	759,814	527,389,494	437,746,123
Empty Freight Cars	306,917,054	272,939,359	24,868	15,912	306,941,922	272,955,271
Passenger Coaches	519,279	611,357	20,727,084	19,311,698	21,246,363	19,923,055
Sleeping and Parlor Cars	391,431	216,915	21,786,214	19,997,255	22,177,645	20,214,170
Club, Lounge, Dining, and Observation Cars	12,198	11,556	7,113,289	6,306,396	7,125,487	6,317,952
Business Cars	40,379	44,970	115,742	114,560	156,121	159,530
Mail, Express, and Baggage Cars, and Combination Cars Other than Passenger	3,343,012	2,738,381	24,687,011	24,751,910	28,030,023	27,490,291
Combination Passenger Cars (Mail, Express, or Baggage With Passenger)	1,084,316	1,083,561	1,645,998	1,734,934	2,730,314	2,818,495
Caboose	16,602,937	14,619,838	33,420	42,791	16,636,357	14,662,629
Total	855,687,451	729,252,246	76,746,275	73,035,270	932,433,726	802,287,516
Work Trains	....	....	....	....	7,909,132	5,758,649

TRANSPORTATION STATISTICS—RAIL LINE—CONTINUED

TONS AND TON-MILES

ITEMS	1941	1940	1939	1938	1937
TONS OF FREIGHT CARRIED:					
Revenue	42,907,270	35,320,967	33,841,422	30,934,327	35,392,439
Non-revenue	5,423,509	4,629,323	4,556,700	3,914,675	4,910,724
Total Tons Carried	48,330,779	39,950,290	38,398,122	34,849,002	40,303,163
TON-MILES (THOUSANDS) TRANSPORTATION SERVICE:					
Revenue freight in road service	12,778,408	10,082,050	9,224,104	8,468,589	9,691,027
Revenue freight in water transfer service	26,187	15,146	10,203	10,859	....
Total ton-miles revenue freight	12,804,595	10,097,196	9,234,307	8,479,448	9,691,027
Non-revenue freight in road service	1,732,702	1,468,357	1,488,232	1,271,223	1,587,137
Non-revenue freight in water transfer service	1,623	704	966	720	....
Total ton-miles Non-revenue freight	1,734,325	1,469,061	1,489,198	1,271,943	1,587,137
Total ton-miles Revenue and Non-revenue freight	14,538,920	11,566,257	10,723,505	9,751,391	11,278,164
GROSS TON-MILES (THOUSANDS) FREIGHT-TRAINS:					
Locomotives and tenders	4,660,334	4,039,405	3,858,435	3,679,141	3,877,368
TRAILING:					
Freight train cars, contents, and cabooses	34,101,425	28,160,255	26,325,863	24,209,979	27,576,810
Passenger-train cars and contents	329,504	285,636	279,890	281,395	307,936
Total trailing gross ton-miles	34,430,929	28,445,891	26,605,753	24,491,374	27,884,746
Total including locomotives and tenders	39,091,263	32,485,296	30,464,188	28,170,515	31,762,114
Gross ton-miles (thousands) Passenger-trains, including locomotives and tenders	7,884,113	7,467,031	7,473,357	7,473,959	7,467,533
Gross ton-miles (thousands) Transportation service, including locomotives and tenders	46,975,376	39,952,327	37,937,545	35,644,474	39,229,647

OPERATING RATIOS AND AVERAGES 1941-1937

ITEMS	1941	1940	1939	1938	1937
OPERATING RATIOS					
OPERATING EXPENSES:					
Maintenance of Way and Structures	14.35%	15.73%	17.12%	14.91%	16.13%
Maintenance of Equipment	16.32	17.98	18.54	19.24	19.16
Traffic	2.02	2.42	2.56	2.78	2.52
Transportation	33.68	36.10	37.68	39.85	39.00
Miscellaneous	.87	.84	.88	.91	.86
General	2.97	3.40	3.56	3.74	3.61
Transportation for Investment—Credit	*.20*	*.26*	*.33*	*.30*	*.34*
Total Operating Expenses	70.01	76.21	80.01	81.13	80.94
NET REVENUE FROM RAILWAY OPERATIONS	29.99	23.79	19.99	18.87	19.06
RAILWAY TAX ACCRUALS AND RENTS	9.81	11.68	12.39	13.57	10.90
NET RAILWAY OPERATING INCOME	20.18	12.11	7.60	5.30	8.16

TRANSPORTATION STATISTICS—RAIL LINE—CONCLUDED

OPERATING RATIOS AND AVERAGES 1941-1937—CONCLUDED

ITEMS	1941	1940	1939	1938	1937
AVERAGES PER MILE OF ROAD					
FREIGHT (Per Mile of Freight Operated Lines)					
Freight-train miles	1,563	1,362	1,340	1,290	1,468
Freight-train car-miles	78,952	67,111	62,842	58,215	65,244
Freight Revenue	$ 10,818	$ 8,753	$ 8,121	$ 7,512	$ 7,989
PASSENGER (Per Mile of Passenger Operated Lines).					
Passenger-train miles	1,574	1,547	1,528	1,550	1,583
Passenger-train car-miles	10,777	10,264	10,088	10,113	10,425
Passenger service train revenue	$ 2,157	$ 1,892	$ 1,829	$ 1,801	$ 1,934
FREIGHT AND PASSENGER (Per Mile of All Lines Operated)					
Transportation service train-miles	2,595	2,373	2,342	2,296	2,463
Work-train miles	64	50	61	46	67
Operating revenues	$ 12,868	$ 10,512	$ 9,781	$ 9,072	$ 9,695
Operating expenses	9,007	8,010	7,825	7,359	7,846
Net Operating Revenues	3,861	2,502	1,956	1,713	1,849
Net Railway Operating Income	2,599	1,274	744	482	792
Ton-Miles—Revenue Freight—Road Service	1,178,183	927,158	844,682	773,135	873,319
Ton-Miles—All Freight—Road Service	1,337,940	1,062,190	980,964	889,191	1,014,996
Revenue Passenger Miles	52,049	43,462	40,790	39,614	43,303
AVERAGES PER TRAIN-MILE					
FREIGHT:					
Loaded Freight car-miles	31.10	29.53	28.10	26.72	26.85
Empty Freight car-miles	18.12	18.45	17.53	17.12	16.31
Total Freight car-miles	49.22	47.98	45.63	43.84	43.16
Ton-miles—Revenue Freight	756.04	682.38	631.73	600.48	595.26
Ton-miles—All Freight	858.44	781.66	733 61	690.56	692.75
Freight Gross Ton-miles, excluding Locomotives and Tenders	2,013.50	1,903.10	1,800.99	1,714.46	1,712.80
Locomotive-miles	1.08	1.08	1.07	1.07	1.12
Freight Revenue	$ 6.92	$ 6.43	$ 6.06	$ 5.82	$ 5.44
PASSENGER:					
Passenger train-car-miles	6.85	6.64	6.60	6.52	6.59
Revenue Passenger-miles	50.38	42.94	40.67	39.35	43.49
Passenger Service Train Revenue	$ 1.37	$ 1.22	$ 1.20	$ 1.16	$ 1.22
Locomotive-miles	1.04	1.03	1.03	1.03	1.04
FREIGHT AND PASSENGER:					
Operating Revenues	$ 4.96	$ 4.43	$ 4.18	$ 3.95	$ 3.94
Operating Expenses	$ 3.47	$ 3.38	$ 3.34	$ 3.20	$ 3.19
Net Operating Revenues	$ 1.49	$ 1.05	$ .84	$ .75	$ .75
AVERAGES—MISCELLANEOUS					
PER FREIGHT TRAIN-HOUR:					
Freight train-miles	16.4	16.4	16.4	16.3	15.9
Net ton-miles, Revenue and Non-revenue, in Freight Trains	14,046	12,831	11,978	11,265	11,027
Gross ton-miles, Trailing, in Freight Trains	33,310	31,615	29,770	28,332	27,278
PER LOADED FREIGHT CAR-MILE:					
Ton-miles, All Freight (Revenue and Non-revenue)	27.57	26.42	26.08	25.81	25.77
Freight Revenue	$ .22232	$ .21728	$ .21550	$ .21765	$ .20243
PER FREIGHT CAR-DAY:					
Car-miles, Loaded and Empty, in Freight Trains	38.1	31.6	29.8	27.0	30.6
PERCENT FREIGHT CARS UNSERVICEABLE:					
Owned cars on line of Total Ownership	1.7	2.9	2.8	3.0	2.8
Owned and Foreign cars on line of Total cars on line	1.6	2.8	2.6	2.8	2.6
Percent Empty of Loaded Freight Car-Miles	58.20	62.35	62.30	64.01	60.70
Percent Revenue ton-miles of Gross ton-miles, excluding Locomotives and Tenders	37.55	35.86	35.08	35.02	34.75
Miles per Non-revenue Ton	319.78	317.34	326.81	324.92	323.20
Miles per Revenue and Non-revenue Ton	300.82	289.52	279.27	279.82	279.83
POUNDS OF COAL CONSUMED (Other fuels equated to Coal):					
Per 1,000 gross ton miles of Freight Trains (including Locomotives)	115	118	118	118	125
Per Passenger-train car-mile	17.2	17.0	16.6	16.3	16.3
Per Yard Switching Locomotive Hour	742	770	782	780	785

EQUIPMENT OWNED AT END OF YEAR

Class	1941		1940	
	C. M. St. P. & P.	C. T. H. & S. E.	C. M. St. P. & P.	C. T. H. & S. E.
Locomotives				
Steam Locomotives —Freight	808	17	808	17
" " —Passenger	160	8	160	8
" " —Switch	116	2	117	2
Electric Locomotives—Freight	35	.....	36	.....
" " —Passenger	15	.....	15	.....
" " —Switch	4	.....	6	.....
Diesel Locomotives —Freight	1	.....	.....	.....
" " —Passenger	2	.....	.....	.....
" " —Switching and Branch Line	55	.....	43	.....
Total Locomotives	1,196	27	1,185	27
Freight-Train Cars				
Automobile and Box Cars	31,623	898	31,892	898
Flat Cars	4,148	121	4,220	144
Stock Cars	3,921	.....	3,921	.....
Coal Cars	13,794	511	13,836	517
Ore Cars	283	517	283	517
Caboose Cars	769	46	770	46
Total Freight Equipment	54,538	2,093	54,922	2,122
Passenger-Train Cars				
Coaches	324	.....	324	.....
Combination Coach Cars	67	1	67	1
Parlor Cars	44	.....	44	.....
Sleeping Cars	66	.....	66	.....
Dining Cars	32	.....	32	.....
Club Lounge and Observation Cars	11	.....	13	.....
Postal Cars	57	.....	57	.....
Baggage Express and Other Non-Passenger Cars	312	.....	313	.....
Other Passenger Cars	6	.....	6	.....
Total	919	1	922	1
Passenger Rail Motor Cars:				
Combination Coach Cars	9	.....	7	.....
Other Passenger-Train Rail Motor Cars	10	.....	10	.....
Total	19	.....	17	.....
Total Passenger Equipment	938	1	939	1
Company Service Equipment				
Business Cars	11	2	11	2
Derrick Cars	23	1	24	1
Steam Shovels	1	.....	1	.....
Other Company Service Equipment	2,746	176	2,719	159
Total Company Service Equipment	2,781	179	2,755	162
Floating Equipment				
Tugboat	1	.....	1	.....
Car Barges	5	.....	5	.....
Total Floating Equipment	6	.....	6	.....
Highway Motor Vehicles				
Revenue	15	.....	15	.....
Company Service	135	6	114	4
Total Highway Motor Vehicles	150	6	129	4

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF DECEMBER 31, 1941 AND DECEMBER 31, 1940

ASSET SIDE	1941	1940	Increase	Decrease
Investment:				
Road property	$ 344,187.00	$ 344,748.04	....	$ 561.04
Equipment property	3,244.09	3,244.09	....	....
Total road and equipment property	$ 347,431.09	$ 347,992.13	....	$ 561.04
Current Assets:				
Cash	$ 15,913.79	$ 9,062.82	$ 6,850.97	....
Traffic and car-service balances—Dr.	....	376.32	....	376.32
Net balance receivable from agents and conductors	64.79	19.78	45.01	....
Miscellaneous accounts receivable	386.46	952.41	....	565.95
Material and supplies	2,487.43	2,495.64	....	8.21
Other current assets	27.05	5.60	21.45	....
Total current assets	$ 18,879.52	$ 12,912.57	$ 5,966.95	....
Deferred Assets:				
Working fund advances	$ 366.94	$ 366.94	....	....
Unadjusted Debits:				
Rents and insurance premiums paid in advance	$ 329.82	$ 629.82	....	$ 300.00
Other unadjusted debits	463.19	629.49	....	166.30
Total unadjusted debits	$ 793.01	$ 1,259.31	....	$ 466.30
Grand Total	367,470.56	$ 362,530.95	$ 4,939.61	....
LIABILITY SIDE				
Stock:				
Capital stock	$ 300,000.00	$ 300,000.00	....	....
Premium on capital stock	26,628.95	26,628.95	....	....
Total stock	$ 326,628.95	$ 326,628.95	....	....
Current Liabilities:				
Traffic and car-service balances—Cr.	$ 2,295.22	$ 1,736.15	$ 559.07	....
Audited accounts and wages payable	8,425.83	3,359.59	5,066.24	....
Miscellaneous accounts payable	757.44	64.16	693.28	....
Accrued tax liability	878.82	837.38	41.44	....
Other current liabilities	....	11.31	....	$ 11.31
Total current liabilities	$ 12,357.31	$ 6,008.59	$ 6,348.72	....
Unadjusted Credits:				
Accrued depreciation—Equipment	$ 2,366.33	$ 2,047.49	$ 318.84	....
Other unadjusted credits	103.80	....	103.80	....
Total unadjusted credits	$ 2,470.13	$ 2,047.49	$ 422.64	....
Corporate Surplus:				
Additions to property through income and surplus	$ 20,802.14	$ 21,363.18	....	$ 561.04
Total appropriated surplus	$ 20,802.14	$ 21,363.18	....	$ 561.04
Profit and Loss:				
Credit balance	$ 5,212.03	$ 6,482.74	....	$ 1,270.71
Total corporate surplus	$ 26,014.17	$ 27,845.92	....	$ 1,831.75
Grand total	$ 367,470.56	$ 362,530.95	$ 4,939.61	....

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY

INCOME ACCOUNT FOR THE YEARS 1941 AND 1940

	1941	1940	+Increase —Decrease Amount	+Increase —Decrease Per Cent
I. Operating Income				
Railway Operating Income:				
Railway operating revenues	$ 18,211.09	$ 18,988.88	$ — 777.79	— 4.10
Railway operating expenses	16,728.11	16,369.18	+ 358.93	+ 2.19
Net Revenue from Railway Operations	$ 1,482.98	$ 2,619.70	$ — 1,136.72	— 43.39
Railway tax accruals	2,004.88	2,024.01	— 19.13	— .95
Railway Operating Income	$ *521.90*	$ 595.69	$ — 1,117.59	....
Rents Payable:				
Hire of freight cars—Debit balance	$ 415.66	$ 431.15	$ — 15.49	— 3.59
Joint facility rents	41.88	41.88	....	....
Total Rents Payable	$ 457.54	$ 473.03	$ — 15.49	— 3.27
Net Railway Operating Income	$ *979.44*	$ 122.66	$ — 1,102.10	....
II. Other Income				
Miscellaneous rent income	$ 145.00	$ 145.00	....	....
Total Income	$ *834.44*	$ 267.66	$ — 1,102.10	....
III. Miscellaneous Deductions from Income				
Miscellaneous income charges	$ .15	....	$ + .15	....
Income available for fixed charges	$ *834.59*	$ 267.66	$ — 1,102.25	....
IV. Fixed Charges				
Rent for leased roads and equipment	$ 441.48	$ 441.48	....	....
Net Income (*Deficit*)	$ *1,276.07*	$ *173.82*	$ — 1,102.25	

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

	December 1941	December 1940
Credits:		
Credit balance at beginning of year	$ 6,482.74	$ 6,656.56
Debits:		
Debit balance transferred from income	$ 1,276.07	$ 173.82
Surplus appropriated for investment in physical property	*561.04*	....
Debits from retired road and equipment	555.68	....
Total Debits	$ 1,270.71	$ 173.82
Credit balance, December 31, carried to General Balance Sheet	5,212.03	6,482.74

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY CO.

GENERAL BALANCE SHEET
DECEMBER 31, 1941 AND DECEMBER 31, 1940

ASSET SIDE	1941	1940	Increase	Decrease
Investments:				
Road and equipment property	$27,612,218.43	$27,607,957.39	$ 4,261.04	
Deposits in lieu of mortgaged property sold	3,500.00	1,500.00	2,000.00	
Miscellaneous physical property	240,925.41	240,518.33	407.08	
Affiliated companies	4.00	2,505.00		$ 2,501.00
Total Investments	$27,856,647.84	$27,852,480.72	$ 4,167.12	
Current Assets:				
Cash	$ 1,117.33	$ 1,143.64		$ 26.31
Special deposits	187.50	187.50		
Rents receivable	266,929.17	266,929.17		
Other current assets	582,114.00	508,842.75	$ 73,271.25	
Total Current Assets	$ 850,348.00	$ 777,103.06	$ 73,244.94	
Deferred Assets:				
Other deferred assets	$ 2,627,539.36	$ 2,809,667.36		$ 182,128.00
Grand Total	$31,334,535.20	$31,439,251.14		$ 104,715.94
LIABILITY SIDE				
Capital Stock:				
Common stock	$ 4,300,000.00	$ 4,300,000.00		
Less: Stock held in treasury	127,005.00	127,005.00		
	$ 4,172,995.00	$ 4,172,995.00		
Governmental Grants:				
Grants in aid of construction	$ 66,042.09	$ 98,763.51		$ 32,721.42
Long-Term Debt:				
Funded debt unmatured	$23,360,000.00	$23,360,000.00		
Less: Bonds held in treasury	166,200.00	166,000.00	$ 200.00	
	$23,193,800.00	$23,194,000.00		$ 200.00
Long-term debt in default	$ 350,000.00	$ 350,000.00		
Less: Bonds pledged	100,000.00	100,000.00		
	$ 250,000.00	$ 250,000.00		
Non-negotiable debt to affiliated companies	$ 673,542.97	$ 678,593.33		$ 5,050.36
Total Long-Term Debt	$24,117,342.97	$24,122,593.33		$ 5,250.36
Current Liabilities:				
Interest matured unpaid	$ 582,301.50	$ 509,030.25	$ 73,271.25	
Unmatured interest accrued	266,929.17	266,929.17		
Total Current Liabilities	$ 849,230.67	$ 775,959.42	$ 73,271.25	
Deferred Liabilities:				
Other deferred liabilities	$ 724,917.58	$ 861,782.30		$ 136,864.72
Unadjusted Credits:				
Accrued depreciation—Equipment	$ 59,696.71	$ 59,756.71		$ 60.00
Corporate Surplus:				
Additions to property through income and surplus	$ 94,022.42	$ 105,475.64		$ 11,453.22
Profit and loss, credit balance	1,250,287.76	1,241,925.23	$ 8,362.53	
Total Corporate Surplus	$ 1,344,310.18	$ 1,347,400.87		$ 3,090.69
Grand Total	$31,334,535.20	$31,439,251.14		$ 104,715.94

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY CO.

INCOME ACCOUNT
FOR THE YEARS 1941 AND 1940

	1941	1940	+Increase —Decrease	Percent
Income:				
Income from lease of road and equipment	$ 1,108,550.13	$ 1,109,430.33	—$ 880.20	— .08
Income from funded securities	10.00	10.00		
Miscellaneous income	5,199.48		+ 5,199.48	—
Total Income	$ 1,113,759.61	$ 1,109.440.33	+$ 4,319.28	+ .39
Deductions From Income:				
Interest on funded debt	$ 1,099,330.00	$ 1,099.330.00		
Maintenance of investment organization	3,014.39	3,147.47	— 133.08	— 4.23
Miscellaneous income charges	6,205.74	6,952.86	— 747.12	— 10.75
Total Deductions From Income	$ 1,108.550.13	$ 1,109,430.33	—$ 880.20	— .08
Net Income	$ 5,209.48	$ 10.00	+$ 5,199.48	+

PROFIT AND LOSS ACCOUNT
FOR THE YEARS 1941 AND 1940

	1941	1940	+Increase —Decrease	Percent
Credits:				
Credit balance at beginning of year	$ 1,241,925.23	$ 1,250,617.34	—$ 8,692.11	— .70
Credit balance transferred from income	5,209.48	10.00	+ 5,199.48	+
Donations		18.00	— 18.00	— 100.00
Miscellaneous credits	16,905.27	14,196.12	+ 2,709.15	+ 19.08
Total Credits	$ 1,264,039.98	$ 1,264,841.46	—$ 801.48	— .06
Debits:				
Surplus appropriated for investment in physical property		18.00	— 18.00	— 100.00
Debits from retired road and equipment	11,453.22	12,899.23	— 1,446.01	— 11.21
Miscellaneous debits	2,299.00	9,999.00	— 7,700.00	— 77.01
Total Debits	$ 13,752.22	$ 22,916.23	—$ 9,164.01	— 39.99
Credit Balance Carried to Balance Sheet	$ 1,250,287.76	$ 1,241,925.23	+$ 8,362.53	+ .67

FUNDED DEBT, DECEMBER 31, 1941

Description of Bonds	Date of Maturity	Total	In Treasury of Company	Pledged	In Hands of Public	Interest: Rate %	Interest: Payable	Interest: Accrued During the Year
Unmatured:								
Southern Indiana Ry. Co., First Mortgage	Feb. 1, 1951	$ 7,287,000.00			$ 7,287,000.00	4	Feb. & Aug.	$ 291,480.00
First and Refunding Mortgage	Dec. 1, 1960	9,573,000.00	$ 2,000.00		①9,571,000.00	5	June & Dec.	478,550.00
Income Mortgage	Dec. 1, 1960	6,500,000.00	164,200.00		6,335,800.00	5	Mar. & Sept.	316,800.00
Total		$23,360,000.00	$ 166,200.00		$23,193,800.00			$1,086,830.00
Matured Unpaid:								
Bedford Belt Ry. Co., First Mortgage	July 1, 1938	$ 350,000.00		②100,000.00	$ 250,000.00	5	Jan. & July	$ 12,500.00
Grand Total		$23,710,000.00	$ 166,200.00	$ 100,000.00	$23,443,800.00			$1,099,330.00

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

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

②Pledged with Trustee under C. T. H. & S. E. Ry. Co. First and Refunding Mortgage.

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