



1946  
Annual Report 1946

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC  
RAILROAD COMPANY

# CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

General Offices—516 W. Jackson Boulevard, Chicago 6, Illinois  
Fiscal Office—52 Wall Street, New York 5, N. Y.

## BOARD OF DIRECTORS

| LEO T. CROWLEY, <i>Chairman</i>                                                                          |         | CHICAGO                                                                                       |         |
|----------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------|---------|
| <i>Chairman and President,<br/>Standard Gas and Electric Company</i>                                     |         |                                                                                               |         |
| JOHN D. ALLEN<br><i>President, Brink's, Inc.</i>                                                         | CHICAGO | JOSHUA GREEN<br><i>Chairman, Peoples National Bank of Wash-<br/>ington</i>                    | SEATTLE |
| JAMES M. BARKER<br><i>Chairman, Allstate Insurance Company</i>                                           | CHICAGO | ARNOLD B. KELLER<br><i>Senior Consultant and Director<br/>International Harvester Company</i> | CHICAGO |
| WILLIAM J. CORBETT<br><i>President, C. W. Marks Shoe Company</i>                                         | CHICAGO | WILLIAM L. O'BRIEN<br><i>Vice Pres., Fred J. Ringley Company</i>                              | CHICAGO |
| WALTER J. CUMMINGS<br><i>Chairman, Continental Illinois National<br/>Bank &amp; Trust Co. of Chicago</i> | CHICAGO | ELMER RICH<br><i>President, Simoniz Company</i>                                               | CHICAGO |
| WILLIAM J. FROELICH<br><i>Attorney at Law</i>                                                            | CHICAGO | JOHN O. STOLL<br><i>President, John O. Stoll Company</i>                                      | CHICAGO |
| JOHN B. GALLAGHER<br><i>Vice Pres. &amp; Director, Cen. Elec. &amp; Gas Co.</i>                          | CHICAGO | HENRY A. SCANDRETT<br><i>President</i>                                                        | CHICAGO |
| JAMES T. GILLOCK<br><i>Vice President-Consulting</i>                                                     | CHICAGO | ALBERT N. WHITLOCK<br><i>Vice President and General Counsel</i>                               | CHICAGO |

## FINANCE COMMITTEE

|                                 |                    |
|---------------------------------|--------------------|
| LEO T. CROWLEY, <i>Chairman</i> |                    |
| JOHN D. ALLEN                   | WALTER J. CUMMINGS |
| JAMES M. BARKER                 | ELMER RICH         |

## VOTING TRUSTEES

|                 |                    |
|-----------------|--------------------|
| JOHN D. ALLEN   | WALTER J. CUMMINGS |
| JAMES M. BARKER | ELMER RICH         |
| LEO T. CROWLEY  |                    |

## OFFICERS

|                           |                                                      |          |
|---------------------------|------------------------------------------------------|----------|
| H. A. SCANDRETT . . . . . | President . . . . .                                  | CHICAGO  |
| C. H. BUFORD . . . . .    | Executive Vice President . . . . .                   | CHICAGO  |
| O. N. HARSTAD . . . . .   | Vice President—Operation . . . . .                   | CHICAGO  |
| A. N. WHITLOCK . . . . .  | Vice President and General Counsel . . . . .         | CHICAGO  |
| E. B. FINEGAN . . . . .   | Vice President—Traffic . . . . .                     | CHICAGO  |
| J. W. SEVERS . . . . .    | Vice President and Comptroller . . . . .             | CHICAGO  |
| J. T. GILLOCK . . . . .   | Vice President—Consulting . . . . .                  | CHICAGO  |
| R. J. MARONY . . . . .    | Vice President and New York Fiscal Officer . . . . . | NEW YORK |
| J. P. KILEY . . . . .     | Assistant to President . . . . .                     | SEATTLE  |
| M. L. BLUHM . . . . .     | General Solicitor . . . . .                          | CHICAGO  |
| T. W. BURTNESSE . . . . . | Secretary . . . . .                                  | CHICAGO  |
| F. H. JEFFREY . . . . .   | Treasurer . . . . .                                  | CHICAGO  |
| D. C. CURTIS . . . . .    | Chief Purchasing Officer . . . . .                   | CHICAGO  |
| L. F. DONALD . . . . .    | General Manager, Lines East . . . . .                | CHICAGO  |
| L. K. SORENSEN . . . . .  | General Manager, Lines West . . . . .                | SEATTLE  |
| R. J. MIDDLETON . . . . . | Chief Engineer . . . . .                             | CHICAGO  |
| F. H. JOHNSON . . . . .   | Public Relations Officer . . . . .                   | CHICAGO  |
| J. C. ELLINGTON . . . . . | Industrial Commissioner . . . . .                    | CHICAGO  |

Transfer Agents for Preferred Stock and Common Stock Voting Trust Certificates:  
The First National Bank of Chicago, 38 S. Dearborn Street, Chicago 90, Illinois  
The National City Bank of New York, 55 Wall Street, New York 15, N. Y.

As the stock of the Company, except Directors' qualifying shares, is held and will be voted by Voting Trustees, proxies will not be solicited for the year 1947. This Annual Report containing financial statements is not and must not be considered as proxy soliciting material or as a report or document filed pursuant to the Securities Exchange Act or any rule or regulation thereunder.

## TO THE STOCKHOLDERS:

THE year 1946, the first full year of peacetime operation since the close of the war, was a most difficult one for the railroad industry. The year was marked by a decline in gross revenues, shortages of materials, wage increases and higher costs of materials, including fuel.

Railroad operations were very seriously affected by the strike of railroad engineers and trainmen on May 23, 24 and 25. There were many strikes in other industries, including automobile, steel, meat packing, electrical and maritime, two in coal mining, and a host of others throughout the country.

Freight traffic during the year was further adversely affected by a nationwide shortage of cars, particularly closed cars, brought about by the inability of the railroads to obtain sufficient new cars during the war period and the period immediately following it.

Due principally to the demobilization of the armed forces, the volume of passenger traffic in the first five months of 1946 was the greatest in the history of The Milwaukee Road. Beginning with the month of June, there was a sharp decline which continued throughout the remaining months of the year. Passenger earnings were further reduced during the two coal strikes, when train operations were curtailed by order of the Office of Defense Transportation to conserve coal.

Mail traffic held up well during the year and the revenue therefrom was slightly more than in 1945. Express traffic declined substantially, due to the smaller movement of war materials, and payments to the railroads were adversely affected by the increase in wages and other expenses of the Railway Express Agency.

Because of the decline in revenues and the increase in operating expenses resulting from large wage increases and sharply higher costs of materials and supplies, and the delay by the Interstate Commerce Commission in acting finally on the petition of the railroads for freight rate increases, it was necessary to defer some improvement and maintenance work on both road and equipment. We were also unable to carry out in full our new rail program because of the inability of manufacturers to supply our requirements. Our roadway property and equipment have, nevertheless, been maintained in safe operating condition.

The program of freight and passenger car construction at our Milwaukee Shops has been seriously delayed because of our inability to obtain needed materials. These delays not only impeded the progress of the transition period but resulted in a loss of revenue to the company.

The increases in freight rates, authorized by the Interstate Commerce Commission, effective January 1, 1947, will be helpful but are not sufficient to offset the increase in wages, payroll taxes under the Crosser Act, and the higher costs of materials and supplies, including fuel.

This drawing shows the servicing of an F-7 steam locomotive.



## WHERE OUR MONEY CAME FROM

|                                                                                                                                                              | 1946          | 1945          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|  Hauling Freight.....                                                       | \$152,186,983 | \$168,950,558 |
|  Carrying Passengers.....                                                   | 28,313,790    | 37,107,494    |
|  Other Passenger Train Revenue, including Dining and Buffet Car Service.... | 3,937,619     | 4,586,896     |
|  Transporting Mail and Express.....                                         | 8,480,829     | 9,358,862     |
|  Switching.....                                                             | 3,950,919     | 3,897,616     |
|  Other Operating Revenues.....                                              | 4,309,971     | 5,045,510     |
| Total Operating Revenues.....                                                                                                                                | 201,180,111   | 228,946,936   |
| Other Income—Net.....                                                                                                                                        | 1,709,605     | 2,227,077     |
| TOTAL.....                                                                                                                                                   | \$202,889,716 | \$231,174,013 |

## WHERE OUR MONEY WENT

|                                                                                                                                                               | 1946          | 1945          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|  Labor—to Operate and Maintain the Railroad.....                           | \$107,339,250 | \$ 98,199,682 |
|  Fuel, Power, Materials and Supplies.....                                  | 37,142,584    | 39,023,830    |
|  Taxes—Federal, State and Local.....                                       | 11,002,000    | 12,067,000    |
|  Depreciation Charges, Miscellaneous Operating Expenses and Net Rents..... | 32,349,679    | 53,074,094    |
|  Interest on Debt and other requirements of Mortgages.....                 | 11,880,135    | 14,731,496    |
|  Remainder Available for Improvements and Other Corporate Purposes.....    | 3,176,068     | 14,077,911    |
| TOTAL.....                                                                                                                                                    | \$202,889,716 | \$231,174,013 |

*Some of the more important items of operating performance are as follows:*

## **FREIGHT SERVICE**



|                                                          | 1946          | 1945          | 1940          |
|----------------------------------------------------------|---------------|---------------|---------------|
| <b>ITEMS</b>                                             |               |               |               |
| Freight Revenue.....                                     | \$152,186,983 | \$168,950,558 | \$ 95,113,461 |
| Revenue Tons Handled (Thousands).....                    | 50,242        | 52,326        | 35,321        |
| Revenue Ton-miles (Thousands).....                       | 15,744,422    | 18,182,060    | 10,097,196    |
| Average Haul—Miles.....                                  | 313           | 347           | 286           |
| Net Ton-miles per Train-mile (Includes Non-revenue)..... | 1,032         | 1,108         | 780           |
| Net Ton-miles per Train-hour (Includes Non-revenue)..... | 16,117        | 17,473        | 12,831        |
| Locomotive-miles per Locomotive-day.....                 | 116.2         | 118.6         | 112.8         |
| Car-miles per Car-day.....                               | 40.1          | 47.0          | 32.5          |
| Average Number of Locomotives in Service.....            | 607           | 611           | 630           |
| Average Number of Freight Cars Owned and Leased.....     | 54,152        | 55,739        | 56,159        |

## **PASSENGER SERVICE**



|                                                              |               |               |              |
|--------------------------------------------------------------|---------------|---------------|--------------|
| Passenger Revenue.....                                       | \$ 28,313,790 | \$ 37,107,494 | \$ 8,100,381 |
| Revenue Passengers Carried (Thousands).....                  | 9,705         | 11,343        | 4,695        |
| Revenue Passenger-miles (Thousands).....                     | 1,587,364     | 2,171,853     | 472,614      |
| Average Distance Traveled—Miles.....                         | 163.55        | 191.47        | 100.67       |
| Locomotive-miles per Locomotive-day.....                     | 252.3         | 252.8         | 200.0        |
| Car-miles per Owned Car-day.....                             | 264.0         | 287.3         | 194.7        |
| Average Number of Locomotives in Service.....                | 179           | 179           | 183          |
| Average Number of Passenger-Train Cars Owned and Leased..... | 958           | 962           | 927          |

## **FREIGHT AND PASSENGER SERVICE**



|                                                |               |               |               |
|------------------------------------------------|---------------|---------------|---------------|
| Gross Earnings—Railway Operating Revenues..... | \$201,180,111 | \$228,946,936 | \$114,375,589 |
| Operating Expense Ratio.....                   | 85.41%        | 81.62%        | 76.21%        |

## REVENUES AND EXPENSES

Operating revenues for the year amounted to \$201,180,111, a decrease of \$27,766,825, or 12.1%, compared with 1945.

|                    |          |                      |
|--------------------|----------|----------------------|
| Freight revenue    | decrease | \$16,763,575 or 9.9% |
| Passenger revenue  | decrease | 8,793,704 or 23.7%   |
| All other revenues | decrease | 2,209,546 or 9.7%    |

Operating expenses were \$171,823,263, a decrease of \$15,036,154, or 8.0%, compared with 1945.

|                       |          |                       |
|-----------------------|----------|-----------------------|
| Main. of Way & Struc. | decrease | \$11,616,513 or 25.9% |
| Maintenance of Equip. | decrease | 15,303,642 or 30.0%   |
| Transportation        | increase | 9,907,335 or 12.6%    |

Net railway operating income amounted to \$13,346,598, a decrease of \$13,235,732, or 49.8%, compared with 1945.

### Percentage Make-up of Total Revenue Tonnage

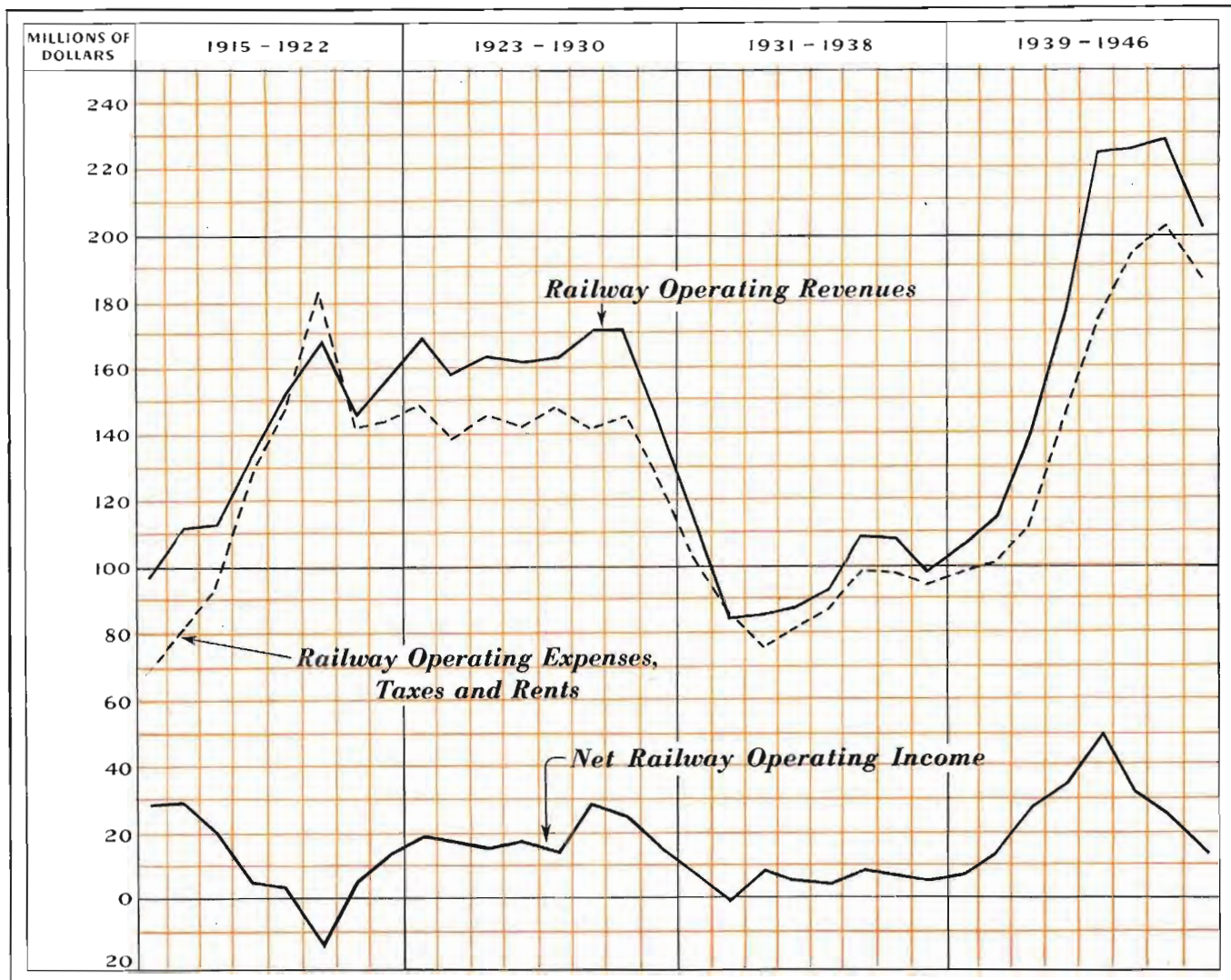
|                                       |       |
|---------------------------------------|-------|
| Manufactured Articles                 | 32.2% |
| Coal, Ore, Products of Mines          | 28.7% |
| Wheat, Grain, Products of Agriculture | 19.8% |
| Lumber, Products of Forests           | 12.8% |
| Livestock, Products of Animals        | 4.5%  |
| L. C. L. (Less Than Carload Lots)     | 2.0%  |

### Analysis of the more important Items of Increase and Decrease in Total Railway Operating Expenses as Compared with 1945

| ITEMS                                                | MAINTENANCE OF WAY & STRUCTURES | MAINTENANCE OF EQUIPMENT | TRANSPORTATION | ALL OTHER      | TOTAL           |
|------------------------------------------------------|---------------------------------|--------------------------|----------------|----------------|-----------------|
| <b>LABOR:</b>                                        |                                 |                          |                |                |                 |
| General wage increases                               | + \$ 3,164,556                  | + \$ 3,188,286           | + \$ 9,527,896 | + \$ 1,481,107 | + \$ 17,361,845 |
| Straight time worked                                 | 3,467,934                       | 285,543                  | 349,083        | 137,079        | 3,965,481       |
| Overtime worked                                      | 1,807,104                       | 2,043,987                | 339,527        | 66,178         | 4,256,796       |
| Total Labor                                          | 2,110,482                       | 858,756                  | 8,839,286      | 1,552,008      | 9,139,568       |
| <b>FUEL:</b>                                         |                                 |                          |                |                |                 |
| Price increase                                       |                                 |                          | + 1,567,239    |                | + 1,567,239     |
| Consumption                                          |                                 |                          | 638,487        |                | 638,487         |
| Total Fuel                                           |                                 |                          | 928,752        |                | 928,752         |
| Electric power                                       |                                 |                          | 207,520        |                | 207,520         |
| <b>Material—Other than fuel:</b>                     |                                 |                          |                |                |                 |
| Price increase                                       | + 643,816                       | + 719,797                | + 390,338      | + 316,601      | + 2,070,552     |
| Quantity                                             | 2,826,279                       | 1,522,826                | 193,207        | 130,718        | 4,673,030       |
| Total Material other than Fuel                       | 2,182,463                       | 803,029                  | 197,131        | 185,883        | 2,602,478       |
| Voucher payments for contract work                   | 2,760,139                       |                          |                |                | 2,760,139       |
| TOTAL LABOR, MATERIAL AND VOUCHERS FOR CONTRACT WORK | 7,053,084                       | 55,727                   | 9,757,649      | 1,737,891      | 4,498,183       |
| Depreciation—Road and equipment                      | + 205,503                       | + 259,108                |                |                | + 464,611       |
| Amortization of defense projects                     | 1,620,819                       | 15,929,343               |                |                | 17,550,162      |
| Retirements—Road                                     | 2,094,796                       |                          |                |                | 2,094,796       |
| TOTAL DEPRECIATION, AMORTIZATION AND RETIREMENTS     | 3,510,112                       | 15,670,235               |                |                | 19,180,347      |
| Miscellaneous including casualties                   | 1,053,317                       | 310,866                  | 149,686        | 238,775        | 353,990         |
| TOTAL RAILWAY OPERATING EXPENSES                     | \$ 11,616,513                   | \$ 15,303,642            | \$ 9,907,335   | \$ 1,976,666   | \$ 15,036,154   |

## Revenues, Expenses and Net Railway Operating Income

YEARS 1915-1946



## FREIGHT RATES AND PASSENGER FARES

Because of the greatly increased cost of doing business, resulting from the general wage increases, retroactive to January 1, 1946, large increases both present and prospective in the prices of materials and supplies, and faced with a decline in the volume of traffic following the conclusion of the war, the railroads on April 15 filed a petition with the Interstate Commerce Commission for a general increase in freight rates and an order authorizing the permanent continuance of the 10% increase in passenger fares which had been authorized during the war period. The freight rate increase sought was 25%, with certain exceptions on coal, coke, iron ore, iron and steel products and other

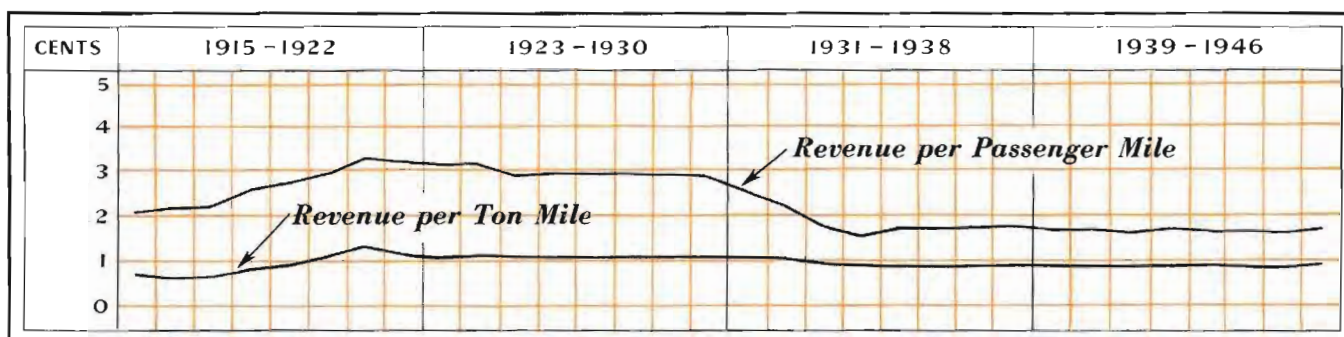
commodities. The proposed increase for The Milwaukee Road was estimated to yield about 20%.

On June 20 the Commission authorized interim increases in freight rates, effective July 1 which, for The Milwaukee Road, would yield about 4.7%.

After further extended hearings the Commission handed down its final order on December 5, cancelling the interim increases and authorizing a general freight rate increase on interstate traffic, effective January 1, 1947, averaging 17.6% for the country as a whole. The order also authorized the continuance of the passenger fare increases of 10% without expiration date.

## Revenue Yield per Traffic Unit

YEARS 1915-1946



(Above) A new steel-and-plywood freight car is pulled out of the paint shop at Milwaukee.

The increases in freight rates are being made applicable to intrastate traffic as promptly as authorized by the various State Commissions.

Based on 1946 traffic, both interstate and intrastate, the additional freight revenue to The Milwaukee Road, by reason of the increases in freight rates, is estimated at \$25,275,000, or 17.13%. Other items of increase authorized in the Commission's order for switching, excess baggage, storage, loading and unloading stock, reconsigning and stop charges, and other accessorial charges, including protective service, will further increase our revenues \$1,392,000, based upon the volume of traffic for the year 1946.

The Interstate Commerce Commission, on October 28, handed down a decision on the petition filed by the Railway Express Agency to increase express rates. docketed as Ex Parte No. 163. The Commission authorized, effective December 13, 1946, the increases sought for a period of one year, with the provision that the Railway Express Agency should make and report to the Commission, within six months after the effective date, a study of the effect of the new rates. At the same time, the Express Agency was directed to file its proposals for permanent rates. It is estimated that our proportion of the net earnings resulting from these increases will amount to \$1,400,000 per annum.

The railroads, on February 19, 1947, petitioned the Interstate Commerce Commission to fix a new basis of mail pay which shall be not less than 45% in excess of the rates now in effect.

(Below) 6000 hp diesels like this will power the new OLYMPIAN HIAWATHAS between Minneapolis and Tacoma.



## WAGE INCREASES

Of major importance was the settlement of wage dispute with the various labor organizations.

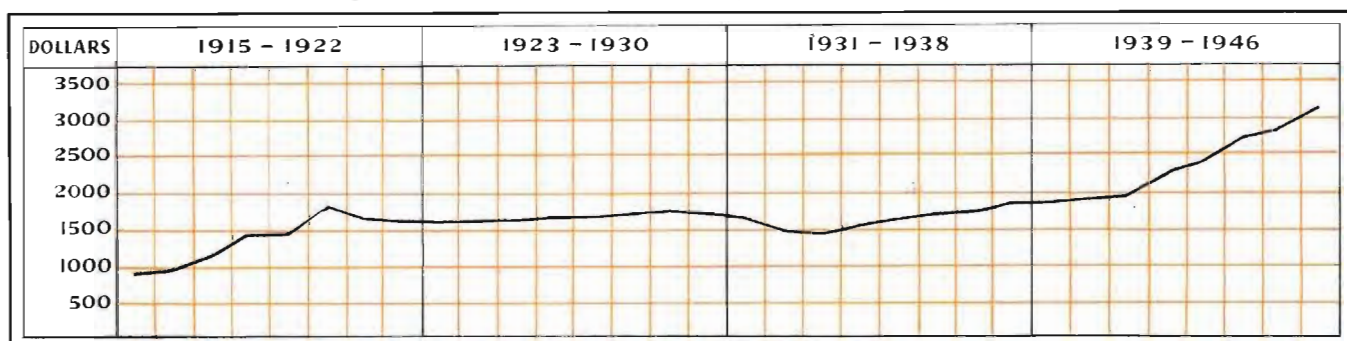
The Locomotive Engineers and Trainmen refused to accept the recommendation of the Emergency Board appointed by President Truman of an increase of 16 cents per hour, and voted to strike, effective May 18. On the request of the President a five-day truce was declared and negotiations resumed. On May 22 the President offered a compromise plan of an increase of 16 cents per hour, retroactive to January 1, 1946, plus 2½ cents per hour, effective May 22, making a total increase of 18½ cents per hour. The additional 2½ cents per hour was in lieu of any rule changes for a period of one year. The proposal was accepted by the railroads and the other eighteen unions, but it was rejected by the Locomotive Engineers and Railroad Trainmen. A nationwide rail strike became effective May 23. It was settled two days later on the basis of the President's recommendations of May 22. As a



At a service stop, a mechanic with a high-pressure grease gun lubricates a steam locomotive.

result of the wage increases to employees covered by wage agreements, which were also applied to employees not so covered, the payroll for 1946 was increased an estimated \$19,500,000, including payroll taxes.

*Average Compensation per Employee per Year*  
YEARS 1915-1946



*Milwaukee Road Employees by Groups*  
AVERAGES OF 1946

|                                                               |        |
|---------------------------------------------------------------|--------|
| Executives, Officials and Staff Assistants.....               | 382    |
| Professional, Clerical and General.....                       | 6315   |
| Maintenance of Way and Structures.....                        | 7000   |
| Maintenance of Equipment and Stores.....                      | 9710   |
| Transportation:                                               |        |
| Engineers.....                                                | 1640   |
| Firemen.....                                                  | 1790   |
| Road Conductors.....                                          | 939    |
| Yard Conductors and Foremen.....                              | 609    |
| Road Brakemen and Baggage-men.....                            | 2033   |
| Yard Brakemen and Helpers.....                                | 1312   |
| Agents, Agent-Telegraphers, Agent-Telephoners.....            | 970    |
| Dispatchers, Station forces, Telegraphers and all others..... | 4503   |
| Total.....                                                    | 37,203 |

## INDUSTRIAL DEVELOPMENT DEPARTMENT

The activities of this department, which was organized in 1945, show excellent results. During the year 424 new industries were located adjoining The Milwaukee Road, and when in operation will produce estimated annual freight revenues of \$6,348,000. There were 121 expansions of existing industries, which it is expected will produce an increase of \$1,856,000 in annual freight revenues. During the year 31 industries, with an annual freight revenue of \$624,000, discontinued operation.

With the controls on material removed it is believed there will be much greater opportunities for new construction than in the past several years.

To accelerate the activities of this department, a program of advertising in national magazines and newspapers was adopted for the purpose of informing prospective industries about the service which it is in a position to render. An attractive pamphlet, entitled "How to Find a Home for your Business," has been prepared setting forth in considerable detail information about the territory served by The Milwaukee Road and how the Industrial Development Department can assist prospective industries.



## AGRICULTURAL AND MINERAL DEVELOPMENT DEPARTMENT

The development and execution of programs designed to increase the production and quality of major and certain special crops in Milwaukee Road territory was given particular attention. Evidence of the results obtained is reflected by the increased number of requests for production aid from fertilizer manufacturers, fruit and vegetable canners, pickle packers, sugar beet refiner, farmers, farmer organizations, livestock dealers and Federal, State, regional and local agricultural agencies.

This department was instrumental in making surveys of standing timber on mountain areas which have resulted in sales to operators who are producing poles, pulpwood, posts, ties and lumber on which we receive a long haul.

Our geologists have located and surveyed large deposits of high-grade bentonite in Montana which, with other mineral deposits that have been investigated, hold promise of commercial development and use. Work has been continued on the compilation of a record to cover all known mineral deposits in Milwaukee territory.

More requests for information regarding opportunities for obtaining farms, ranches and recreational properties were received during 1946 than for many previous years.

Milwaukee Road experts foster contour farming like this as a means of controlling erosion.



# A RAILROAD AT WORK



INDUSTRIAL  
DEPARTMENT



## DEPARTMENT OF PUBLIC RELATIONS

This department has been active during the year in the issuance of news stories to the press, making or arranging talks before civic clubs and other groups, working with Employee Service Clubs, supplying literature and information requested by teachers, students and others, preparing and issuing leaflets and pamphlets containing information for employees, issuing the Milwaukee Magazine, cooperating in the preparation of advertisements for the company and for the Association of American Railroads, and assisting an author assigned by the Creative Press of New York to write a history of The Milwaukee Road, entitled "The Milwaukee Road—the First 100 Years."

The Advisory Committee on Public Relations, comprising general officers of the principal departments, held regular meetings and rendered valuable assistance in matters above mentioned, and in the preparation of a thirty-minute moving picture with sound, titled "A Railroad at Work." The first showing of this picture was made on September 24 and up to December 31 it had been seen by 15,637 persons, including 5560 in schools and public groups. The film shows employees at work in the various branches of service, indicating the part each employee has in the production of transportation.



The Milwaukee Road Choral Club adds much to the Christmas celebration at the Chicago Union Station.

## ADDITIONS AND BETTERMENTS

During the year, gross expenditures of \$19,076,468 were made for additions and improvements to fixed property and equipment and for new equipment. The principal items are shown below:

### *Terminal, Yard and Station Facilities*

Work on the new westbound yard at Bensenville, Illinois, commenced in 1945, was completed. Changes in the eastbound yard at this point will facilitate the classification, make-up and departure of eastbound trains and transfers to connecting lines and the various business districts in the Chicago area.

Station facilities include a new 50'x320' freight house between Jefferson and Clinton Streets, Chicago, Illinois; new passenger station at Liberty, Missouri, joint with the Chicago, Rock Island and Pacific Railway Company; modernization of passenger stations at Green Bay, Wisconsin, Madrid, Iowa, and Sioux Falls, South Dakota; and a new brick passenger station at Elgin, Illinois.

At Moses Lake, Washington, icing facilities, including platform, tracks, well and other appurtenances were constructed to handle the expanding shipments of potatoes and other vegetables.

An open wharf, 120'x210', was constructed at the south end of Dock No. 1, Tacoma, Washington, replacing the old oil dock, and Ocean Dock facilities at Seattle, Washington, were extended to handle more efficiently the unloading of fish oil from ships.

### *Shops and Enginehouses*

A new passenger coach shop and a new passenger truck shop at Mil-



This attractive new passenger station  
was built at Elgin, Illinois.

waukee Shops were completed and placed in operation, as part of the program of modernization and improvement of shop facilities at this point which was commenced in 1945.

Other additions include construction of a concrete inspection pit 955' long at Western Avenue Coach Yard, Chicago, to facilitate inspection and repair of passenger cars; cinder pits, inspection pit, wash racks and sanding facilities at Minneapolis, Minnesota; sanding facilities and wash rack at Tacoma, Washington; and new toilet and locker facilities for trainmen, enginemen, switchmen and Store and Mechanical Department employees at Mason City, Iowa.

The new 50 x 320 ft. freight house at Jefferson and Clinton Sts., supplies a necessary addition to The Milwaukee Road's facilities at Chicago.



## ***Track and Roadway Expenditures***

New rail was laid on 213 miles of main track and usable rail recovered was relaid on 71 miles of track. Passing track construction totaled 21,400 feet; new yard tracks, 60,280 feet, and industrial tracks, 71,200 feet.

Line changes aggregating about ten miles of main track were made to reduce curvature and gradient between Gretna and Glenham, South Dakota.

A continuation of the program of filling or replacing open deck bridges with structures of a more permanent

character brought about the elimination of three large timber trestles on the Idaho Division, as well as work of a lesser magnitude at various other locations.

## ***Signal System***

Centralized Traffic Control was installed on three sections of track totaling 80 miles. At the end of the year this system had been installed on a total of twenty-one sections, aggregating 375 miles.

A controlled automatic block signal system was installed between Aberdeen and Selby, South Dakota, 77 miles; extension of this system from Selby, South Dakota, to Hettinger, North Dakota, and from Rhame to Marmarth, North Dakota, a total of 157 miles, is nearing completion.

Automatic block signal system was placed in operation between Hettinger and Rhame, North Dakota, 53 miles, and work was begun on the installation of this system between Marmarth, North Dakota, and Harlowton, Montana, 340 miles.

## ***Train Communication System***

Two diesel operated trains operating between Milwaukee, Wisconsin, and Kansas City, Missouri, have been equipped with a train communication system, and the installation on six additional trains is under way.

This is the space radio, very high frequency, type, and provides for communication between the head and rear end of freight trains. Each unit is a combination broadcasting and receiving set and the caboose is equipped with Walkie-Talkie set so that the conductor or brakeman may remain in constant communication with the engineer even though he may leave the caboose.

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(Above) Car trucks are assembled and reconditioned in the new bay between the old and new passenger car shops at Milwaukee.

(Below) The new car shop at Milwaukee provides a major addition to car building facilities.



## EQUIPMENT

As announced in the report for 1945, the Company ordered six new light-weight streamlined trains for daily service between Chicago and Seattle-Tacoma. The trains will be named the Olympian Hiawathas. For this service five 6000 h.p. Diesel-electric locomotives were ordered to handle the trains between Minneapolis and Tacoma. Between Minneapolis and Chicago 4000 h.p. Diesel-electric locomotives will be used. One of the 6000 h.p. locomotives was delivered in 1946 and the remainder have since been received.

The steel body assembly work on 60 passenger train cars, under construction at our Milwaukee Shops, was completed, but final completion of the cars has been delayed awaiting various specialties, particularly air-conditioning equipment. Construction of 12 sleeping cars for this train, by the Pullman-Standard Car Manufacturing Company, is expected to commence in June, 1947, with deliveries starting in September, 1947.

It is planned to put the Olym-  
13

pian Hiawathas in operation as soon as the equipment under construction at Milwaukee Shops is completed, which it is anticipated will be in the early summer.

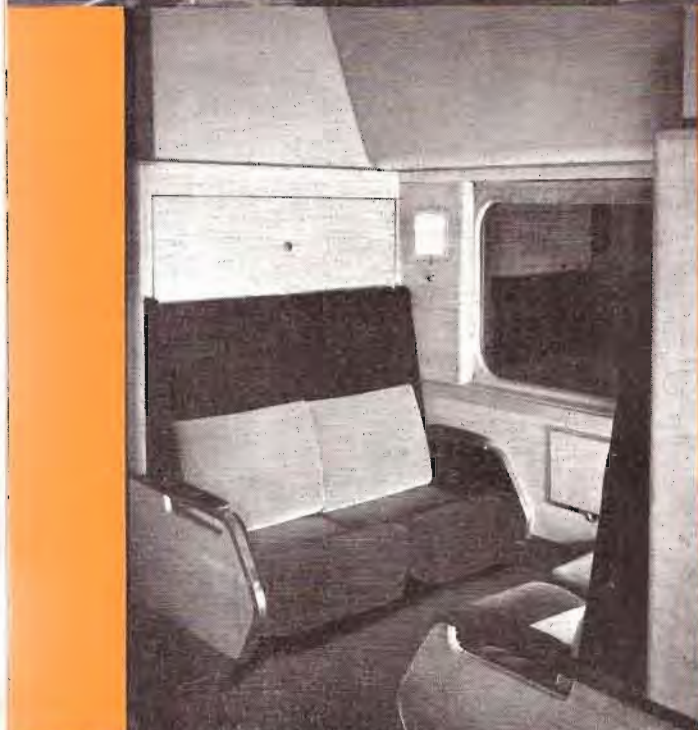
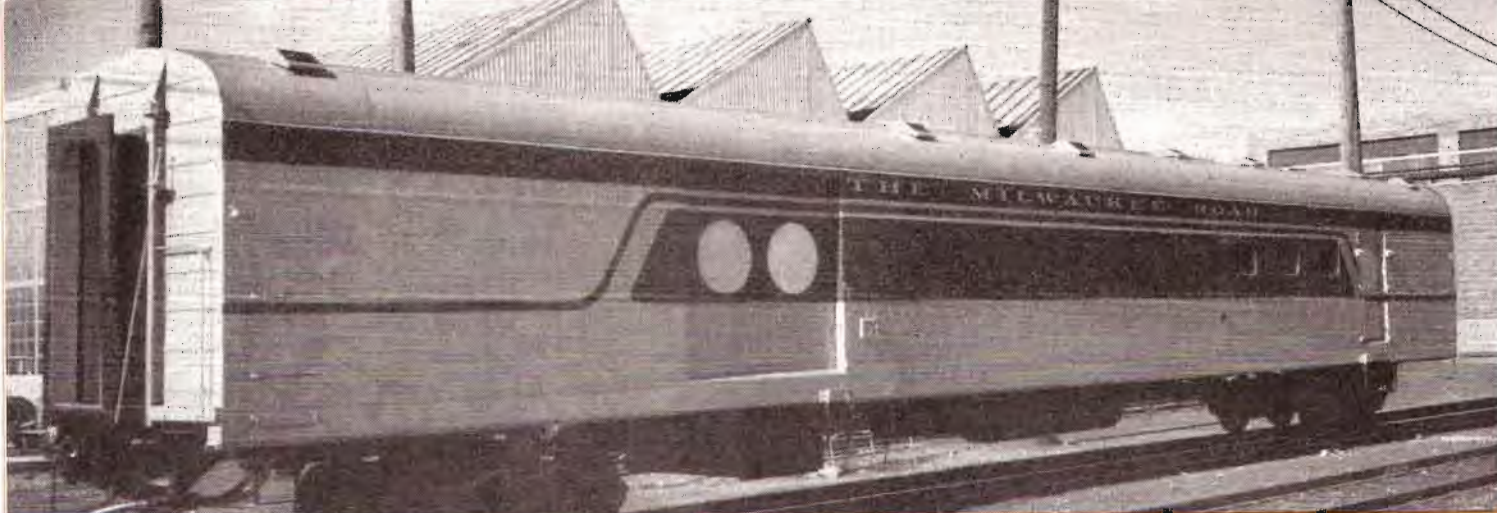
Five 4000 h.p. Diesel electric passenger locomotives and the remaining one of twenty 1000 h.p. Diesel electric switching locomotives, ordered in 1945, were received.

Of the eighteen 1500 h.p. Diesel-electric switching locomotives, ordered for delivery in 1946, seven were delivered and accepted; the remaining eleven were delivered in the first three months of 1947.

(Right) With underbody, one side and end in place, fabrication of this new car is well on the road to completion.

(Below) Installing the roof panel with air conditioning ducts. Light lines are made by grinders used to smooth welds.



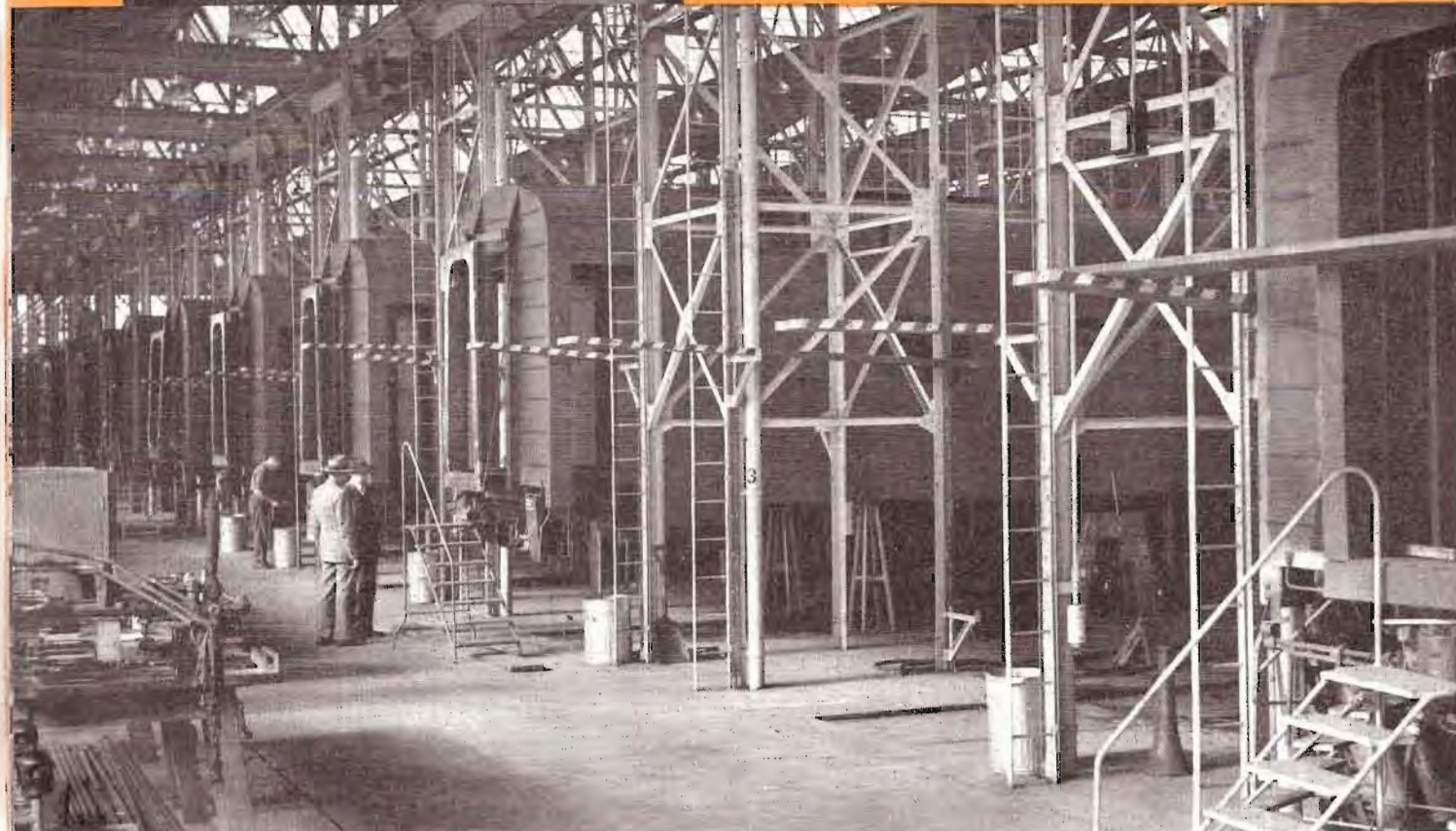


(At top) This is one of the combination mail and express cars built for the **OLYMPIAN HIAWATHAS**.

(Above) This mock-up, or full-size model, in the tin shop exactly duplicates one end of a standard passenger car.

(Left) Interior of the mock-up showing a sample berth section in a new type of sleeping car.

(Below) General view of the finishing line in the new car shop.



The following cars were constructed at Milwaukee Shops:

- 331 40'6" box cars
- 35 70-ton covered hopper cars
- 65 all-steel cabooses
- 1200 50-ton composite gondola cars.

The equipment program for 1947 includes 3419 units of freight train cars and 125 units of passenger equipment, all of which will be constructed at Milwaukee Shops. Orders have been placed for four 2000 h.p. Diesel-electric passenger locomotives, five 1000 h.p. Diesel-electric switching locomotives, and two 1000 h.p. Diesel-electric motor cars.



*In closing this report I wish to express sincere appreciation to my fellow employees for their loyal efforts and effective work in the operation of the property.*

H. A. SCANDRETT  
*President*

By order of the Board of Directors  
March 25, 1947

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## ANNUAL REPORT FOR 1946

## INCOME ACCOUNT 1946-1942

|                                                                  | 1946           | 1945           | 1944           | 1943           | 1942           |
|------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>RAILWAY OPERATING REVENUES:</b>                               |                |                |                |                |                |
| Freight.....                                                     | \$*152,186,983 | \$*168,950,558 | \$*171,448,855 | \$*174,018,632 | \$*146,466,550 |
| Passenger.....                                                   | 28,313,790     | 37,107,494     | 33,885,998     | 31,010,174     | 17,772,714     |
| Mail.....                                                        | 3,644,524      | 3,442,374      | 3,444,700      | 3,442,965      | 3,260,298      |
| Express.....                                                     | 4,836,305      | 5,916,488      | 5,269,519      | 4,428,612      | 3,003,575      |
| Switching.....                                                   | 3,950,919      | 3,897,616      | 3,956,434      | 3,844,297      | 3,579,379      |
| All other.....                                                   | 8,247,590      | 9,632,406      | 8,704,187      | 7,770,560      | 5,784,764      |
| Total.....                                                       | 201,180,111    | 228,946,936    | 226,709,693    | 224,515,240    | 179,867,280    |
| <b>RAILWAY OPERATING EXPENSES:</b>                               |                |                |                |                |                |
| Maintenance of way and structures.....                           | 33,314,918     | 44,931,431     | 38,878,167     | 36,149,211     | 25,559,185     |
| Maintenance of equipment.....                                    | 35,725,718     | 51,029,360     | 35,028,904     | 31,362,161     | 26,065,126     |
| Traffic.....                                                     | 4,022,296      | 3,592,877      | 3,570,829      | 3,101,603      | 2,822,846      |
| Transportation.....                                              | 88,671,807     | 78,764,472     | 74,853,049     | 67,796,281     | 55,400,318     |
| Miscellaneous.....                                               | 3,289,054      | 2,802,024      | 2,643,214      | 2,340,806      | 1,587,866      |
| General.....                                                     | 6,799,470      | 5,739,253      | 5,611,343      | 4,985,739      | 4,527,923      |
| Total.....                                                       | 171,823,263    | #186,859,417   | 160,585,506    | 145,735,801    | 115,963,264    |
| (Operating Ratio).....                                           | (85.41%)       | (81.62%)       | (70.83%)       | (64.91%)       | (64.47%)       |
| NET REVENUE FROM RAILWAY OPERATIONS.....                         | 29,356,848     | 42,087,519     | 66,124,187     | 78,779,439     | 63,904,016     |
| <b>INCOME ITEMS:</b>                                             |                |                |                |                |                |
| Railway tax accruals.....                                        | 11,002,000     | # 12,067,000   | 29,173,000     | 26,030,000     | 25,701,000     |
| Equipment rents—Net debit.....                                   | 2,733,040      | 1,116,152      | 440,065        | Cr. 165,524    | 456,818        |
| Joint facility rents—Net debit.....                              | 2,275,210      | 2,322,037      | 3,801,603      | 2,246,009      | 3,241,544      |
| Total.....                                                       | 16,010,250     | 15,505,189     | 33,414,668     | 28,110,485     | 29,399,362     |
| NET RAILWAY OPERATING INCOME.....                                | 13,346,598     | 26,582,330     | 32,709,519     | 50,668,954     | 34,504,654     |
| <b>OTHER INCOME:</b>                                             |                |                |                |                |                |
| Income from lease of road and equipment.....                     | 229,092        | 202,393        | 240,560        | 136,798        | 259,285        |
| Miscellaneous rent income.....                                   | 461,155        | 450,783        | 429,629        | 449,362        | 407,683        |
| Dividend income.....                                             | 39,582         | 130,782        | 39,582         | 161,182        | 221,880        |
| All other accounts.....                                          | 1,098,414      | 1,574,934      | 1,831,250      | 1,167,442      | 235,345        |
| Total.....                                                       | 1,828,243      | 2,358,892      | 2,541,021      | 1,914,784      | 1,124,193      |
| <b>MISCELLANEOUS DEDUCTIONS FROM INCOME:</b>                     |                |                |                |                |                |
| Miscellaneous rents.....                                         | 24,131         | 31,958         | 30,487         | 22,987         | 24,747         |
| Miscellaneous tax accruals.....                                  | 29,996         | 38,582         | 38,787         | 32,642         | 36,552         |
| Miscellaneous income charges.....                                | 64,511         | 59,928         | 558,301        | 46,485         | 126,971        |
| Delayed income debits.....                                       |                | 1,347          | 163,009        |                |                |
| Total.....                                                       | 118,638        | 131,815        | 790,584        | 102,114        | 188,270        |
| NET OTHER INCOME.....                                            | 1,709,605      | 2,227,077      | 1,750,437      | 1,812,670      | 935,923        |
| INCOME AVAILABLE FOR FIXED CHARGES.....                          | 15,056,203     | 28,809,407     | 34,459,956     | 52,481,624     | 35,440,577     |
| <b>FIXED CHARGES:</b>                                            |                |                |                |                |                |
| Rent for leased roads and equipment—Fixed.....                   | 615,804        | 1,108,656      | 1,109,881      | 1,109,060      | 1,109,214      |
| Interest on funded debt.....                                     | 2,882,981      | 2,896,740      | 2,893,991      | 12,789,232     | 12,980,952     |
| Interest on unfunded debt.....                                   | 11,050         | 11,296         | 10,148         | 7,247          | 8,701          |
| Amortization of discount on funded debt.....                     | 14,333         | 10,973         | 10,514         | 18,777         | 23,194         |
| Total.....                                                       | 3,524,168      | 4,027,665      | 4,024,534      | 13,924,316     | 14,122,061     |
| INCOME AFTER FIXED CHARGES.....                                  | 11,532,035     | 24,781,742     | 30,435,422     | 38,557,308     | 21,318,516     |
| <b>CONTINGENT CHARGES:</b>                                       |                |                |                |                |                |
| Rent for leased roads and equipment—Contingent.....              | ** 328,932     |                |                |                |                |
| Income applied to sinking and other reserve funds:               |                |                |                |                |                |
| Additions and betterments fund.....                              | 2,500,000      | 5,144,238      | 6,176,490      |                |                |
| Sinking funds.....                                               | 694,861        | 692,181        | 692,181        |                |                |
| Interest on funded debt.....                                     | 4,832,174      | 4,867,412      | 4,890,541      | 9,143,685      | 9,143,685      |
| Total.....                                                       | 8,355,967      | 10,703,831     | 11,759,212     | 9,143,685      | 9,143,685      |
| NET INCOME AFTER FIXED CHARGES AND OTHER DEDUCTIONS.....         | 3,176,068      | 14,077,911     | 18,676,210     | 29,413,623     | 12,174,831     |
| <b>DISPOSITION OF NET INCOME:</b>                                |                |                |                |                |                |
| Miscellaneous appropriations of income.....                      |                |                | 1,000,000      |                |                |
| Income balance transferred to Earned Surplus—Unappropriated..... | \$ 3,176,068   | \$ 14,077,911  | \$ 17,676,210  | \$ 29,413,623  | \$ 12,174,831  |

\*Freight Revenue has been reduced \$150,000 for the year 1946, \$1,750,000 for the year 1945, \$2,650,000 for the year 1944, \$3,500,000 for the year 1943, and \$500,000 for the year 1942 on account of reserve for land grant adjustments.

\*\*Representing contingent interest on bonds of C. T. H. & S. E. Ry. Co., Lessor.

#Amounts included in 1945 because of additional amortization of defense projects account shortened period of amortization: Railway operating expenses, \$13,834,048; Railway tax accruals, credit \$11,673,827.

# CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## GENERAL BALANCE SHEET AS OF DECEMBER 31, 1946 COMPARED WITH DECEMBER 31, 1945

| ASSET SIDE                                                                             | DECEMBER 31,<br>1946    | DECEMBER 31,<br>1945    | NET CHANGE<br>DURING YEAR<br>+ INCREASE<br>- DECREASE |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------------------------------------|
| <b>INVESTMENTS:</b>                                                                    |                         |                         |                                                       |
| Road and equipment property:                                                           |                         |                         |                                                       |
| Road.....                                                                              | \$565,687,136.83        | \$558,479,528.20        | + \$7,207,608.63                                      |
| Equipment.....                                                                         | 205,515,583.50          | 201,866,150.39          | + 3,649,433.11                                        |
| General expenditures.....                                                              | 38,826,853.84           | 38,791,617.53           | + 35,236.31                                           |
| Total.....                                                                             | 810,029,574.17          | 799,137,296.12          | + 10,892,278.05                                       |
| Improvements on leased property:                                                       |                         |                         |                                                       |
| Road.....                                                                              | 547,104.69              | 558,943.92              | - 11,839.23                                           |
| Equipment.....                                                                         | 149,089.86              | 149,089.86              | .....                                                 |
| General expenditures.....                                                              | 14,715.78               | 14,855.33               | - 139.55                                              |
| Total.....                                                                             | 710,910.33              | 722,889.11              | - 11,978.78                                           |
| Acquisition adjustment.....                                                            | 170,702,545.82          | 170,932,009.13          | - 229,463.31                                          |
| Donations and grants.....                                                              | 38,876.70               | 12,234.00               | + 26,642.70                                           |
| Investment in transportation property.....                                             | 639,999,061.98          | 628,915,942.10          | + 11,083,119.88                                       |
| Accrued depreciation—Road.....                                                         | 59,411,806.93           | 56,109,461.03           | + 3,302,345.90                                        |
| Accrued depreciation—Equipment.....                                                    | 109,671,056.67          | 107,583,333.98          | + 2,087,722.69                                        |
| Accrued amortization of defense projects—Road.....                                     | 2,092,186.14            | 2,083,661.76            | + 8,524.38                                            |
| Accrued amortization of defense projects—Equipment.....                                | 19,319,731.87           | 19,028,216.95           | + 291,514.92                                          |
| Investment in transportation property less recorded depreciation and amortization..... | 449,504,280.37          | 444,111,268.38          | + 5,393,011.99                                        |
| Total book assets<br>Dec. 31, 1946                                                     |                         |                         |                                                       |
| Sinking funds.....\$ 21,578.75                                                         | 21,578.75               | 178,181.25              | - 156,602.50                                          |
| Capital and other reserve funds.....13,695,693.20                                      | 13,695,693.20           | 212,492.21              | + 13,483,200.99                                       |
| Maintenance funds.....                                                                 | 750,587.50              | 1,400,000.00            | - 649,412.50                                          |
| Miscellaneous physical property.....                                                   | 7,881,775.14            | 7,954,964.09            | - 73,188.95                                           |
| Accrued depreciation—Miscellaneous physical property.....                              | 1,314,733.10            | 1,282,129.43            | + 32,603.67                                           |
| Miscellaneous physical property less recorded depreciation.....                        | 6,567,042.04            | 6,672,834.66            | - 105,792.62                                          |
| Investments in affiliated companies:                                                   |                         |                         |                                                       |
| Stocks.....                                                                            | 5,072,442.50            | 5,072,373.80            | + 68.70                                               |
| Bonds.....                                                                             | 1,473,000.00            | 1,477,000.00            | - 4,000.00                                            |
| Unsecured notes.....                                                                   | 3,368,765.68            | 3,372,090.51            | - 3,324.83                                            |
| Investment advances.....                                                               | 8,492,271.84            | 7,860,038.41            | + 632,233.43                                          |
| Other investments:                                                                     |                         |                         |                                                       |
| Stocks.....                                                                            | 7,340.00                | 7,337.00                | + 3.00                                                |
| Bonds.....                                                                             | 13,497,090.63           | .....                   | + 13,497,090.63                                       |
| Other secured obligations.....                                                         | 12,634.00               | 12,634.00               | .....                                                 |
| Investment advances.....                                                               | 750.00                  | 1,250.00                | - 500.00                                              |
| Reserve for adjustment of investment in securities.....                                | 133,316.71              | 64,757.94               | + 68,558.77                                           |
| Total Investments less recorded depreciation and amortization.....                     | 502,330,159.80          | 470,312,742.28          | + 32,017,417.52                                       |
| <b>CURRENT ASSETS:</b>                                                                 |                         |                         |                                                       |
| Cash.....                                                                              | 18,555,568.48           | 26,626,211.70           | - 8,070,643.22                                        |
| Temporary cash investments.....                                                        | 28,963,380.00           | 59,400,000.00           | - 30,436,620.00                                       |
| Special deposits.....                                                                  | 12,637,241.51           | 14,234,754.61           | - 1,597,513.10                                        |
| Net balance receivable from agents and conductors.....                                 | 3,642,491.02            | 3,413,279.21            | + 229,211.81                                          |
| Miscellaneous accounts receivable.....                                                 | 6,664,688.55            | 12,159,293.09           | - 5,494,604.54                                        |
| Material and supplies.....                                                             | 27,925,420.30           | 21,038,010.07           | + 6,887,410.23                                        |
| Interest and dividends receivable.....                                                 | 235,149.35              | 599,164.42              | - 364,015.07                                          |
| Accrued accounts receivable.....                                                       | 3,631,281.58            | 6,385,300.86            | - 2,754,019.28                                        |
| Other current assets.....                                                              | 815,331.60              | 622,355.11              | + 192,976.49                                          |
| Total Current Assets.....                                                              | 103,070,552.39          | 144,478,369.07          | - 41,407,816.68                                       |
| <b>DEFERRED ASSETS:</b>                                                                |                         |                         |                                                       |
| Working fund advances.....                                                             | 711,157.07              | 366,793.99              | + 344,363.08                                          |
| Other deferred assets.....                                                             | 1,169,101.77            | 804,549.08              | + 364,552.69                                          |
| Total Deferred Assets.....                                                             | 1,880,258.84            | 1,171,343.07            | + 708,915.77                                          |
| <b>UNADJUSTED DEBITS:</b>                                                              |                         |                         |                                                       |
| Prepayments.....                                                                       | 57,164.49               | 58,221.83               | - 1,057.34                                            |
| Discount on funded debt.....                                                           | 228,291.74              | 120,429.01              | + 107,862.73                                          |
| Other unadjusted debits.....                                                           | 1,656,066.55            | 1,722,333.52            | - 66,266.97                                           |
| Par value of holdings at<br>Dec. 31, 1946                                              |                         |                         |                                                       |
| Securities issued or assumed—Unpledged.....\$ 550,000.00                               |                         |                         |                                                       |
| Total Unadjusted Debits.....                                                           | 1,941,522.78            | 1,900,984.36            | + 40,538.42                                           |
| <b>GRAND TOTAL.....</b>                                                                | <b>\$609,222,493.81</b> | <b>\$617,863,438.78</b> | <b>- \$ 8,640,944.97</b>                              |

*Italics denote credits.*

## ANNUAL REPORT FOR 1946

## GENERAL BALANCE SHEET AS OF DECEMBER 31, 1946 COMPARED WITH DECEMBER 31, 1945

| LIABILITY SIDE                                                 |                                          |                                   | DECEMBER 31,<br>1946 | DECEMBER 31,<br>1945 | NET CHANGE<br>DURING YEAR<br>+ INCREASE<br>- DECREASE |
|----------------------------------------------------------------|------------------------------------------|-----------------------------------|----------------------|----------------------|-------------------------------------------------------|
|                                                                | Total book<br>liability<br>Dec. 31, 1946 | Company's<br>holdings<br>included |                      |                      |                                                       |
| <b>STOCK:</b>                                                  |                                          |                                   |                      |                      |                                                       |
| Common stock—no par value (stated value, \$100 per share)..... | \$212,321,400.00                         | None.....                         | \$212,321,400.00     | \$212,321,400.00     | —                                                     |
| Preferred stock—par value \$100.....                           | 112,174,000.00                           | None.....                         | 112,174,000.00       | 112,174,000.00       | —                                                     |
| Total Stock.....                                               |                                          |                                   | 324,495,400.00       | 324,495,400.00       | —                                                     |
| <b>LONG-TERM DEBT:</b>                                         |                                          |                                   |                      |                      |                                                       |
| Funded debt unmatured:                                         |                                          |                                   |                      |                      |                                                       |
| First mortgage 4% bonds, Series A.....                         | \$ 59,239,100.00                         | None.....                         | 59,239,100.00        | 59,515,100.00        | — \$ 276,000.00                                       |
| General mortgage 4½% income bonds, Series A.....               | 56,169,800.00                            | \$ 550,000.00                     | 55,619,800.00        | 56,742,600.00        | — 1,122,800.00                                        |
| General mortgage 4½% convertible income bonds, Series B.....   | 51,422,100.00                            | None.....                         | 51,422,100.00        | 51,422,100.00        | —                                                     |
| Total Funded Debt Unmatured.....                               | 166,831,000.00                           | 550,000.00                        | 166,281,000.00       | 167,679,800.00       | — 1,398,800.00                                        |
| Equipment obligations.....                                     | 22,188,474.09                            | None.....                         | 22,188,474.09        | 23,476,033.74        | — 1,287,559.65                                        |
| Total Long-Term Debt.....                                      |                                          |                                   | 188,469,474.09       | 191,155,833.74       | — 2,686,359.65                                        |
| <b>CURRENT LIABILITIES:</b>                                    |                                          |                                   |                      |                      |                                                       |
| Traffic and car-service balances—Cr.....                       |                                          |                                   | 4,460,433.95         | 5,975,993.00         | — 1,515,559.05                                        |
| Audited accounts and wages payable.....                        |                                          |                                   | 12,238,335.60        | 12,826,921.27        | — 588,585.67                                          |
| Miscellaneous accounts payable.....                            |                                          |                                   | 3,071,132.17         | 3,039,260.88         | + 31,871.29                                           |
| Interest matured unpaid.....                                   |                                          |                                   | 1,551,945.19         | 3,043,914.42         | — 1,491,969.23                                        |
| Dividends matured unpaid.....                                  |                                          |                                   | 340,180.00           |                      | + 340,180.00                                          |
| Unmatured interest accrued.....                                |                                          |                                   | 4,925,255.42         | 4,990,538.68         | — 65,283.26                                           |
| Unmatured dividends declared.....                              |                                          |                                   | 5,608,700.00         |                      | + 5,608,700.00                                        |
| Accrued accounts payable.....                                  |                                          |                                   | 3,284,933.45         | 2,499,965.32         | + 784,968.13                                          |
| Taxes accrued.....                                             |                                          |                                   | 1,485,773.80         | 4,153,406.68         | — 2,667,632.88                                        |
| Other current liabilities.....                                 |                                          |                                   | 5,774,092.10         | 5,607,288.32         | + 166,803.78                                          |
| Total Current Liabilities.....                                 |                                          |                                   | 42,740,781.68        | 42,137,288.57        | + 603,493.11                                          |
| <b>DEFERRED LIABILITIES</b>                                    |                                          |                                   |                      |                      |                                                       |
| Other deferred liabilities.....                                |                                          |                                   | 1,304,365.55         | 828,083.16           | + 476,282.39                                          |
| Total Deferred Liabilities.....                                |                                          |                                   | 1,304,365.55         | 828,083.16           | + 476,282.39                                          |
| <b>UNADJUSTED CREDITS:</b>                                     |                                          |                                   |                      |                      |                                                       |
| Premium on funded debt.....                                    |                                          |                                   | 15,271.75            | 21,058.26            | — 5,786.51                                            |
| Maintenance reserves.....                                      |                                          |                                   | 750,356.00           | 1,366,261.00         | — 615,905.00                                          |
| Other unadjusted credits.....                                  |                                          |                                   | 7,546,310.39         | 9,418,563.00         | — 1,872,252.61                                        |
| Accrued depreciation—Leased property.....                      |                                          |                                   | 3,322,799.50         | 3,096,236.28         | + 226,563.22                                          |
| Total Unadjusted Credits.....                                  |                                          |                                   | 11,634,737.64        | 13,902,118.54        | — 2,267,380.90                                        |
| <b>SURPLUS:</b>                                                |                                          |                                   |                      |                      |                                                       |
| Earned surplus—Appropriated.....                               |                                          |                                   | 15,537,168.18        | 13,191,090.68        | + 2,346,077.50                                        |
| Earned surplus—Unappropriated.....                             |                                          |                                   | 25,040,566.67        | 32,153,624.09        | — 7,113,057.42                                        |
| Total Surplus.....                                             |                                          |                                   | 40,577,734.85        | 45,344,714.77        | — 4,766,979.92                                        |
| GRAND TOTAL.....                                               |                                          |                                   | \$609,222,493.81     | \$617,863,438.78     | — \$ 8,640,944.97                                     |

Contingent liabilities with respect to securities of other companies (not included in the foregoing balance sheet) are stated in detail on page 21.

# CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## EARNED SURPLUS—UNAPPROPRIATED FOR THE YEAR 1946

|                                              |                      |
|----------------------------------------------|----------------------|
| Credit balance as of December 31, 1945.....  | \$32,153,624.09      |
| Credit balance transferred from Income.....  | 3,176,067.71         |
| Miscellaneous credits.....                   | 1,059,287.94         |
|                                              | <u>36,388,979.74</u> |
| Dividend appropriations of surplus.....      | 11,217,400.00        |
| Miscellaneous debits.....                    | 131,013.07           |
|                                              | <u>11,348,413.07</u> |
| Credit balance carried to Balance Sheet..... | \$25,040,566.67      |

## AVAILABLE NET INCOME AND DISPOSITION THEREOF FOR THE YEARS 1946 AND 1945

| ITEM                                                                                                                                  | YEAR 1946       | YEAR 1945       |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| INCOME AVAILABLE FOR FIXED CHARGES (as reported to the Interstate Commerce Commission).....                                           | \$15,056,203.04 | \$28,809,407.28 |
| FIXED CHARGES:                                                                                                                        |                 |                 |
| Rent for leased roads and equipment—Fixed.....                                                                                        | 615,803.79      | 1,108,656.26    |
| Interest on funded debt:                                                                                                              |                 |                 |
| Fixed interest not in default:                                                                                                        |                 |                 |
| On First mortgage 4% bonds, Series A.....                                                                                             | 2,377,924.00    | 2,276,175.73    |
| On equipment obligations.....                                                                                                         | 505,057.40      | 518,647.21      |
| On Reconstruction Finance Corporation loans.....                                                                                      |                 | 101,916.65      |
| Interest on unfunded debt.....                                                                                                        | 11,049.80       | 11,296.42       |
| Amortization of discount on funded debt.....                                                                                          | 14,332.97       | 10,972.67       |
| Total fixed charges.....                                                                                                              | 3,524,167.96    | 4,027,664.94    |
| Income after fixed charges.....                                                                                                       | 11,532,035.08   | 24,781,742.34   |
| Add: Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced.....    | 46,040.53       | 1,187,011.65    |
| AVAILABLE NET INCOME.....                                                                                                             | 11,578,075.61   | 25,968,753.99   |
| APPLICATION OF AVAILABLE NET INCOME:                                                                                                  |                 |                 |
| Additions and betterments fund—Mandatory payment.....                                                                                 | (See note)      | (See note)      |
| Sinking fund for retirement of First mortgage bonds, Series A.....                                                                    | 151,467.75      | 148,787.75      |
| Contingent interest on General mortgage bonds of Series A and on modified Terre Haute Bonds.....                                      | 2,847,111.62    | 2,553,417.00    |
| Additions and betterments fund—Optional payment.....                                                                                  | 2,500,000.00    | 5,144,238.33    |
| Contingent interest on General mortgage bonds of Series B.....                                                                        | 2,313,994.50    | 2,313,994.50    |
| Sinking fund for retirement of General mortgage bonds of Series A and Series B.....                                                   | 543,393.50      | 543,393.50      |
| Remaining available net income, after the foregoing applications.....                                                                 | 3,222,108.24    | 15,264,922.91   |
| Deduct: Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced..... | 46,040.53       | 1,187,011.65    |
| Balance of income transferred to Earned surplus—Unappropriated.....                                                                   | \$3,176,067.71  | \$14,077,911.26 |

Note: Provided for out of funds made available from credits to the reserves for depreciation and amortization of roadway and structures.

## ANNUAL REPORT FOR 1946

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES  
AS OF DECEMBER 31, 1946

| ITEMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | PRINCIPAL<br>AMOUNT<br>OUTSTANDING<br>DEC. 31, 1946 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| <b>CHICAGO UNION STATION COMPANY:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                     |
| 1. First Mortgage Bonds, 3½%, Series F, due July 1, 1963.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$ 16,000,000                                       |
| 2. First Mortgage Bonds, 2½%, Series G, due July 1, 1963.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 37,800,000                                          |
| 3. Guaranteed Serial Bonds, 1.75% to 2.05%, due semi-annually January 1, 1947 to January 1, 1950.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2,401,000                                           |
| 4. Guaranteed Serial Notes, 1.20% to 2.05%, due semi-annually January 1, 1947 to July 1, 1954.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5,200,000                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 61,401,000                                       |
| Principal and interest guaranteed jointly and severally by the Railroad Company and 3 other proprietors at time of issue. The Railroad Company with other proprietors has 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 the payment into the Retirement Fund for First Mortgage bonds beginning in 1955, and to advance amounts required to pay at maturity principal of Items 3 and 4.                                                                                                                                                                                                                                  |                                                     |
| <b>INDIANA HARBOR BELT RAILROAD COMPANY:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                     |
| 1. General Mortgage Gold Bonds, 4%, due July 1, 1957.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$ 4,225,000                                        |
| 2. General Mortgage Gold Bonds, 4½%, due July 1, 1957.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4,900,000                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 9,125,000                                        |
| 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.                                                                                                                                                                                                                                                                                     |                                                     |
| <b>KANSAS CITY TERMINAL RAILWAY COMPANY:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                     |
| 1. First Mortgage Serial Bonds, due October 1, 1948 to October 1, 1974.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$ 47,000,000                                       |
| Under a certain operating agreement, the Railroad Company and 11 other proprietors are obligated to pay to the Terminal Company, or in case of default to the Mortgage Trustee, in equal shares the principal of these bonds, as they mature, in the nature of non-interest bearing advances, and interest thereon as rental.                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                     |
| <b>THE MINNESOTA TRANSFER RAILWAY COMPANY:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                     |
| 1. First Mortgage Bonds, 3¾%, due June 1, 1956.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 1,819,000                                        |
| Under provisions of the by-laws of the Transfer Co., the Railroad Company 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.                                                                                                                                                                                                                                                                                                                                                                                           |                                                     |
| <b>THE ST. PAUL UNION DEPOT COMPANY:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                     |
| 1. First and Refunding Mortgage Bonds, 3½%, Series B, due October 1, 1971.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 14,257,000                                       |
| Guaranteed jointly and severally by the Railroad Company and 7 other proprietors, each of which is also obligated to advance its ownership proportion of amounts required for Sinking Fund payments and to pay its proportion, based upon use, of the interest on the bonds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                     |
| <b>CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                     |
| 1. The Bedford Belt Railway Co. First Mortgage Bonds, 4¼%, due January 1, 1994.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 250,000                                          |
| 2. The Southern Indiana Railway Co. First Mortgage Bonds, 4¼%, due January 1, 1994.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 7,287,000                                           |
| 3. C. T. H. & S. E. Ry. Co. First and Refunding Mortgage Bonds, 4¼%, due January 1, 1994.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 8,056,000                                           |
| 4. C. T. H. & S. E. Ry. Co. Income Mortgage Bonds, 4¼%, due January 1, 1994.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 6,335,800                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 21,928,800                                       |
| Bonds of a Lessor Company. Under Lease dated January 1, 1946, C. M. St. P. & P. R. R. Co. assumes the payment of interest on \$21,928,800 principal amount of bonds listed above at the rate of 2¾% per annum, unconditionally, and of additional interest at the rate of 1½% per annum, if earned, as is provided in the respective modified mortgages; also, the payment of the principal of such bonds and, in addition, of \$100,000 principal amount of modified Bedford Belt bonds pledged with the Trustee of C. T. H. & S. E. Ry. Co. First and Refunding Mortgage, and of \$1,515,000 principal amount of modified First and Refunding Mortgage bonds owned and pledged with the Trustee of C. M. St. P. & P. R. R. Co. First Mortgage. |                                                     |

## CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## 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.....                      | \$ 106,046.78      | \$ 64,100.94     | \$ 12,453.07       | \$ 11,112.15   |
| Land for transportation purposes..... | 121,899.81         | 80,761.45        | 57,507.62          | 49,407.99      |
| Other right of way expenditures.....  | 686.68             | 727.68           | 1,575.10           | 1,575.10       |
| Grading.....                          | 406,602.12         | 333,521.59       | 39,068.73          | 35,697.51      |
| Bridges, trestles and culverts.....   | 1,285,982.86       | 920,265.19       | 62,829.21          | 28,969.43      |
| Ties.....                             | 271,891.39         | 213,549.97       | 50,071.79          | 49,408.25      |
| Rails.....                            | 684,112.71         | 638,320.39       | 25,759.16          | 25,384.21      |
| Other track material.....             | 1,135,689.61       | 1,061,924.57     | 20,628.85          | 20,010.51      |
| Ballast.....                          | 125,690.76         | 98,449.32        | 16,017.03          | 15,829.21      |
| Track laying and surfacing.....       | 324,735.25         | 275,649.70       | 37,043.20          | 36,606.50      |
| Fences, snowsheds and signs.....      | 28,225.84          | 27,648.34        | 7,151.76           | 7,151.76       |
| Station and office buildings.....     | 674,255.95         | 535,094.41       | 12,219.32          | 10,320.11      |
| Roadway buildings.....                | 63,376.74          | 28,680.30        | 74.00              | 604.40         |
| Water stations.....                   | 122,982.67         | 53,136.65        | 10,087.30          | 4,585.42       |
| Fuel stations.....                    | 30,264.86          | 27,324.47        | 1,223.22           | 1,223.22       |
| Shops and enginehouses.....           | 1,082,178.22       | 988,315.34       | 6,682.48           | 6,682.48       |
| Storage warehouses.....               | 1,079.55           | 1,079.55         |                    |                |
| Wharves and docks.....                | 48,079.37          | 17,111.63        |                    |                |
| Telegraph and telephone lines.....    | 108,986.31         | 91,770.59        | 72.84              | 343.16         |
| Signals and interlockers.....         | 1,172,850.21       | 1,084,194.32     | 12,809.46          | 11,880.14      |
| Power plants.....                     | 1,420.19           | 2,120.19         |                    |                |
| Power-transmission systems.....       | 40,794.89          | 10,652.38        | 7,244.47           | 5,718.56       |
| Miscellaneous structures.....         | 26,323.14          | 19,186.14        |                    |                |
| Roadway machines.....                 | 326,091.15         | 263,460.60       |                    | 953.19         |
| Roadway small tools.....              | 22,044.82          | 22,044.82        |                    |                |
| Public improvements—Construction..... | 99,286.49          | 91,365.62        | 7,310.46           | 7,208.46       |
| Shop machinery.....                   | 236,709.00         | 223,959.83       | 9,843.77           | 9,843.77       |
| Power-plant machinery.....            | 200,279.61         | 107,521.16       |                    |                |
| Total Expenditures for Road.....      | 8,698,104.50       | 7,195,769.40     | 397,672.84         | 327,543.19     |
| Steam locomotives.....                | 37,553.66          | 199,843.43       | 437.93             | 437.93         |
| Other locomotives.....                | 3,351,753.01       | 3,348,598.12     |                    |                |
| Freight-train cars.....               | 4,306,177.83       | 1,644,003.53     | #255,247.52        | #210,435.37    |
| Passenger-train cars.....             | 1,475,914.39       | 1,341,867.73     |                    |                |
| Work equipment.....                   | 420,855.32         | 268,140.79       | 863.21             | 1,711.34       |
| Miscellaneous equipment.....          | 71,008.34          | 58,372.86        |                    |                |
| Total Expenditures for Equipment..... | *9,663,262.55      | *3,173,132.54    | #256,548.66        | #209,161.96    |
| General Expenditures.....             | 197,837.09         | 35,096.76        |                    | 53.30          |
| GRAND TOTAL.....                      | \$*18,559,204.14   | \$*10,403,998.70 | \$ #654,221.50     | \$ #536,651.85 |

\*Does not include \$476,300.57 representing adjustment to bring equipment accounts as of December 1, 1945, to the original cost found by the Bureau of Valuation, Interstate Commerce Commission.

#Includes \$221,172.83 representing cost of 101 flat cars conveyed to C. T. H. & S. E. Ry. Co. by C. M. St. P. & P. R. R. Co. to replace C. T. H. & S. E. equipment retired.

## 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..... | \$ 84,215.37       | \$ 49,090.03 | \$ .....           | \$ .....    |
| Track material loaned.....  | 1,002.94           | 24,098.92    |                    |             |
| TOTAL.....                  | \$ 85,218.31       | \$ 73,188.95 | \$ .....           | \$ .....    |

*Italics denote credits.*

## ANNUAL REPORT FOR 1946

## SECURITIES OWNED, DECEMBER 31, 1946

| DESCRIPTION                                                                                         | NUMBER OF<br>SHARES | PAR<br>VALUE       | BOOK<br>VALUE      |
|-----------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|
| <b>STOCKS:</b>                                                                                      |                     |                    |                    |
| Affiliated companies:                                                                               |                     |                    |                    |
| Chicago, Milwaukee & Gary Ry. Co.....                                                               | A      10,000       | \$   1,000,000.00  | \$           1.00  |
| Chicago, Terre Haute & Southeastern Ry. Co.....                                                     | A      40,507.82    | 4,050,782.00       | 405,078.20         |
| Chicago Union Station Co.....                                                                       | A         7,000     | 700,000.00         | 7,000.00           |
| Cowlitz, Chehalis & Cascade Ry.....                                                                 | A      699.71+      | 69,971.03          | 134,429.97         |
| Davenport, Rock Island & North Western Ry. Co.....                                                  | A      15,000       | 1,500,000.00       | 1,750,000.00       |
| Des Moines Union Ry. Co.....                                                                        | A         1,000     | 100,000.00         | 100,000.00         |
| Des Moines Union Ry. Co.....                                                                        | B         1,000     | 100,000.00         | 26,000.00          |
| Excelsior Coal Co.....                                                                              | A         250       | 25,000.00          | 56,750.00          |
| Indiana Harbor Belt R. R. Co.....                                                                   | A      15,200       | 1,520,000.00       | 1,520,000.00       |
| Kansas City Terminal Ry. Co.....                                                                    | C      1,833.33     | 183,333.33         | 183,333.33         |
| Milwaukee Land Co.....                                                                              | A         5,000     | 500,000.00         | 500,000.00         |
| Minneapolis Eastern Ry. Co.....                                                                     | A         625       | 62,500.00          | 15,475.00          |
| Railway Express Agency, Incorporated.....                                                           |                     | None               | 2,600.00           |
| Republic Coal Co.....                                                                               | A         1,000     | 100,000.00         | 100,000.00         |
| The Milwaukee Motor Transportation Co.....                                                          | A         500       | 50,000.00          | 50,000.00          |
| The Minnesota Transfer Ry. Co.....                                                                  | A         913       | 91,300.00          | 91,300.00          |
| The St. Paul Union Depot Co.....                                                                    | A         1,036     | 103,600.00         | 130,475.00         |
| Nonaffiliated companies:                                                                            |                     |                    |                    |
| Miscellaneous stocks.....                                                                           |                     | 8,610.50           | 7,340.00           |
| <b>BONDS:</b>                                                                                       |                     |                    |                    |
| Affiliated companies:                                                                               |                     |                    |                    |
| Chicago, Terre Haute & Southeastern Ry. Co.....                                                     | A.....              | 1,515,000.00       | 1,437,800.00       |
| Minneapolis Eastern Ry. Co.....                                                                     | A.....              | 44,000.00          | 35,200.00          |
| Nonaffiliated companies:                                                                            |                     |                    |                    |
| United States Treasury 2% bonds due Sept. 15, 1952/50 (\$12,960,000 principal amount, at cost)..... |                     | 13,497,090.63      | 13,497,090.63      |
| <b>NOTES:</b>                                                                                       |                     |                    |                    |
| Affiliated companies:                                                                               |                     |                    |                    |
| Chicago, Terre Haute & Southeastern Ry. Co.....                                                     | A.....              | 640,392.30         | 640,392.30         |
| Cowlitz, Chehalis & Cascade Ry.....                                                                 |                     | 18,750.00          | 18,750.00          |
| Kansas City Terminal Ry. Co.....                                                                    | A.....              | 57,623.38          | 57,623.38          |
| Milwaukee Land Co.....                                                                              | A.....              | 2,652,000.00       | 2,652,000.00       |
| Nonaffiliated companies:                                                                            |                     |                    |                    |
| Yellowstone Park Co.....                                                                            |                     | 12,634.00          | 12,634.00          |
| Total.....                                                                                          |                     | \$   28,602,587.17 | \$   23,431,272.81 |

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

B—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 mortgage.

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

## CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## LONG-TERM DEBT, DECEMBER 31, 1946

| DESCRIPTION                                         | DATE OF ISSUE | DATE OF MATURITY | AMOUNT ORIGINALLY ISSUED | AMOUNT AS OF DEC. 31, 1946 | AMOUNT HELD BY COMPANY | AMOUNT ACTUALLY OUTSTANDING | INTEREST      |         |                     |
|-----------------------------------------------------|---------------|------------------|--------------------------|----------------------------|------------------------|-----------------------------|---------------|---------|---------------------|
|                                                     |               |                  |                          |                            |                        |                             | RATE PER CENT | PAYABLE | ACCRUED DURING YEAR |
| First mortgage bonds, Series A...                   | Jan. 1, 1944  | Jan. 1, 1994     | \$ 59,515,100.00         | \$ 59,239,100.00           |                        | \$ 59,239,100.00            | 4             | J. & J. | \$ 2,377,924.00     |
| General mortgage income bonds, Series A             | Jan. 1, 1944  | Jan. 1, 2019     | 57,256,600.00            | 56,169,800.00              | \$ 550,000.00          | 55,619,800.00               | 4½            | April   | 2,518,179.62        |
| General mortgage convertible income bonds, Series B | Jan. 1, 1944  | Jan. 1, 2044     | 51,422,100.00            | 51,422,100.00              |                        | 51,422,100.00               | 4½            | April   | 2,313,994.50        |
| Equipment obligations (See details below)           |               |                  | 44,729,730.00            | 22,188,474.09              |                        | 22,188,474.09               |               |         | 505,057.40          |
| Total long-term debt                                |               |                  | \$212,923,530.00         | \$189,019,474.09           | \$ 550,000.00          | \$188,469,474.09            |               |         | \$ 7,715,155.52     |

## EQUIPMENT OBLIGATIONS, DECEMBER 31, 1946

| DESCRIPTION                                                                                                | DATE OF LEASE OR AGREEMENT | DATE OF FINAL MATURITY | ORIGINAL COST OF EQUIPMENT | AMOUNT ORIGINALLY ISSUED | AMOUNT OUTSTANDING DEC. 31, 1946 | PRINCIPAL PAYABLE DURING 1947 | INTEREST      |                                           |                     |
|------------------------------------------------------------------------------------------------------------|----------------------------|------------------------|----------------------------|--------------------------|----------------------------------|-------------------------------|---------------|-------------------------------------------|---------------------|
|                                                                                                            |                            |                        |                            |                          |                                  |                               | RATE PER CENT | PAYABLE                                   | ACCRUED DURING YEAR |
| EQUIPMENT TRUST CERTIFICATES:                                                                              |                            |                        |                            |                          |                                  |                               |               |                                           |                     |
| Series M.....                                                                                              | Apr. 24, 1934              | Sept. 1, 1947          | \$ 1,563,000.00            | \$ 1,537,000.00          | \$ 85,000.00                     | \$ 85,000.00                  | 2½            | M. & S.                                   | \$ 3,500.00         |
| Series O.....                                                                                              | Mar. 1, 1936               | Sept. 1, 1946          | 4,534,653.03               | 3,840,000.00             |                                  |                               | 4             | M. & S.                                   | 4,560.00            |
| Series P.....                                                                                              | Jan. 1, 1937               | Jan. 1, 1952           | 4,185,316.20               | 3,180,000.00             | 1,272,000.00                     | 212,000.00                    | 3½            | J. & J.                                   | 44,520.00           |
| Series Q.....                                                                                              | Mar. 1, 1937               | Mar. 1, 1952           | 3,561,722.09               | 2,655,000.00             | 1,062,000.00                     | 177,000.00                    | 3½            | M. & S.                                   | 35,473.76           |
| Series R.....                                                                                              | Aug. 1, 1937               | Aug. 1, 1952           | 2,564,053.90               | 1,920,000.00             | 768,000.00                       | 128,000.00                    | 3½            | F. & A.                                   | 31,600.00           |
| Series S.....                                                                                              | Apr. 1, 1938               | Apr. 1, 1953           | 3,220,834.35               | 2,235,000.00             | 1,043,000.00                     | 149,000.00                    | 3½            | A. & O.                                   | 40,509.36           |
| Series T.....                                                                                              | Apr. 1, 1939               | Apr. 1, 1954           | 2,770,164.86               | 1,920,000.00             | 1,024,000.00                     | 128,000.00                    | 3             | A. & O.                                   | 31,680.00           |
| Series U.....                                                                                              | Dec. 1, 1939               | Dec. 1, 1949           | 6,095,937.79               | 4,922,000.00             | 1,366,000.00                     | 508,000.00                    | 2½            | J. & D.                                   | 45,791.66           |
| Series V.....                                                                                              | Apr. 1, 1941               | Apr. 1, 1951           | 4,358,045.34               | 3,120,000.00             | 1,404,000.00                     | 312,000.00                    | 2½            | A. & O.                                   | 33,150.00           |
| Series W.....                                                                                              | Nov. 1, 1941               | Nov. 1, 1948           | 5,514,546.70               | 2,744,000.00             | 784,000.00                       | 392,000.00                    | 1½            | M. & N.                                   | 13,924.48           |
| Series X.....                                                                                              | Mar. 1, 1944               | Mar. 1, 1954           | 9,700,062.91               | 7,260,000.00             | 5,445,000.00                     | 726,000.00                    | 1½            | M. & S.                                   | 107,766.24          |
| Series Y.....                                                                                              | Apr. 1, 1945               | Apr. 1, 1955           | 2,788,274.81               | 2,100,000.00             | 1,785,000.00                     | 210,000.00                    | 1¾            | A. & O.                                   | 32,799.61           |
| EQUIPMENT LEASE AGREEMENT:                                                                                 |                            |                        |                            |                          |                                  |                               |               |                                           |                     |
| General American Transportation Corporation.....                                                           | Apr. 27, 1940              | Aug. 1, 1955           | 129,500.00                 | 129,500.00               | 81,548.31                        | 8,399.42                      | 3             | Monthly                                   | 2,579.50            |
| CONDITIONAL SALE AGREEMENTS:                                                                               |                            |                        |                            |                          |                                  |                               |               |                                           |                     |
| Continental Illinois National Bank and Trust Co. of Chicago, Assignee of The Baldwin Locomotive Works..... | Sept. 1, 1940              | Dec. 1, 1948           | 165,050.00                 | 165,050.00               | 43,768.00                        | 21,665.44                     | 2             | Monthly                                   | 1,070.73            |
| The New York Trust Company, Assignee of Electro-Motive Corporation.....                                    | Sept. 1, 1940              | Jan. 1, 1949           | 625,680.00                 | 625,680.00               | 172,688.62                       | 81,993.76                     | 2             | Monthly                                   | 4,193.17            |
| Seattle-First National Bank, Assignee of the Seller:                                                       |                            |                        |                            |                          |                                  |                               |               |                                           |                     |
| General Motors Corporation (Electro-Motive Division)                                                       | June 1, 1945               | Aug. 1, 1954           | 4,324,195.00               | 3,230,000.00             | * 2,911,031.15                   | 386,682.70                    | 1.6           | Quarterly<br>Feb.<br>May<br>Aug.<br>Nov.  | 39,458.54           |
| Fairbanks, Morse & Co.                                                                                     | June 25, 1945              | Nov. 1, 1954           | 790,430.00                 | 592,500.00               | * 534,789.96                     | 70,918.62                     | 1.6           |                                           | 8,440.86            |
| The Baldwin Locomotive Works.....                                                                          | July 25, 1945              | Nov. 1, 1953           | 317,412.00                 | 237,000.00               | * 209,004.12                     | 28,446.52                     | 1.6           |                                           | 3,549.94            |
| American Locomotive Company.....                                                                           | Aug. 10, 1945              | Nov. 1, 1953           | 476,394.00                 | 355,500.00               | * 313,506.18                     | 42,669.78                     | 1.6           |                                           | 5,324.90            |
| Paul B. Robb and Edward J. Friedrich.....                                                                  | Sept. 5, 1945              | May 1, 1954            | 1,187,788.40               | 900,000.00               | * 822,637.75                     | 107,566.25                    | 1.6           | Quarterly<br>Jan.<br>Apr.<br>July<br>Oct. | 13,769.34           |
| The First National Bank of Chicago, Assignee of Fairbanks, Morse & Co. ....                                | July 1, 1946               | Jan. 1, 1957           | 535,000.00                 | 400,000.00               | 400,000.00                       | 27,900.83                     | 1.55          |                                           | 809.44              |
| The First National Bank of Chicago, Assignee of American Locomotive Company.....                           | Aug. 1, 1946               | Jan. 1, 1957           | 883,533.00                 | 661,500.00               | 661,500.00                       | 46,140.85                     | 1.55          |                                           | 585.87              |
| Total equipment obligations..                                                                              |                            |                        | \$ 60,291,594.38           | \$ 44,729,730.00         | \$ 22,188,474.09                 | \$ 3,849,384.17               |               |                                           | \$ 505,057.40       |

## PAYMENTS MATURING IN YEARS ENDING:

|                   |                 |                   |                 |
|-------------------|-----------------|-------------------|-----------------|
| December 31, 1947 | \$ 3,849,384.17 | December 31, 1953 | \$ 1,968,394.46 |
| December 31, 1948 | 3,802,997.22    | December 31, 1954 | 1,000,230.92    |
| December 31, 1949 | 3,166,523.77    | December 31, 1955 | 223,260.51      |
| December 31, 1950 | 2,821,907.98    | December 31, 1956 | 113,251.59      |
| December 31, 1951 | 2,678,550.59    | December 31, 1957 | 28,590.11       |
| December 31, 1952 | 2,535,382.77    |                   |                 |
| Total             |                 |                   | \$22,188,474.09 |

\*Liability further evidenced by notes.

# ANNUAL REPORT FOR 1946

## DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES FOR THE YEARS ENDED DECEMBER 31, 1946 AND 1945

### RAILWAY OPERATING REVENUES

|                                        | 1946             | 1945             | INCREASE      | DECREASE         |
|----------------------------------------|------------------|------------------|---------------|------------------|
| <b>TRANSPORTATION</b>                  |                  |                  |               |                  |
| Freight                                | \$152,186,983.44 | \$168,950,558.03 |               | \$ 16,763,574.59 |
| Passenger                              | 28,313,789.61    | 37,107,493.94    |               | 8,793,704.33     |
| Baggage                                | 61,929.98        | 78,466.40        |               | 16,536.42        |
| Sleeping car                           | 709,063.15       | 892,822.00       |               | 183,758.85       |
| Parlor and chair car                   | 270,453.99       | 299,879.04       |               | 29,425.05        |
| Mail                                   | 3,644,523.64     | 3,442,374.19     | \$ 202,149.45 |                  |
| Express                                | 4,836,305.47     | 5,916,488.20     |               | 1,080,182.73     |
| Other passenger-train                  | 148,356.47       | 258,990.82       |               | 110,634.35       |
| Milk                                   | 384,350.84       | 420,427.23       |               | 36,076.39        |
| Switching                              | 3,950,918.64     | 3,897,615.97     | 53,302.67     |                  |
| Total transportation revenue           | 194,506,675.23   | 221,265,115.82   |               | 26,758,440.59    |
| <b>INCIDENTAL</b>                      |                  |                  |               |                  |
| Dining and buffet                      | 2,363,464.94     | 2,636,309.60     |               | 272,844.66       |
| Hotel and restaurant                   | 148,508.38       | 123,268.67       | 25,239.71     |                  |
| Station, train, and boat privileges    | 51,868.17        | 49,786.51        | 2,081.66      |                  |
| Parcel room                            | 137.30           | 88.50            | 48.80         |                  |
| Storage—Freight                        | 38,687.66        | 24,342.71        | 14,344.95     |                  |
| Storage—Baggage                        | 11,163.74        | 13,048.14        |               | 1,884.40         |
| Demurrage                              | 1,003,084.85     | 887,783.31       | 115,301.54    |                  |
| Telegraph and telephone                | 147,326.93       | 302,525.43       |               | 155,198.50       |
| Stockyard                              | 134,824.08       | 86,362.60        | 48,461.48     |                  |
| Power                                  | 92,007.62        | 93,087.90        |               | 1,080.28         |
| Rents of buildings and other property  | 434,644.70       | 771,577.91       |               | 336,933.21       |
| Miscellaneous                          | 568,875.83       | 556,213.43       | 12,662.40     |                  |
| Total incidental operating revenue     | 4,994,594.20     | 5,544,394.71     |               | 549,800.51       |
| <b>JOINT FACILITY</b>                  |                  |                  |               |                  |
| Joint facility—Credit                  | 1,695,316.13     | 2,153,880.20     |               | 458,564.07       |
| Joint facility—Debit                   | <i>16,474.05</i> | <i>16,454.56</i> | <i>19.49</i>  |                  |
| Total joint facility operating revenue | 1,678,842.08     | 2,137,425.64     |               | 458,583.56       |
| Total railway operating revenues       | \$201,180,111.51 | \$228,946,936.17 |               | \$ 27,766,824.66 |

*Italics denote debits.*

### RAILWAY OPERATING EXPENSES

|                                          | 1946         | 1945            | INCREASE      | DECREASE        |
|------------------------------------------|--------------|-----------------|---------------|-----------------|
| <b>MAINTENANCE OF WAY AND STRUCTURES</b> |              |                 |               |                 |
| Superintendence                          | 2,274,112.02 | \$ 2,089,762.11 | \$ 184,349.91 |                 |
| Roadway maintenance                      | 2,836,782.91 | 5,201,027.00    |               | \$ 2,364,244.09 |
| Tunnels and subways                      | 177,784.83   | 129,795.52      | 47,989.31     |                 |
| Bridges, trestles, and culverts          | 1,115,512.24 | 1,556,110.81    |               | 440,598.57      |
| Ties                                     | 3,087,617.10 | 4,357,112.94    |               | 1,269,495.84    |
| Rails                                    | 1,002,125.03 | 789,191.56      | 212,933.47    |                 |
| Other track material                     | 1,267,886.03 | 1,459,633.03    |               | 191,747.00      |
| Ballast                                  | 649,193.91   | 1,088,259.42    |               | 439,065.51      |
| Track laying and surfacing               | 8,011,412.73 | 10,341,605.60   |               | 2,330,192.87    |
| Fences, snowsheds, and signs             | 273,665.19   | 339,369.83      |               | 65,704.64       |
| Station and office buildings             | 1,211,328.63 | 1,634,950.46    |               | 423,621.83      |
| Roadway buildings                        | 117,472.33   | 377,938.77      |               | 260,466.44      |
| Water stations                           | 241,253.20   | 261,820.05      |               | 20,566.85       |
| Fuel stations                            | 165,991.76   | 155,434.64      | 10,557.12     |                 |
| Shops and enginehouses                   | 947,367.22   | 1,081,795.37    |               | 134,428.15      |

## CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## RAILWAY OPERATING REVENUES AND EXPENSES—CONTINUED

## RAILWAY OPERATING EXPENSES—CONTINUED

|                                                                   | 1946              | 1945              | INCREASE         | DECREASE          |
|-------------------------------------------------------------------|-------------------|-------------------|------------------|-------------------|
| <b>MAINTENANCE OF WAY AND STRUCTURES</b>                          |                   |                   |                  |                   |
| Wharves and docks.....                                            | \$ 42,622.21      | \$ 189,892.48     |                  | \$ 147,270.27     |
| Telegraph and telephone lines.....                                | 507,885.49        | 481,361.68        | \$ 26,523.81     |                   |
| Signals and interlockers.....                                     | 1,044,027.82      | 819,348.06        | 224,679.76       |                   |
| Power plants.....                                                 | 27,851.79         | 61,218.90         |                  | 33,367.11         |
| Power-transmission systems.....                                   | 214,623.02        | 230,676.89        |                  | 16,053.87         |
| Miscellaneous structures.....                                     | 45,705.26         | 34,616.85         | 11,088.41        |                   |
| Road property—Depreciation.....                                   | 3,984,832.62      | 3,779,329.58      | 205,503.04       |                   |
| Retirements—Road.....                                             | 353,053.69        | 2,447,849.72      |                  | 2,094,796.03      |
| Deferred maintenance—Way and structures.....                      | <i>512,648.00</i> | <i>808,118.00</i> |                  | <i>295,470.00</i> |
| Roadway machines.....                                             | 451,582.69        | 411,500.93        | 40,081.76        |                   |
| Dismantling retired road property.....                            | 206,892.91        | 438,725.31        |                  | 231,832.40        |
| Road—Amortization of defense projects.....                        | 17,953.90         | 1,638,773.35      |                  | 1,620,819.45      |
| Small tools and supplies.....                                     | 560,605.53        | 607,311.84        |                  | 46,706.31         |
| Removing snow, ice, and sand.....                                 | 457,618.83        | 606,379.30        |                  | 148,760.47        |
| Public improvements—Maintenance.....                              | 393,075.35        | 407,224.34        |                  | 14,148.99         |
| Injuries to persons.....                                          | 161,985.04        | 241,884.99        |                  | 79,899.95         |
| Insurance.....                                                    | 37,410.41         | 37,669.33         |                  | 258.92            |
| Stationery and printing.....                                      | 37,522.78         | 36,478.53         | 1,044.25         |                   |
| Other expenses.....                                               | 88,033.89         | 197,544.43        |                  | 109,510.54        |
| Right-of-way expenses.....                                        | 16,536.57         | 43,934.21         |                  | 27,397.64         |
| Maintaining joint tracks, yards, and other facilities—Debit.....  | 2,302,931.35      | 2,607,316.82      |                  | 304,385.47        |
| Maintaining joint tracks, yards, and other facilities—Credit..... | <i>504,690.06</i> | <i>443,296.00</i> | <i>61,394.06</i> |                   |
| Total maintenance of way and structures.....                      | 33,314,918.22     | 44,931,430.65     |                  | 11,616,512.43     |
| <b>MAINTENANCE OF EQUIPMENT</b>                                   |                   |                   |                  |                   |
| Superintendence.....                                              | 1,224,685.48      | 1,096,518.57      | 128,166.91       |                   |
| Shop machinery.....                                               | 868,276.05        | 896,389.20        |                  | 28,113.15         |
| Power-plant machinery.....                                        | 158,510.80        | 163,310.00        |                  | 4,799.20          |
| Shop and power-plant machinery—Depreciation.....                  | 263,720.60        | 251,447.19        | 12,273.41        |                   |
| Dismantling retired shop and power-plant machinery.....           | 9,903.42          | 7,701.99          | 2,201.43         |                   |
| Steam locomotives—Repairs.....                                    | 10,190,640.39     | 10,417,924.97     |                  | 227,284.58        |
| Other locomotives—Repairs.....                                    | 1,846,174.22      | 1,715,568.75      | 130,605.47       |                   |
| Freight-train cars—Repairs.....                                   | 8,778,937.95      | 8,933,679.45      |                  | 154,741.50        |
| Passenger-train cars—Repairs.....                                 | 4,000,256.97      | 3,911,860.50      | 88,396.47        |                   |
| Floating equipment—Repairs.....                                   | 52,363.73         | 47,202.22         | 5,161.51         |                   |
| Work equipment—Repairs.....                                       | 690,715.19        | 753,061.13        |                  | 62,345.94         |
| Miscellaneous equipment—Repairs.....                              | 145,209.71        | 103,819.91        | 41,389.80        |                   |
| Dismantling retired equipment.....                                | 97,960.85         | 44,276.71         | 53,684.14        |                   |
| Retirements—Equipment.....                                        | <i>11,953.82</i>  | <i>6,277.50</i>   | <i>5,676.32</i>  |                   |
| Equipment—Depreciation.....                                       | 6,641,522.86      | 6,394,687.85      | 246,835.01       |                   |
| Equipment—Amortization of defense projects.....                   | 315,792.95        | 16,245,135.84     |                  | 15,929,342.89     |
| Injuries to persons.....                                          | 142,046.43        | 161,594.99        |                  | 19,548.56         |
| Insurance.....                                                    | 57,340.22         | 55,083.36         | 2,256.86         |                   |
| Stationery and printing.....                                      | 32,712.66         | 32,196.19         | 516.47           |                   |
| Other expenses.....                                               | 87,439.53         | 117,699.52        |                  | 30,259.99         |
| Joint maintenance of equipment expenses—Debit.....                | 255,290.55        | 273,372.50        |                  | 18,081.95         |
| Joint maintenance of equipment expenses—Credit.....               | <i>18,571.52</i>  | <i>23,116.13</i>  |                  | <i>4,544.61</i>   |
| Deferred maintenance—Equipment.....                               | <i>103,257.00</i> | <i>563,777.00</i> |                  | <i>460,520.00</i> |
| Total maintenance of equipment.....                               | 35,725,718.22     | 51,029,360.21     |                  | 15,303,641.99     |
| <b>TRAFFIC</b>                                                    |                   |                   |                  |                   |
| Superintendence.....                                              | 1,005,513.10      | 966,413.36        | 39,099.74        |                   |
| Outside agencies.....                                             | 2,011,423.01      | 1,751,788.97      | 259,634.04       |                   |
| Advertising.....                                                  | 622,732.57        | 536,907.59        | 85,824.98        |                   |
| Traffic associations.....                                         | 128,631.81        | 127,304.00        | 1,327.81         |                   |
| Industrial and immigration bureaus.....                           | 103,845.42        | 87,524.90         | 16,320.52        |                   |
| Insurance.....                                                    | 462.79            | 408.89            | 53.90            |                   |
| Stationery and printing.....                                      | 148,982.49        | 122,403.14        | 26,579.35        |                   |
| Other expenses.....                                               | 704.12            | 126.00            | 578.12           |                   |
| Total traffic expenses.....                                       | \$ 4,022,295.31   | \$ 3,592,876.85   | \$ 429,418.46    |                   |

*Italics denote credits.*

# ANNUAL REPORT FOR 1946

## RAILWAY OPERATING REVENUES AND EXPENSES—CONCLUDED

### RAILWAY OPERATING EXPENSES—CONCLUDED

|                                                     | 1946             | 1945             | INCREASE      | DECREASE         |
|-----------------------------------------------------|------------------|------------------|---------------|------------------|
| <b>TRANSPORTATION</b>                               |                  |                  |               |                  |
| Superintendence.....                                | \$ 2,008,455.29  | \$ 1,861,575.02  | \$ 146,880.27 |                  |
| Dispatching trains.....                             | 929,033.80       | 875,058.90       | 53,974.90     |                  |
| Station employees.....                              | 14,782,801.26    | 11,671,644.49    | 3,111,156.77  |                  |
| Weighing, inspection, and demurrage bureaus.....    | 235,787.24       | 208,917.48       | 26,869.76     |                  |
| Station supplies and expenses.....                  | 769,650.37       | 700,288.70       | 69,361.67     |                  |
| Yardmasters and yard clerks.....                    | 2,254,491.08     | 1,994,890.09     | 259,600.99    |                  |
| Yard conductors and brakemen.....                   | 6,693,506.71     | 5,568,175.69     | 1,125,331.02  |                  |
| Yard switch and signal tenders.....                 | 453,900.08       | 391,297.03       | 62,603.05     |                  |
| Yard enginemen.....                                 | 3,021,190.03     | 2,726,752.44     | 294,437.59    |                  |
| Yard motormen.....                                  | 1,573,427.60     | 1,118,306.54     | 455,121.06    |                  |
| Yard switching fuel.....                            | 1,633,607.80     | 1,453,194.18     | 180,413.62    |                  |
| Yard switching power purchased.....                 | 13,392.53        | 9,838.97         | 3,553.56      |                  |
| Water for yard locomotives.....                     | 169,578.33       | 168,569.45       | 1,008.88      |                  |
| Lubricants for yard locomotives.....                | 66,239.32        | 59,872.02        | 6,367.30      |                  |
| Other supplies for yard locomotives.....            | 59,393.97        | 54,503.15        | 4,890.82      |                  |
| Enginehouse expenses—Yard.....                      | 1,354,874.16     | 1,273,525.68     | 81,348.48     |                  |
| Yard supplies and expenses.....                     | 116,749.72       | 110,356.81       | 6,392.91      |                  |
| Operating joint yards and terminals—Debit.....      | 3,120,083.25     | 2,803,457.51     | 316,625.74    |                  |
| Operating joint yards and terminals—Credit.....     | 286,863.69       | 270,614.85       | 16,248.84     |                  |
| Train enginemen.....                                | 7,602,336.03     | 7,197,743.65     | 404,592.38    |                  |
| Train motormen.....                                 | 1,988,773.16     | 1,538,527.95     | 450,245.21    |                  |
| Train fuel.....                                     | 10,386,902.91    | 9,638,564.40     | 748,338.51    |                  |
| Train power purchased.....                          | 1,269,536.71     | 1,480,609.94     |               | \$ 211,073.23    |
| Water for train locomotives.....                    | 706,955.22       | 729,031.96       |               | 22,076.74        |
| Lubricants for train locomotives.....               | 399,656.71       | 392,140.16       | 7,516.55      |                  |
| Other supplies for train locomotives.....           | 187,619.49       | 174,113.96       | 13,505.53     |                  |
| Enginehouse expenses—Train.....                     | 2,831,010.06     | 2,530,025.12     | 300,984.94    |                  |
| Trainmen.....                                       | 11,168,574.42    | 9,892,768.24     | 1,275,806.18  |                  |
| Train supplies and expenses.....                    | 6,048,462.16     | 5,223,420.08     | 825,042.08    |                  |
| Operating sleeping cars.....                        | 486,026.42       | 394,460.65       | 91,565.77     |                  |
| Signal and interlocker operation.....               | 580,125.83       | 493,259.33       | 86,866.50     |                  |
| Crossing protection.....                            | 715,516.38       | 562,137.33       | 153,379.05    |                  |
| Drawbridge operation.....                           | 130,603.18       | 98,178.90        | 32,424.28     |                  |
| Telegraph and telephone operation.....              | 584,831.07       | 597,056.93       |               | 12,225.86        |
| Operating floating equipment.....                   | 260,336.77       | 158,434.75       | 101,902.02    |                  |
| Stationery and printing.....                        | 327,561.71       | 313,755.41       | 13,806.30     |                  |
| Other expenses.....                                 | 512,940.61       | 776,677.77       |               | 263,737.16       |
| Operating joint tracks and facilities—Debit.....    | 898,556.43       | 803,239.73       | 95,316.70     |                  |
| Operating joint tracks and facilities—Credit.....   | 447,033.62       | 395,083.54       | 51,950.08     |                  |
| Insurance.....                                      | 63,255.35        | 88,620.70        |               | 25,365.35        |
| Clearing wrecks.....                                | 141,389.22       | 154,075.09       |               | 12,685.87        |
| Damage to property.....                             | 127,793.31       | 126,628.87       | 1,164.44      |                  |
| Damage to live stock on right of way.....           | 98,989.83        | 101,405.27       |               | 2,415.44         |
| Loss and damage—Freight.....                        | 1,702,958.58     | 2,131,479.97     |               | 428,521.39       |
| Loss and damage—Baggage.....                        | 15,617.81        | 14,276.31        | 1,341.50      |                  |
| Injuries to persons.....                            | 913,212.32       | 769,314.08       | 143,898.24    |                  |
| Total transportation expenses.....                  | 88,671,806.92    | 78,764,472.31    | 9,907,334.61  |                  |
| <b>MISCELLANEOUS OPERATIONS</b>                     |                  |                  |               |                  |
| Dining and buffet service.....                      | 3,068,857.95     | 2,654,181.93     | 414,676.02    |                  |
| Hotels and restaurants.....                         | 40,349.78        | 3,420.14         | 36,929.64     |                  |
| Stockyards.....                                     | 117,536.47       | 84,971.24        | 32,565.23     |                  |
| Producing power sold.....                           | 62,310.13        | 59,451.23        | 2,858.90      |                  |
| Total miscellaneous operations.....                 | 3,289,054.33     | 2,802,024.54     | 487,029.79    |                  |
| <b>GENERAL</b>                                      |                  |                  |               |                  |
| Salaries and expenses of general officers.....      | 552,819.69       | 426,994.00       | 125,825.69    |                  |
| Salaries and expenses of clerks and attendants..... | 4,842,197.05     | 4,168,297.55     | 673,899.50    |                  |
| General office supplies and expenses.....           | 268,791.26       | 250,276.74       | 18,514.52     |                  |
| Law expenses.....                                   | 400,975.03       | 346,059.33       | 54,915.70     |                  |
| Insurance.....                                      | 1,155.68         | 2,651.44         |               | 1,495.76         |
| Pensions.....                                       | 77,767.65        | 64,685.14        | 13,082.51     |                  |
| Stationery and printing.....                        | 206,159.78       | 164,510.68       | 41,649.10     |                  |
| Valuation expenses.....                             | 34,616.69        | 29,076.71        | 5,539.98      |                  |
| Other expenses.....                                 | 270,578.47       | 156,900.10       | 113,678.37    |                  |
| General joint facilities—Debit.....                 | 148,566.38       | 134,074.36       | 14,492.02     |                  |
| General joint facilities—Credit.....                | 4,157.60         | 4,273.37         |               | 115.77           |
| Total general expenses.....                         | 6,799,470.08     | 5,739,252.68     | 1,060,217.40  |                  |
| Grand total railway operating expenses.....         | \$171,823,263.08 | \$186,859,417.24 |               | \$ 15,036,154.16 |

*Italics denote credits.*

# CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## NET RAILWAY OPERATING INCOME ITEMS—1946, 1945 AND 1944 SHOWING PERCENTAGES OF RAILWAY OPERATING REVENUES

| ITEMS                                                                          | 1946           |                         | 1945           |                         | 1944           |                         |
|--------------------------------------------------------------------------------|----------------|-------------------------|----------------|-------------------------|----------------|-------------------------|
|                                                                                | AMOUNT         | PER CENT RY. OPR. REVS. | AMOUNT         | PER CENT RY. OPR. REVS. | AMOUNT         | PER CENT RY. OPR. REVS. |
| <b>RAILWAY OPERATING REVENUES:</b>                                             |                |                         |                |                         |                |                         |
| Freight.....                                                                   | \$ 152,186,983 | 75.65                   | \$ 168,950,558 | 73.80                   | \$ 171,448,855 | 75.62                   |
| Passenger.....                                                                 | 28,313,790     | 14.08                   | 37,107,494     | 16.21                   | 33,885,998     | 14.95                   |
| Mail.....                                                                      | 3,644,524      | 1.81                    | 3,442,374      | 1.50                    | 3,444,700      | 1.52                    |
| Express.....                                                                   | 4,836,305      | 2.40                    | 5,916,488      | 2.59                    | 5,269,519      | 2.32                    |
| Switching.....                                                                 | 3,950,919      | 1.96                    | 3,897,615      | 1.70                    | 3,956,435      | 1.75                    |
| All other transportation.....                                                  | 1,574,154      | .78                     | 1,950,586      | .85                     | 1,995,023      | .88                     |
| Incidental.....                                                                | 4,994,594      | 2.48                    | 5,544,395      | 2.42                    | 4,352,531      | 1.92                    |
| Joint facility—Net Cr.....                                                     | 1,678,842      | .84                     | 2,137,426      | .93                     | 2,356,632      | 1.04                    |
| Total.....                                                                     | 201,180,111    | 100.00                  | 228,946,936    | 100.00                  | 226,709,693    | 100.00                  |
| <b>RAILWAY OPERATING EXPENSES:</b>                                             |                |                         |                |                         |                |                         |
| *Maintenance of way and structures.....                                        | 33,314,918     | 16.56                   | 44,931,431     | 19.63                   | 38,878,167     | 17.15                   |
| #Maintenance of equipment.....                                                 | 35,725,718     | 17.76                   | 51,029,360     | 22.29                   | 35,028,904     | 15.45                   |
| Traffic expenses.....                                                          | 4,022,296      | 2.00                    | 3,592,877      | 1.57                    | 3,570,829      | 1.57                    |
| Transportation expenses.....                                                   | 88,671,807     | 44.08                   | 78,764,472     | 34.40                   | 74,853,049     | 33.02                   |
| Miscellaneous operations.....                                                  | 3,289,054      | 1.63                    | 2,802,024      | 1.22                    | 2,643,214      | 1.17                    |
| General expenses.....                                                          | 6,799,470      | 3.38                    | 5,739,253      | 2.51                    | 5,611,343      | 2.47                    |
| Total.....                                                                     | 171,823,263    | 85.41                   | 186,859,417    | 81.62                   | 160,585,506    | 70.83                   |
| NET REVENUE FROM RAILWAY OPERATIONS.....                                       | 29,356,848     | 14.59                   | 42,087,519     | 18.38                   | 66,124,187     | 29.17                   |
| <b>RAILWAY TAX ACCRUALS:</b>                                                   |                |                         |                |                         |                |                         |
| Federal income and excess profits.....                                         | 3,459,813      | 1.72                    | 991,000        | .43                     | 15,952,000     | 7.04                    |
| Property, payroll and other.....                                               | 14,461,813     | 7.19                    | 13,058,000     | 5.70                    | 13,221,000     | 5.83                    |
| Total.....                                                                     | 11,002,000     | 5.47                    | 12,067,000     | 5.27                    | 29,173,000     | 12.87                   |
| EQUIPMENT RENTS—NET DR.....                                                    | 2,733,040      | 1.36                    | 1,116,152      | .49                     | 440,065        | .19                     |
| JOINT FACILITY RENTS—NET DR.....                                               | 2,275,210      | 1.13                    | 2,322,037      | 1.01                    | 3,801,603      | 1.68                    |
| NET RAILWAY OPERATING INCOME.....                                              | \$ 13,346,598  | 6.63                    | \$ 26,582,330  | 11.61                   | \$ 32,709,519  | 14.43                   |
| *Includes for depreciation, amortization and retirement charges—Road.....      | \$ 4,355,841   | 2.17                    | \$ 7,865,953   | 3.44                    | \$ 4,065,123   | 1.79                    |
| #Includes for depreciation, amortization and retirement charges—Equipment..... | \$ 7,209,082   | 3.58                    | \$ 22,884,993  | 10.00                   | \$ 8,652,526   | 3.82                    |

## RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1946

| 1946         | RAILWAY OPERATING REVENUES | RAILWAY OPERATING EXPENSES | NET REVENUE FROM RAILWAY OPERATIONS | RAILWAY TAX ACCRUALS | RAILWAY OPERATING INCOME | EQUIPMENT RENTS—NET DR. | JOINT FACILITY RENTS—NET DR. | NET RAILWAY OPERATING INCOME |
|--------------|----------------------------|----------------------------|-------------------------------------|----------------------|--------------------------|-------------------------|------------------------------|------------------------------|
| January....  | \$ 18,164,797.30           | \$ 13,265,905.24           | \$ 4,898,892.06                     | \$ 2,124,000.00      | \$ 2,774,892.06          | \$ 378,468.02           | \$ 192,436.16                | \$ 2,203,987.88              |
| February.... | 14,936,625.10              | 12,505,704.74              | 2,430,920.36                        | 761,000.00           | 1,669,920.36             | 321,762.59              | 146,905.66                   | 1,201,252.11                 |
| March.....   | 16,456,229.07              | 17,300,370.38              | 844,141.31                          | 2,368,000.00         | 1,523,858.69             | 348,168.47              | 209,540.16                   | 966,150.06                   |
| April.....   | 14,854,445.35              | 14,124,497.73              | 729,947.62                          | 495,000.00           | 1,224,947.62             | 194,647.98              | 189,439.44                   | 840,860.20                   |
| May.....     | 13,581,166.46              | 14,290,887.14              | 709,720.68                          | 1,171,000.00         | 1,880,720.68             | 35,276.86               | 188,612.06                   | 2,104,609.60                 |
| June.....    | 15,481,459.89              | 14,674,823.61              | 806,636.28                          | 1,210,000.00         | 403,363.72               | 146,715.91              | 190,339.15                   | 740,418.78                   |
| July.....    | 16,729,802.42              | 14,713,226.47              | 2,016,575.95                        | 1,226,000.00         | 790,575.95               | 127,909.48              | 210,737.08                   | 451,929.39                   |
| August.....  | 18,516,630.05              | 14,968,226.93              | 3,548,403.12                        | 1,231,000.00         | 2,317,403.12             | 166,144.87              | 182,480.31                   | 1,968,777.94                 |
| September..  | 17,555,829.73              | 13,989,936.78              | 3,565,892.95                        | 1,284,000.00         | 2,281,892.95             | 273,712.46              | 166,708.70                   | 1,841,471.79                 |
| October..... | 19,764,325.25              | 14,604,493.10              | 5,159,832.15                        | 1,579,000.00         | 3,580,832.15             | 381,993.01              | 200,293.25                   | 2,998,545.89                 |
| November.... | 18,100,154.56              | 13,590,728.72              | 4,509,425.84                        | 1,661,000.00         | 2,848,425.84             | 239,412.68              | 192,341.91                   | 2,416,671.25                 |
| December.... | 17,038,646.33              | 13,794,462.24              | 3,244,184.09                        | 1,618,000.00         | 1,626,184.09             | 118,828.00              | 205,376.05                   | 1,301,980.04                 |
| Total.....   | \$201,180,111.51           | \$171,823,263.08           | \$29,356,848.43                     | \$11,002,000.00      | \$18,354,848.43          | \$2,733,040.33          | \$2,275,209.93               | \$13,346,598.17              |

*Italics denote reverse items.*

## ANNUAL REPORT FOR 1946

## REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE—TEN YEARS, 1937-1946

| YEAR      | TONS<br>CARRIED | TON<br>MILES   | AVERAGE<br>HAUL—<br>MILES | FREIGHT REVENUE |            |                            |
|-----------|-----------------|----------------|---------------------------|-----------------|------------|----------------------------|
|           |                 |                |                           | TOTAL           | PER<br>TON | PER<br>TON MILE<br>(CENTS) |
| 1937..... | 35,392,439      | 9,691,026,608  | 273.82                    | \$ 88,580,700   | \$ 2.50    | .914                       |
| 1938..... | 30,934,327      | 8,479,448,397  | 274.11                    | 82,220,776      | 2.66       | .970                       |
| 1939..... | 33,841,422      | 9,234,307,122  | 272.87                    | 88,623,648      | 2.62       | .960                       |
| 1940..... | 35,320,967      | 10,097,196,568 | 285.87                    | 95,115,270      | 2.69       | .942                       |
| 1941..... | 42,907,270      | 12,804,595,331 | 298.42                    | 117,247,949     | 2.73       | .916                       |
| 1942..... | 48,718,373      | 15,908,488,274 | 326.54                    | 146,598,183     | 3.01       | .922                       |
| 1943..... | 53,824,310      | 18,209,707,441 | 338.32                    | 173,866,487     | 3.23       | .955                       |
| 1944..... | 53,744,554      | 18,323,916,893 | 340.94                    | 171,262,207     | 3.19       | .935                       |
| 1945..... | 52,326,187      | 18,182,059,634 | 347.48                    | 168,770,268     | 3.23       | .928                       |
| 1946..... | 50,242,184      | 15,744,421,956 | 313.37                    | 152,088,843     | 3.03       | .966                       |

## REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE—TEN YEARS, 1937-1946

| YEAR | PASSENGERS<br>CARRIED | PASSENGER<br>MILES | AVERAGE<br>DISTANCE<br>TRAVELED<br>—MILES | PASSENGER REVENUE |                  |                                     |
|------|-----------------------|--------------------|-------------------------------------------|-------------------|------------------|-------------------------------------|
|      |                       |                    |                                           | TOTAL             | PER<br>PASSENGER | PER<br>PASSENGER<br>MILE<br>(CENTS) |

## OTHER THAN COMMUTATION

|           |           |               |        |              |         |       |
|-----------|-----------|---------------|--------|--------------|---------|-------|
| 1937..... | 2,724,890 | 447,224,211   | 164.13 | \$ 7,996,878 | \$ 2.93 | 1.788 |
| 1938..... | 2,414,120 | 398,409,465   | 165.03 | 7,493,412    | 3.10    | 1.881 |
| 1939..... | 2,419,949 | 406,766,397   | 168.09 | 7,562,557    | 3.13    | 1.859 |
| 1940..... | 2,521,805 | 429,870,167   | 170.46 | 7,735,173    | 3.07    | 1.799 |
| 1941..... | 2,854,905 | 515,785,044   | 180.67 | 9,226,806    | 3.23    | 1.789 |
| 1942..... | 4,587,449 | 919,502,420   | 200.44 | 17,221,694   | 3.75    | 1.873 |
| 1943..... | 6,765,399 | 1,702,392,425 | 251.63 | 30,390,960   | 4.49    | 1.785 |
| 1944..... | 7,392,345 | 1,876,782,311 | 253.88 | 33,186,313   | 4.49    | 1.768 |
| 1945..... | 7,599,295 | 2,093,962,765 | 275.55 | 36,359,300   | 4.78    | 1.736 |
| 1946..... | 5,951,216 | 1,507,079,437 | 253.24 | 27,541,204   | 4.63    | 1.827 |

## COMMUTATION

|           |           |            |       |            |        |      |
|-----------|-----------|------------|-------|------------|--------|------|
| 1937..... | 1,803,136 | 33,300,871 | 18.47 | \$ 293,237 | \$ .16 | .881 |
| 1938..... | 1,835,672 | 35,504,859 | 19.34 | 309,708    | .17    | .872 |
| 1939..... | 1,992,809 | 38,670,537 | 19.41 | 336,233    | .17    | .869 |
| 1940..... | 2,172,714 | 42,743,602 | 19.67 | 370,206    | .17    | .866 |
| 1941..... | 2,455,023 | 48,727,616 | 19.85 | 419,878    | .17    | .862 |
| 1942..... | 3,049,365 | 62,902,363 | 20.63 | 544,191    | .18    | .865 |
| 1943..... | 3,368,241 | 69,407,765 | 20.61 | 613,078    | .18    | .883 |
| 1944..... | 3,677,257 | 76,252,098 | 20.74 | 688,784    | .19    | .903 |
| 1945..... | 3,744,015 | 77,889,920 | 20.80 | 741,919    | .20    | .953 |
| 1946..... | 3,754,197 | 80,284,849 | 21.39 | 766,789    | .20    | .955 |

## TOTAL

|           |            |               |        |              |         |       |
|-----------|------------|---------------|--------|--------------|---------|-------|
| 1937..... | 4,528,026  | 480,525,082   | 106.12 | \$ 8,290,115 | \$ 1.83 | 1.725 |
| 1938..... | 4,249,792  | 433,914,324   | 102.10 | 7,803,120    | 1.84    | 1.798 |
| 1939..... | 4,412,758  | 445,436,934   | 100.94 | 7,898,790    | 1.79    | 1.773 |
| 1940..... | 4,694,519  | 472,613,769   | 100.67 | 8,105,379    | 1.73    | 1.715 |
| 1941..... | 5,309,928  | 564,512,660   | 106.31 | 9,646,684    | 1.82    | 1.709 |
| 1942..... | 7,636,814  | 982,404,783   | 128.64 | 17,765,885   | 2.33    | 1.808 |
| 1943..... | 10,133,640 | 1,771,800,190 | 174.84 | 31,004,038   | 3.06    | 1.750 |
| 1944..... | 11,069,602 | 1,953,034,409 | 176.43 | 33,875,097   | 3.06    | 1.734 |
| 1945..... | 11,343,310 | 2,171,852,685 | 191.47 | 37,101,219   | 3.27    | 1.708 |
| 1946..... | 9,705,413  | 1,587,364,286 | 163.55 | 28,307,993   | 2.92    | 1.783 |

## CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## TRANSPORTATION STATISTICS—AGGREGATES, 1946-1942

| ITEMS                                                              | 1946          | 1945          | 1944          | 1943          | 1942          |
|--------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>RAIL LINE</b>                                                   |               |               |               |               |               |
| Average Miles of Road Operated.....                                | 10,732.88     | 10,727.20     | 10,727.01     | 10,760.89     | 10,820.93     |
| <b>TRAIN MILES</b>                                                 |               |               |               |               |               |
| Freight....Including Light.....                                    | 16,906,158    | 18,028,655    | 18,508,028    | 19,021,207    | 17,956,240    |
| Passenger....With Locomotives—Including Light.....                 | 12,812,855    | 13,487,317    | 12,802,754    | 11,964,434    | 10,659,298    |
| Passenger....Motor Car.....                                        | 701,165       | 714,158       | 872,795       | 885,828       | 864,975       |
| <b>TRAIN HOURS</b>                                                 |               |               |               |               |               |
| Freight....Total Including Train Switching.....                    | 1,082,853     | 1,142,706     | 1,165,343     | 1,223,332     | 1,119,644     |
| Passenger....Total Including Train Switching.....                  | 366,362       | 387,838       | 370,010       | 349,504       | 307,645       |
| <b>LOCOMOTIVE MILES</b>                                            |               |               |               |               |               |
| Freight....Road—Principal, Helper and Light.....                   | 18,697,827    | 20,237,472    | 20,646,844    | 21,163,312    | 19,674,353    |
| Passenger....Road—Principal, Helper and Light.....                 | 13,351,620    | 14,211,936    | 13,441,769    | 12,766,600    | 11,216,413    |
| Freight....Train Switching at Way Stations.....                    | 1,539,275     | 1,588,883     | 1,626,014     | 1,639,759     | 1,652,213     |
| Passenger....Train Switching.....                                  |               | 666           | 60            | 522           | 468           |
| Freight....Yard Switching.....                                     | 9,038,133     | 8,867,446     | 8,629,332     | 8,496,751     | 7,999,634     |
| Passenger....Yard Switching.....                                   | 671,500       | 670,188       | 627,590       | 580,014       | 512,578       |
| —Total Locomotive Miles.....                                       | 43,298,355    | 45,576,591    | 44,971,609    | 44,646,958    | 41,055,659    |
| <b>CAR MILES</b>                                                   |               |               |               |               |               |
| Freight....Loaded Eastbound.....                                   | 309,770,270   | 316,124,173   | 317,001,085   | 318,125,573   | 307,176,648   |
| Freight....Loaded Westbound.....                                   | 262,334,652   | 312,885,819   | 318,454,685   | 293,909,739   | 257,991,325   |
| Freight....Loaded Total.....                                       | 572,104,922   | 629,009,992   | 635,455,770   | 612,035,312   | 565,167,973   |
| Freight....Empty Eastbound.....                                    | 110,061,280   | 152,208,734   | 133,823,239   | 134,672,110   | 124,188,576   |
| Freight....Empty Westbound.....                                    | 168,471,496   | 150,074,811   | 150,019,455   | 159,621,333   | 185,425,419   |
| Freight....Empty Total.....                                        | 278,532,776   | 302,283,545   | 283,842,694   | 294,293,443   | 309,613,995   |
| Freight....Total Freight Cars.....                                 | 850,637,698   | 931,293,537   | 919,298,464   | 906,328,755   | 874,781,968   |
| Freight....Caboose.....                                            | 16,579,924    | 17,852,187    | 18,411,305    | 18,890,698    | 17,696,803    |
| Freight....Pass. Trn. Cars in Frt. Trns. (Incl'd. Below).....      | 3,961,991     | 3,937,027     | 3,239,816     | 4,552,013     | 5,983,310     |
| Passenger....Coaches.....                                          | 31,106,956    | 37,764,739    | 35,882,361    | 33,253,211    | 24,957,739    |
| Passenger....Combination Passenger and Head-end.....               | 2,884,705     | 3,006,570     | 3,028,782     | 2,937,002     | 2,784,415     |
| Passenger....Head-end (Mail, Express & Baggage).....               | 37,276,255    | 38,500,795    | 33,466,321    | 30,445,339    | 28,502,972    |
| Passenger....Sleeping, Parlor, Dining, Lounge, etc.....            | 46,549,787    | 49,541,645    | 42,684,350    | 39,375,951    | 32,961,104    |
| Passenger....Total Passenger Train Cars.....                       | 117,817,703   | 128,813,749   | 115,061,814   | 106,011,503   | 89,206,230    |
| Passenger....Freight Trn. Cars in Pass. Trns. (Incl'd. Above)..... | 742,587       | 911,181       | 1,229,848     | 1,701,015     | 1,533,665     |
| Frt. & Pass....Business Cars.....                                  | 185,257       | 191,022       | 179,200       | 141,564       | 122,142       |
| <b>TON MILES—THOUSANDS</b>                                         |               |               |               |               |               |
| Frt. Train....Gross—Locomotives Only.....                          | 4,940,159     | 5,444,289     | 5,363,134     | 5,379,531     | 5,010,431     |
| Frt. Train....Gross—Trailing (Cars and Contents).....              | 37,684,958    | 41,973,780    | 42,037,179    | 41,498,929    | 38,147,796    |
| Freight....Gross—In Passenger Trains.....                          | 25,696        | 30,438        | 41,812        | 60,224        | 52,956        |
| Frt. Train....Net—Revenue and Non-Revenue.....                     | 17,452,695    | 19,966,924    | 20,334,419    | 20,091,604    | 17,596,677    |
| Freight....Net—Rev. & Non-Rev. in Pass. Trns.....                  | 22,055        | 22,480        | 22,744        | 27,781        | 25,157        |
| Pass. Train....Gross—Locomotives Only.....                         | 3,374,640     | 3,572,921     | 3,306,547     | 3,085,562     | 2,680,752     |
| Pass. Train....Gross—Trailing (Cars & Contents).....               | 8,143,007     | 8,950,653     | 7,947,847     | 7,243,768     | 5,882,482     |
| Passenger....Gross—In Freight Trains.....                          | 231,095       | 223,633       | 185,123       | 263,441       | 388,067       |
| <b>REVENUE TRAFFIC &amp; REVENUE</b>                               |               |               |               |               |               |
| Freight....Tons Carried.....                                       | 50,242,184    | 52,326,187    | 53,744,554    | 53,824,310    | 48,718,373    |
| Freight....Ton-Miles (Incl. Water Transfer) (Thousands).....       | 15,744,422    | 18,182,059    | 18,323,916    | 18,209,707    | 15,908,488    |
| Freight....Revenue—Freight Only (Acct. 101).....                   | \$152,088,843 | \$168,770,268 | \$171,262,207 | \$173,866,487 | \$146,598,183 |
| Freight....Train Revenue (Frt., Pass., Mail, Express, Etc.).....   | \$152,186,727 | \$168,898,342 | \$171,388,323 | \$173,919,177 | \$146,629,677 |
| Passenger....Number Carried.....                                   | 9,705,413     | 11,343,310    | 11,069,602    | 10,133,640    | 7,636,814     |
| Passenger....Number of Passenger-Miles (Thousands).....            | 1,587,364     | 2,171,853     | 1,953,034     | 1,771,800     | 982,405       |
| Passenger....Revenue—Passenger Only (Acct. 102).....               | \$ 28,307,993 | \$ 37,101,219 | \$ 33,875,097 | \$ 31,004,038 | \$ 17,765,885 |
| Passenger....Car Revenue (Pass., Mail, Express, Etc.).....         | \$ 38,365,969 | \$ 48,413,401 | \$ 44,586,022 | \$ 40,360,965 | \$ 24,980,043 |
| Passenger....Train Revenue (Pass., Mail, Express, Frt., Etc.)..... | \$ 38,268,085 | \$ 48,285,327 | \$ 44,459,906 | \$ 40,308,275 | \$ 24,948,549 |
| <b>OPERATION BY CLASSES OF POWER</b>                               |               |               |               |               |               |
| Yard....Switching Hours—Steam.....                                 | 1,022,185     | 1,089,434     | 1,094,362     | 1,141,015     | 1,073,603     |
| Yard....Switching Hours—Diesel.....                                | 577,165       | 481,951       | 431,446       | 356,518       | 331,645       |
| Yard....Switching Hours—Electric.....                              | 18,922        | 18,221        | 17,012        | 15,261        | 13,454        |
| Road Frt....Gross Ton Miles—Steam (Thousands).....                 | 31,362,889    | 36,831,729    | 40,385,712    | 41,838,066    | 38,377,245    |
| Road Frt....Gross Ton Miles—Diesel (Thousands).....                | 7,815,355     | 5,965,187     | 2,213,404     | 621,379       | 736,098       |
| Road Frt....Gross Ton Miles—Electric (Thousands).....              | 3,677,968     | 4,844,786     | 4,986,320     | 4,682,456     | 4,432,951     |
| Road Pass....Car Miles—Steam.....                                  | 81,567,665    | 98,897,068    | 90,192,467    | 82,436,896    | 67,946,579    |
| Road Pass....Car Miles—Diesel (Incl. Gas Motor Cars).....          | 19,708,664    | 11,360,914    | 10,036,110    | 9,865,493     | 8,920,192     |
| Road Pass....Car Miles—Electric.....                               | 13,478,971    | 15,677,035    | 12,950,058    | 10,960,618    | 7,979,987     |
| <b>HIGHWAY OPERATION</b>                                           |               |               |               |               |               |
| Freight....Tons Carried.....                                       | 120,588       | 177,180       | 180,020       | 197,778       | 71,650        |
| Freight....Ton Miles (Thousands).....                              | 4,401         | 8,667         | 8,973         | 8,866         | 2,715         |
| Freight....Revenue (Acct. 101).....                                | \$ 98,140     | \$ 180,290    | \$ 186,648    | \$ 152,145    | \$Dr. 131,633 |
| Passenger....Number of Rail Passengers Carried.....                | 57,405        | 88,908        | 88,960        | 98,249        | 70,795        |
| Passenger....Number of All Passengers Carried.....                 | 93,037        | 132,348       | 127,672       | 132,088       | 94,774        |
| Passenger....Number of Passenger Miles.....                        | 1,535,444     | 2,139,072     | 2,029,358     | 1,962,050     | 1,345,457     |
| Passenger....Revenue (Acct. 102).....                              | \$ 31,623     | \$ 43,585     | \$ 41,705     | \$ 40,401     | \$ 27,693     |

## ANNUAL REPORT FOR 1946

## TRANSPORTATION STATISTICS—RAIL LINE—AVERAGES, 1946-1942

| ITEMS                                                                     | 1946      | 1945      | 1944      | 1943      | 1942      |
|---------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| PER MILE OF ROAD                                                          |           |           |           |           |           |
| Freight.....—Train Miles.....                                             | 1,575     | 1,681     | 1,725     | 1,768     | 1,659     |
| Freight.....—Train Miles—Per Day.....                                     | 4.3       | 4.6       | 4.7       | 4.8       | 4.5       |
| Freight.....—Loaded Car Miles (Total).....                                | 53,304    | 58,637    | 59,239    | 56,876    | 52,229    |
| Freight.....—Gross Ton Miles (Total and Trailing).....                    | 3,515,563 | 3,915,674 | 3,922,714 | 3,862,055 | 3,530,265 |
| Freight.....—Net Ton-Miles (Revenue).....                                 | 1,466,934 | 1,694,949 | 1,708,203 | 1,692,212 | 1,470,159 |
| Freight.....—Revenue—Freight Only (Acct. 101).....                        | \$ 14,170 | \$ 15,733 | \$ 15,966 | \$ 16,157 | \$ 13,548 |
| Passenger.....—Train Miles.....                                           | 1,259     | 1,324     | 1,275     | 1,194     | 1,065     |
| Passenger.....—Train Miles—Per Day.....                                   | 3.4       | 3.6       | 3.5       | 3.3       | 2.9       |
| Passenger.....—Car Miles.....                                             | 10,977    | 12,008    | 10,726    | 9,852     | 8,244     |
| Passenger.....—Car Revenue (Pass., Mail, Express, Etc.).....              | \$ 3,575  | \$ 4,513  | \$ 4,156  | \$ 3,751  | \$ 2,308  |
| Passenger.....—Number of Passenger Miles (Revenue).....                   | 147,897   | 202,462   | 182,067   | 164,652   | 90,787    |
| Passenger.....—Revenue—Passenger Only (Acct. 102).....                    | \$ 2,638  | \$ 3,459  | \$ 3,158  | \$ 2,881  | \$ 1,642  |
| Frt. & Pass.....—Maintenance of Way Expenses.....                         | \$ 3,104  | \$ 4,189  | \$ 3,624  | \$ 3,359  | \$ 2,362  |
| Frt. & Pass.....—Taxes, Other Than Federal & Payroll.....                 | \$ 681    | \$ 622    | \$ 611    | \$ 604    | \$ 554    |
| Frt. & Pass.....—Yard Switching Locomotive Miles.....                     | 905       | 889       | 863       | 843       | 787       |
| Frt. & Pass.....—Train Switching Miles at Way Stations.....               | 143       | 148       | 152       | 152       | 153       |
| Frt. & Pass.....—Total Railway Operating Revenue.....                     | \$ 18,726 | \$ 21,317 | \$ 21,107 | \$ 20,840 | \$ 16,625 |
| PER TRAIN MILE                                                            |           |           |           |           |           |
| Freight.....—Locomotive Miles.....                                        | 1.11      | 1.12      | 1.12      | 1.11      | 1.10      |
| Freight.....—Loaded Frt. Car Miles (In Frt. Trains).....                  | 33.80     | 34.85     | 34.28     | 32.10     | 31.41     |
| Freight.....—Empty Frt. Car Miles (In Frt. Trains).....                   | 16.47     | 16.76     | 15.33     | 15.46     | 17.23     |
| Freight.....—Total Car Miles (Incl. Pass. Cars & Cab. in Frt. Trns.)..... | 51.49     | 52.82     | 50.78     | 48.79     | 49.95     |
| Freight.....—Gross Ton Miles (Trailing) (In Frt. Trains).....             | 2,229     | 2,328     | 2,271     | 2,182     | 2,124     |
| Freight.....—Net Ton Miles (Rev. & Non-Rev.) (In Frt. Trains).....        | 1,032     | 1,108     | 1,099     | 1,056     | 980       |
| Freight.....—Net Ton Miles (Revenue).....                                 | 931       | 1,009     | 990       | 957       | 886       |
| Freight.....—Train Revenue (Frt., Pass., Mail, Express, Etc.).....        | \$ 9.00   | \$ 9.37   | \$ 9.26   | \$ 9.14   | \$ 8.17   |
| Passenger.....—Locomotive Miles.....                                      | 1.04      | 1.05      | 1.05      | 1.07      | 1.05      |
| Passenger.....—Car Miles (Incl. Frt. Cars & Cab. in Pass. Trains).....    | 8.49      | 8.87      | 8.28      | 8.04      | 7.36      |
| Passenger.....—Number of Passenger Miles (Revenue).....                   | 117.46    | 152.93    | 142.81    | 137.88    | 85.25     |
| Passenger.....—Train Revenue (Pass., Mail, Express, Frt., Etc.).....      | \$ 2.83   | \$ 3.40   | \$ 3.25   | \$ 3.14   | \$ 2.16   |
| PER TRAIN HOUR                                                            |           |           |           |           |           |
| Freight.....—Train Miles (Average Speed).....                             | 15.6      | 15.8      | 15.9      | 15.5      | 16.0      |
| Freight.....—Gross Ton Miles (Trailing).....                              | 35,015    | 36,928    | 36,232    | 34,138    | 34,418    |
| Freight.....—Net Ton Miles (Rev. & Non-Rev.).....                         | 16,117    | 17,473    | 17,449    | 16,424    | 15,716    |
| Passenger.....—Train Miles (Average Speed).....                           | 36.9      | 36.6      | 37.0      | 36.8      | 37.5      |
| PER CAR MILE (FRT. LOADED)                                                |           |           |           |           |           |
| Freight.....—Ton Miles (Rev. & Non-Rev.).....                             | 30.54     | 31.78     | 32.04     | 32.87     | 31.18     |
| Freight.....—Revenue—Freight Only (Acct. 101).....                        | \$ .266   | \$ .268   | \$ .270   | \$ .284   | \$ .259   |
| Freight.....—Yard & Train Sw. Loco. Miles, (Per 100 Car Miles).....       | 1.85      | 1.66      | 1.62      | 1.66      | 1.71      |
| Passenger.....—Number of Passenger Miles.....                             | 22.4      | 26.9      | 27.2      | 26.8      | 19.3      |
| Passenger.....—Car Revenue—(Pass., Mail, Express, Etc.).....              | \$ .33    | \$ .38    | \$ .39    | \$ .38    | \$ .28    |
| Passenger.....—Yard & Train Sw. Loco. Miles, (Per 100 Car Miles).....     | .59       | .54       | .56       | .57       | .62       |
| PER FREIGHT CAR DAY ON LINE                                               |           |           |           |           |           |
| Car Miles.....—Loaded and Empty—Serviceable.....                          | 40.1      | 47.0      | 46.7      | 47.3      | 43.8      |
| Net Ton Miles—Revenue and Non-Revenue.....                                | 809       | 988       | 1,016     | 1,036     | 870       |
| PER TON OF FREIGHT                                                        |           |           |           |           |           |
| Average Haul.....                                                         | 313.37    | 347.48    | 340.94    | 338.32    | 326.54    |
| Revenue—Freight Only (Acct. 101).....                                     | \$ 3.03   | \$ 3.23   | \$ 3.19   | \$ 3.23   | \$ 3.01   |
| PER PASSENGER (EXCL. COMMUTATION)                                         |           |           |           |           |           |
| Average Haul.....                                                         | 253.24    | 275.55    | 253.88    | 251.63    | 200.44    |
| Revenue—Passenger Only (Acct. 102).....                                   | \$ 4.63   | \$ 4.78   | \$ 4.49   | \$ 4.49   | \$ 3.75   |
| PER TRAFFIC UNIT MILE                                                     |           |           |           |           |           |
| Revenue Per Ton Mile.....                                                 | \$ .00966 | \$ .00928 | \$ .00935 | \$ .00955 | \$ .00922 |
| Revenue Per Passenger Mile (Excl. Commutation).....                       | \$ .01827 | \$ .01736 | \$ .01768 | \$ .01785 | \$ .01873 |
| PERCENT OPERATION BY CLASSES OF POWER                                     |           |           |           |           |           |
| Yard.....—Steam (Base-Switching Hours).....                               | 63.17     | 68.53     | 70.93     | 75.42     | 75.67     |
| Yard.....—Diesel (Base-Switching Hours).....                              | 35.66     | 30.32     | 27.97     | 23.57     | 23.38     |
| Yard.....—Electric (Base-Switching Hours).....                            | 1.17      | 1.15      | 1.10      | 1.01      | .95       |
| Road Frt.....—Steam (Base-Gross Ton Miles).....                           | 73.18     | 77.31     | 84.87     | 88.75     | 88.13     |
| Road Frt.....—Diesel (Base-Gross Ton Miles).....                          | 18.24     | 12.52     | 4.65      | 1.32      | 1.69      |
| Road Frt.....—Electric (Base-Gross Ton Miles).....                        | 8.58      | 10.17     | 10.48     | 9.93      | 10.18     |
| Road Pass.....—Steam (Base-Car Miles).....                                | 71.08     | 78.53     | 79.69     | 79.83     | 80.08     |
| Road Pass.....—Diesel (Base-Car Miles) (Incl. Gas Motor Cars).....        | 17.17     | 9.02      | 8.87      | 9.55      | 10.51     |
| Road Pass.....—Electric (Base-Car Miles).....                             | 11.75     | 12.45     | 11.44     | 10.62     | 9.41      |

**CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY**

**REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1946 AND 1945**

| COMMODITIES                                      | 1946            |                     | 1945            |                     | INCREASE + OR<br>DECREASE — |                |
|--------------------------------------------------|-----------------|---------------------|-----------------|---------------------|-----------------------------|----------------|
|                                                  | TONS<br>CARRIED | PERCENT<br>OF TOTAL | TONS<br>CARRIED | PERCENT<br>OF TOTAL | TONS                        | PERCENT        |
| <b>PRODUCTS OF AGRICULTURE:</b>                  |                 |                     |                 |                     |                             |                |
| Wheat.....                                       | 2,380,110       | 4.7                 | 2,644,162       | 5.1                 | —                           | 264,052 10.0   |
| Corn.....                                        | 1,420,321       | 2.8                 | 1,985,463       | 3.8                 | —                           | 565,142 28.5   |
| Barley and rye.....                              | 1,028,587       | 2.0                 | 1,152,721       | 2.2                 | —                           | 124,134 10.8   |
| Other grain.....                                 | 956,601         | 1.9                 | 859,595         | 1.6                 | +                           | 97,006 11.3    |
| Flour, meal, and mill products.....              | 1,931,753       | 3.8                 | 2,090,147       | 4.0                 | —                           | 158,394 7.6    |
| Citrus fruits.....                               | 133,325         | .3                  | 159,156         | .3                  | —                           | 25,831 16.2    |
| Other fresh fruits.....                          | 157,422         | .3                  | 153,333         | .3                  | +                           | 4,089 2.7      |
| Potatoes, other than sweet.....                  | 295,184         | .6                  | 233,634         | .4                  | +                           | 61,550 26.3    |
| Other fresh vegetables.....                      | 128,292         | .3                  | 137,616         | .3                  | —                           | 9,324 6.8      |
| Sugar beets.....                                 | 191,842         | .4                  | 187,434         | .4                  | +                           | 4,408 2.4      |
| Other products of agriculture.....               | 1,345,799       | 2.7                 | 1,432,723       | 2.7                 | —                           | 86,924 6.1     |
| Total.....                                       | 9,969,236       | 19.8                | 11,035,984      | 21.1                | —                           | 1,066,748 9.7  |
| <b>ANIMALS AND PRODUCTS:</b>                     |                 |                     |                 |                     |                             |                |
| Cattle, calves, sheep and goats.....             | 675,517         | 1.4                 | 672,048         | 1.3                 | +                           | 3,469 .5       |
| Hogs.....                                        | 360,145         | .7                  | 343,099         | .7                  | +                           | 17,046 5.0     |
| Fresh meats.....                                 | 471,071         | .9                  | 571,107         | 1.1                 | —                           | 100,036 17.5   |
| Poultry, eggs, butter and cheese.....            | 263,322         | .5                  | 327,508         | .6                  | —                           | 64,186 19.6    |
| Wool, hides and leather.....                     | 197,851         | .4                  | 220,692         | .4                  | —                           | 22,841 10.3    |
| Other animals and products.....                  | 287,044         | .6                  | 287,456         | .5                  | —                           | 412 .1         |
| Total.....                                       | 2,254,950       | 4.5                 | 2,421,910       | 4.6                 | —                           | 166,960 6.9    |
| <b>PRODUCTS OF MINES:</b>                        |                 |                     |                 |                     |                             |                |
| Bituminous coal.....                             | 10,026,811      | 19.9                | 10,748,652      | 20.5                | —                           | 721,841 6.7    |
| Coke.....                                        | 438,343         | .9                  | 482,702         | .9                  | —                           | 44,359 9.2     |
| Ores and concentrates.....                       | 193,034         | .4                  | 192,011         | .4                  | +                           | 1,023 .5       |
| Gravel and sand.....                             | 1,933,835       | 3.8                 | 1,523,725       | 2.9                 | +                           | 410,110 26.9   |
| Stone, broken, ground, or crushed.....           | 435,157         | .9                  | 410,902         | .8                  | +                           | 24,255 5.9     |
| Stone, rough and finished.....                   | 128,944         | .3                  | 76,339          | .2                  | +                           | 52,605 68.9    |
| Asphalt.....                                     | 151,770         | .3                  | 131,209         | .3                  | +                           | 20,561 15.7    |
| Salt.....                                        | 185,090         | .4                  | 175,948         | .3                  | +                           | 9,142 5.2      |
| Other products of mines.....                     | 915,193         | 1.8                 | 702,724         | 1.3                 | +                           | 212,469 30.2   |
| Total.....                                       | 14,408,177      | 28.7                | 14,444,212      | 27.6                | —                           | 36,035 .2      |
| <b>PRODUCTS OF FORESTS:</b>                      |                 |                     |                 |                     |                             |                |
| Logs, posts, poles and cordwood.....             | 3,058,148       | 6.1                 | 2,511,069       | 4.8                 | +                           | 547,079 21.8   |
| Pulpwood.....                                    | 596,390         | 1.2                 | 566,197         | 1.1                 | +                           | 30,193 5.3     |
| Lumber and mill products.....                    | 2,315,858       | 4.6                 | 2,174,922       | 4.2                 | +                           | 140,936 6.5    |
| Veneer and built-up wood.....                    | 168,086         | .3                  | 156,080         | .3                  | +                           | 12,006 7.7     |
| Other products of forests.....                   | 275,141         | .6                  | 281,350         | .5                  | —                           | 6,209 2.2      |
| Total.....                                       | 6,413,623       | 12.8                | 5,689,618       | 10.9                | +                           | 724,005 12.7   |
| <b>MANUFACTURES AND MISCELLANEOUS:</b>           |                 |                     |                 |                     |                             |                |
| Refined petroleum and products.....              | 2,299,972       | 4.6                 | 1,863,459       | 3.6                 | +                           | 436,513 23.4   |
| Sugar, table sirups and molasses.....            | 306,463         | .6                  | 266,648         | .5                  | +                           | 39,815 14.9    |
| Iron and steel products.....                     | 2,152,952       | 4.3                 | 2,730,030       | 5.2                 | —                           | 577,078 21.1   |
| Other metals.....                                | 134,196         | .3                  | 175,022         | .4                  | —                           | 40,826 23.3    |
| Machinery and boilers.....                       | 230,097         | .5                  | 279,662         | .5                  | —                           | 49,565 17.7    |
| Cement.....                                      | 949,791         | 1.9                 | 579,900         | 1.1                 | +                           | 369,891 63.8   |
| Brick, building tile and artificial stone.....   | 286,106         | .6                  | 158,205         | .3                  | +                           | 127,901 80.8   |
| Lime and plaster.....                            | 146,830         | .3                  | 98,368          | .2                  | +                           | 48,462 49.3    |
| Agricultural implements, tractors and parts..... | 267,174         | .5                  | 286,764         | .5                  | —                           | 19,590 6.8     |
| Autos, trucks, parts and tires.....              | 356,659         | .7                  | 206,207         | .4                  | +                           | 150,452 73.0   |
| Beverages.....                                   | 956,351         | 1.9                 | 1,099,858       | 2.1                 | —                           | 143,507 13.0   |
| Ice.....                                         | 89,985          | .2                  | 119,856         | .2                  | —                           | 29,871 24.9    |
| Fertilizers.....                                 | 376,904         | .7                  | 320,229         | .6                  | +                           | 56,675 17.7    |
| Paper and paper products.....                    | 735,783         | 1.5                 | 654,563         | 1.3                 | +                           | 81,220 12.4    |
| Canned food products.....                        | 1,021,044       | 2.0                 | 1,101,159       | 2.1                 | —                           | 80,115 7.3     |
| Scrap iron and scrap steel.....                  | 455,855         | .9                  | 527,649         | 1.0                 | —                           | 71,794 13.6    |
| Building paper, roofing and woodwork.....        | 160,036         | .3                  | 165,742         | .3                  | —                           | 5,706 3.4      |
| Other manufactures and miscellaneous.....        | 5,244,954       | 10.4                | 7,226,376       | 13.8                | —                           | 1,981,422 27.4 |
| Total.....                                       | 16,171,152      | 32.2                | 17,859,697      | 34.1                | —                           | 1,688,545 9.5  |
| GRAND TOTAL, CARLOAD TRAFFIC.....                | 49,217,138      | 98.0                | 51,451,421      | 98.3                | —                           | 2,234,283 4.3  |
| ALL L. C. L. FREIGHT.....                        | 1,025,046       | 2.0                 | 874,766         | 1.7                 | +                           | 150,280 17.2   |
| GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC.....   | 50,242,184      | 100.0               | 52,326,187      | 100.0               | —                           | 2,084,003 4.0  |

# ANNUAL REPORT FOR 1946

## EQUIPMENT OWNED (INCLUDING C. T. H. & S. E. RY.) END OF YEARS 1945-1946 LOCOMOTIVES

| KIND            | YEAR | NUMBER BY SERVICES AS ASSIGNED |                |      |            |       | TRACTIVE POWER (POUNDS) |                  | WEIGHT (TONS)   |                  | ON DRIVERS AVERAGE PER LOCO. |
|-----------------|------|--------------------------------|----------------|------|------------|-------|-------------------------|------------------|-----------------|------------------|------------------------------|
|                 |      | FRT.                           | PASS-<br>ENGER | YARD | OTHER<br># | TOTAL | TOTAL                   | AV. PER<br>LOCO. | EXCL. OF TENDER | AV. PER<br>LOCO. |                              |
| Steam           | 1945 | 550                            | 170            | 302  | 25         | 1,047 | 49,246,358              | 47,036           | 136,347         | 130.23           | 96.84                        |
|                 | 1946 | 548                            | 159            | 311  | 16         | 1,034 | 48,781,286              | 47,177           | 135,137         | 130.69           | 97.06                        |
| Electric        | 1945 | 34                             | 14             | 4    | .....      | 52    | 6,460,250               | 124,236          | 16,260          | 312.69           | 248.47                       |
|                 | 1946 | 32                             | 14             | 4    | .....      | 50    | 6,460,250               | 129,205          | 16,260          | 325.20           | 258.42                       |
| Diesel electric | 1945 | 21                             | 2              | 79   | 1          | 103   | 7,808,831               | 75,814           | 15,830          | 153.70           | 151.58                       |
|                 | 1946 | 26                             | 10             | 79   | 2          | 117   | 8,873,455               | 75,841           | 18,940          | 161.88           | 151.68                       |
| Total           | 1945 | 605                            | 186            | 385  | 26         | 1,202 | 63,515,439              | 52,841           | 168,437         | 140.13           | 108.09                       |
|                 | 1946 | 606                            | 183            | 394  | 18         | 1,201 | 64,114,991              | 53,385           | 170,337         | 141.83           | 109.10                       |

#Work service, leased to others and held for sale or other disposition.

## FREIGHT-TRAIN CARS

| YEAR | BOX    | AUTO<br>40' | AUTO<br>50' | GONDOLA | HOPPER | BALLAST | ORE | STOCK | FLAT &<br>MISCL. | CABOOSE | TOTAL  |
|------|--------|-------------|-------------|---------|--------|---------|-----|-------|------------------|---------|--------|
| 1945 | 26,116 | 3,615       | 1,969       | 10,468  | 3,014  | 999     | 800 | 3,894 | 5,055            | 784     | 56,714 |
| 1946 | 24,708 | 3,586       | 1,965       | 9,849   | 3,048  | 988     | 800 | 3,843 | 4,972            | 813     | 54,572 |

## PASSENGER-TRAIN CARS

| YEAR | COACHES | COMPANY<br>SLEEPERS | PARLOR | PARLOR<br>CAFE | DINING | TAP LOUNGE<br>OBSERV-<br>ATION | TAP<br>EXPRESS | BAGGAGE<br>EXPRESS<br>& MAIL | PASSEN-<br>GER AND<br>BAGGAGE | PASS.<br>MAIL AND<br>BAGGAGE | STEAM<br>HEATING | TOTAL |
|------|---------|---------------------|--------|----------------|--------|--------------------------------|----------------|------------------------------|-------------------------------|------------------------------|------------------|-------|
| 1945 | 359     | 65                  | 24     | 13             | 36     | 6                              | 3              | 390                          | 57                            | 11                           | 2                | 966   |
| 1946 | 351     | 65                  | 24     | 13             | 36     | 6                              | 3              | 381                          | 57                            | 11                           | 2                | 949   |

## RAIL MOTOR CARS

## FLOATING EQUIPMENT

| YEAR | 275 H. P. GAS-ELECTRIC           |                             |                     | 400 H. P.<br>GAS-ELECTRIC<br>MAIL AND<br>EXPRESS | TOTAL | YEAR | TUGBOATS | CAR BARGES | TOTAL |
|------|----------------------------------|-----------------------------|---------------------|--------------------------------------------------|-------|------|----------|------------|-------|
|      | PASSENGER<br>MAIL AND<br>EXPRESS | PASSENGER<br>AND<br>BAGGAGE | MAIL AND<br>EXPRESS |                                                  |       |      |          |            |       |
| 1945 | 3                                | 2                           | 9                   | 1                                                | 15    | 1945 | 1        | 4          | 5     |
| 1946 | 3                                | 2                           | 9                   | 1                                                | 15    | 1946 | 1        | 4          | 5     |

## HIGHWAY VEHICLES

| REVENUE SERVICE |       |        |          |                   |          | NONREVENUE SERVICE       |       |        |          |                   |          |                 |
|-----------------|-------|--------|----------|-------------------|----------|--------------------------|-------|--------|----------|-------------------|----------|-----------------|
| YEAR            | BUSES | TRUCKS | TRACTORS | SEMI-<br>TRAILERS | TRAILERS | PASSENGER<br>AUTOMOBILES | BUSES | TRUCKS | TRACTORS | SEMI-<br>TRAILERS | TRAILERS | MISC.<br>EQUIP. |
| 1945            | 4     | 1      | 5        | 2                 | 9        | 192                      | 8     | 138    | 8        | 2                 | 16       | 10              |
| 1946            | 5     | 1      | 6        | 1                 | 10       | 204                      | 7     | 152    | 8        | 3                 | 15       | 10              |

## COMPANY SERVICE EQUIPMENT

| YEAR | BUSINESS<br>CARS | DERRICK<br>CARS | STEAM<br>SHOVELS | BUNK<br>AND<br>OUTFIT<br>CARS | CINDER<br>DUMP<br>CARS | WATER<br>CARS | SNOW<br>FIGHTING<br>EQUIPMENT | OTHER<br>COMPANY<br>SERVICE<br>EQUIPMENT | TOTAL |
|------|------------------|-----------------|------------------|-------------------------------|------------------------|---------------|-------------------------------|------------------------------------------|-------|
| 1945 | 13               | 20              | 1                | 1,879                         | 402                    | 237           | 189                           | 470                                      | 3,211 |
| 1946 | 10               | 20              | 1                | 1,970                         | 377                    | 243           | 190                           | 475                                      | 3,286 |

## CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

## MILES OF ROAD BY STATES, DECEMBER 31, 1946

| STATE                  | ROAD OPERATED |             |               |             |        |                 |           |
|------------------------|---------------|-------------|---------------|-------------|--------|-----------------|-----------|
|                        | OWNED SOLELY  |             | OWNED JOINTLY |             | LEASED | TRACKAGE RIGHTS | TOTAL     |
|                        | MAIN LINE     | BRANCH LINE | MAIN LINE     | BRANCH LINE |        |                 |           |
| Idaho . . . . .        | 112.75        | 111.80      |               |             |        | 8.11            | 232.66    |
| Illinois . . . . .     | 337.87        | 141.33      | 2.67          | .19         | 115.15 | 154.70          | 751.91    |
| Indiana . . . . .      |               |             |               |             | 196.59 |                 | 196.59    |
| Iowa . . . . .         | #1,199.72     | 535.27      | .05           | .04         | .10    | 67.48           | 1,802.66  |
| Kansas . . . . .       |               |             |               |             |        | 7.05            | 7.05      |
| Michigan . . . . .     | 57.82         | 121.34      |               | .25         |        | .98             | 180.39    |
| Minnesota . . . . .    | 764.43        | 393.24      | 5.03          | 22.70       |        | 193.58          | 1,378.98  |
| Missouri . . . . .     | 130.02        |             | 9.35          |             |        | 14.57           | 153.94    |
| Montana . . . . .      | 747.87        | 473.33      |               | 29.99       |        |                 | 1,251.19  |
| Nebraska . . . . .     |               |             |               |             |        | 5.62            | 5.62      |
| North Dakota . . . . . | 102.50        | 263.28      |               | 1.10        |        |                 | 366.88    |
| South Dakota . . . . . | 1,039.61      | 695.37      |               |             |        |                 | 1,734.98  |
| Washington . . . . .   | 314.69        | 490.00      | 26.88         | 50.10       |        | 201.11          | 1,082.78  |
| Wisconsin . . . . .    | 1,039.37      | 499.67      |               | 16.58       |        | 32.39           | 1,588.01  |
| Total . . . . .        | 5,846.65      | 3,724.63    | 43.98         | 120.95      | 311.84 | 685.59          | 10,733.64 |

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

## MILES OF TRACK, DECEMBER 31, 1946

| ITEMS                     | OWNED SOLELY | OWNED JOINTLY | LEASED | TRACKAGE RIGHTS | TOTAL     |
|---------------------------|--------------|---------------|--------|-----------------|-----------|
| Miles of 1st Main (Road): |              |               |        |                 |           |
| Operated.....             | *9,571.28    | 164.93        | 311.84 | 685.59          | 10,733.64 |
| Not operated.....         | 12.21        |               |        |                 | 12.21     |
| Additional Main Tracks:   |              |               |        |                 |           |
| Operated.....             | 855.12       | 14.28         | 45.43  | 282.79          | 1,197.62  |
| Not operated.....         | 15.32        | .70           |        |                 | 16.02     |
| Yard Tracks and Sidings:  |              |               |        |                 |           |
| Operated.....             | *3,103.58    | 252.32        | 198.28 | 537.08          | 4,091.26  |
| Not operated.....         | 6.83         | 36.02         |        |                 | 42.85     |
| Total operated.....       | 13,529.98    | 431.53        | 555.55 | 1,505.46        | 16,022.52 |
| Total not operated.....   | 34.36        | 36.72         |        |                 | 71.08     |
| Grand Total.....          | 13,564.34    | 468.25        | 555.55 | 1,505.46        | 16,093.60 |

\*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. Co., leased to Des Moines Union Ry. Co. but used by C. M. St. P. & P. R. R. Co. under contract.

# ANNUAL REPORT FOR 1946

| REPUBLIC COAL COMPANY GENERAL BALANCE SHEET DECEMBER 31, 1946 AND DECEMBER 31, 1945 |                |                |              |              |
|-------------------------------------------------------------------------------------|----------------|----------------|--------------|--------------|
| ASSET SIDE                                                                          |                | 1946           | 1945         | INCREASE     |
| INVESTMENTS:                                                                        |                |                |              | DECREASE     |
| Property investment.....                                                            | \$1,248,996.20 | \$1,252,906.82 |              | \$ 3,910.62  |
| Reserve for accrued amortization, depletion and depreciation.....                   | 1,032,608.35   | 1,015,105.12   | \$ 17,503.23 |              |
| Net property investment.....                                                        | 216,387.85     | 237,801.70     |              | 21,413.85    |
| U. S. Government savings bonds.....                                                 | 180,430.00     | 78,920.00      | 101,510.00   |              |
| Total Investments.....                                                              | 396,817.85     | 316,721.70     | 80,096.15    |              |
| CURRENT ASSETS:                                                                     |                |                |              |              |
| Cash.....                                                                           | 196,841.28     | 242,968.43     |              | 46,127.15    |
| U. S. savings bonds collections.....                                                | 1,209.75       | 1,804.50       |              | 594.75       |
| Audited bills.....                                                                  | 69,253.69      | 89,047.79      |              | 19,794.10    |
| Material and supplies.....                                                          | 46,808.82      | 49,448.71      |              | 2,639.89     |
| Total Current Assets.....                                                           | 314,113.54     | 383,269.43     |              | 69,155.89    |
| DEFERRED ASSETS:                                                                    |                |                |              |              |
| Advance royalty paid Roundup Coal Mining Company.....                               | 13,037.16      | 13,037.16      |              |              |
| Advance royalty paid U. S. Government.....                                          |                | 629.57         |              | 629.57       |
| Mine clerk's working fund.....                                                      | 5,000.00       | 5,000.00       |              |              |
| Prepaid insurance.....                                                              | 410.04         | 421.44         |              | 11.40        |
| Total Deferred Assets.....                                                          | 18,447.20      | 19,088.17      |              | 640.97       |
| UNADJUSTED DEBITS:                                                                  |                |                |              |              |
| Other unadjusted debits.....                                                        | 194.00         | 197.00         |              | 3.00         |
| GRAND TOTAL.....                                                                    | \$ 729,572.59  | \$ 719,276.30  | \$ 10,296.29 |              |
| LIABILITY SIDE                                                                      |                |                |              |              |
| CAPITAL STOCK:                                                                      |                |                |              |              |
| Common stock.....                                                                   | \$ 100,000.00  | \$ 100,000.00  |              |              |
| CURRENT LIABILITIES:                                                                |                |                |              |              |
| Payrolls and vouchers.....                                                          | 80,505.72      | 78,540.18      | \$ 1,965.54  |              |
| Federal insurance contributions act—Employees' tax deductions.....                  | 1,136.60       | 953.79         | 182.81       |              |
| Employees' payroll deductions for purchase of U. S. savings bonds.....              | 2,206.25       | 3,041.00       |              | \$ 834.75    |
| Taxes accrued not yet payable.....                                                  | 13,860.64      | 20,392.67      |              | 6,532.03     |
| U. S. Govt. royalties accrued.....                                                  | 503.13         |                | 503.13       |              |
| Total Current Liabilities.....                                                      | 98,212.34      | 102,927.64     |              | 4,715.30     |
| DEFERRED LIABILITIES:                                                               |                |                |              |              |
| Reserve for personal injuries.....                                                  | 42,204.87      | 42,160.79      | 44.08        |              |
| UNADJUSTED CREDITS:                                                                 |                |                |              |              |
| Other unadjusted credits.....                                                       | 150.00         | 85.00          | 65.00        |              |
| PROFIT AND LOSS:                                                                    |                |                |              |              |
| Credit balance.....                                                                 | 489,005.38     | 474,102.87     | 14,902.51    |              |
| GRAND TOTAL.....                                                                    | \$ 729,572.59  | \$ 719,276.30  | \$ 10,296.29 |              |
| REPUBLIC COAL COMPANY INCOME ACCOUNT FOR THE YEARS 1946 AND 1945                    |                |                |              |              |
|                                                                                     | 1946           | 1945           | INCREASE     | DECREASE     |
| OPERATING INCOME:                                                                   |                |                |              |              |
| Coal sales.....                                                                     | \$1,010,821.08 | \$1,044,992.61 |              | \$ 34,171.53 |
| Operating expenses.....                                                             | 940,089.71     | 963,929.25     |              | 23,839.54    |
| Taxes.....                                                                          | 62,669.92      | 64,888.69      |              | 2,218.77     |
| Total Expenses.....                                                                 | 1,002,759.63   | 1,028,817.94   |              | 26,058.31    |
| NET OPERATING INCOME.....                                                           | 8,061.45       | 16,174.67      |              | 8,113.22     |
| OTHER INCOME:                                                                       |                |                |              |              |
| Interest received.....                                                              | 1,610.00       | 1,105.92       | \$ 504.08    |              |
| Coal delivery.....                                                                  | 25.13          | 7.89           |              | 33.02        |
| House rents.....                                                                    | 5,402.00       | 5,545.29       |              | 143.29       |
| Income from lands.....                                                              | 520.75         | 492.00         | 28.75        |              |
| Miscellaneous income.....                                                           | 140.03         | 74.11          | 65.92        |              |
| Total Other Income.....                                                             | 7,647.65       | 7,225.21       | 422.44       |              |
| TOTAL INCOME.....                                                                   | 15,709.10      | 23,399.88      |              | 7,690.78     |
| DEDUCTIONS FROM INCOME:                                                             |                |                |              |              |
| Maintenance of tenements.....                                                       | 628.26         | 361.99         | 266.27       |              |
| Taxes—Townsite property.....                                                        | 554.84         | 568.99         |              | 14.15        |
| Depreciation—Townsite property.....                                                 |                | 158.65         |              | 158.65       |
| Total Deductions.....                                                               | 1,183.10       | 1,089.63       | 93.47        |              |
| NET INCOME.....                                                                     | \$ 14,526.00   | \$ 22,310.25   |              | \$ 7,784.25  |
| REPUBLIC COAL COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1946 AND 1945           |                |                |              |              |
|                                                                                     | 1946           | 1945           | INCREASE     | DECREASE     |
| Credit balance at beginning of year.....                                            | \$ 474,102.87  | \$ 451,792.62  | \$ 22,310.25 |              |
| Credit balance transferred from income.....                                         | 14,526.00      | 22,310.25      |              | \$ 7,784.25  |
| Miscellaneous credits.....                                                          | 382.98         |                | 382.98       |              |
| Miscellaneous debits.....                                                           | 489,011.85     | 474,102.87     | 14,908.98    |              |
| Credit balance, December 31, carried to General Balance Sheet.....                  | 6.47           |                | 6.47         |              |
|                                                                                     | \$ 489,005.38  | \$ 474,102.87  | \$ 14,902.51 |              |

*Italics denote reverse items.*

**CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY**

**CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY CO.**

**GENERAL BALANCE SHEET**

**DECEMBER 31, 1946 AND DECEMBER 31, 1945**

| ASSET SIDE                                                              | 1946                    | 1945                    | INCREASE             | DECREASE      |
|-------------------------------------------------------------------------|-------------------------|-------------------------|----------------------|---------------|
| <b>INVESTMENTS:</b>                                                     |                         |                         |                      |               |
| Road and equipment property .....                                       | \$ 28,235,778.63        | \$ 27,699,126.78        | \$ 536,651.85        |               |
| Donations and grants .....                                              | 155,488.94              | 155,269.21              | 219.73               |               |
| Investment in transportation property .....                             | 28,080,289.69           | 27,543,857.57           | 536,432.12           |               |
| Accrued depreciation—Equipment .....                                    | 59,169.77               | 59,169.77               |                      |               |
| Investment in transportation property, less recorded depreciation ..... | 28,021,119.92           | 27,484,687.80           | 536,432.12           |               |
| Capital and other reserve funds .....                                   | 7,557.43                | 21,689.95               |                      | \$ 14,132.52  |
| Miscellaneous physical property .....                                   | 166,943.99              | 166,943.99              |                      |               |
| Affiliated companies .....                                              | 3.00                    | 3.00                    |                      |               |
| Total Investments, less recorded depreciation .....                     | 28,195,624.34           | 27,673,324.74           | 522,299.60           |               |
| <b>CURRENT ASSETS:</b>                                                  |                         |                         |                      |               |
| Cash .....                                                              | 9,155.78                | 1,117.33                | 8,038.45             |               |
| Special deposits .....                                                  | 2,933.36                | 260,873.90              |                      | 257,940.54    |
| Accrued accounts receivable .....                                       | 658,641.54              | 51,467.75               | 607,173.79           |               |
| Total Current Assets .....                                              | 670,730.68              | 313,458.98              | 357,271.70           |               |
| <b>DEFERRED ASSETS:</b>                                                 |                         |                         |                      |               |
| Other deferred assets .....                                             | 23,314.64               | 79,720.26               |                      | 56,405.62     |
| <b>UNADJUSTED DEBITS:</b>                                               |                         |                         |                      |               |
| Discount on funded debt .....                                           | 52,144.17               |                         | 52,144.17            |               |
| Other unadjusted debits .....                                           |                         | 677.05                  |                      | 677.05        |
| Total unadjusted debits .....                                           | 52,144.17               | 677.05                  | 51,467.12            |               |
| <b>GRAND TOTAL .....</b>                                                | <b>\$ 28,941,813.83</b> | <b>\$ 28,067,181.03</b> | <b>\$ 874,632.80</b> |               |
| <b>LIABILITY SIDE</b>                                                   |                         |                         |                      |               |
| <b>CAPITAL STOCK:</b>                                                   |                         |                         |                      |               |
| Common stock .....                                                      | \$ 4,300,000.00         | \$ 4,300,000.00         |                      |               |
| Stock held in treasury .....                                            | 127,005.00              | 127,005.00              |                      |               |
| Total Capital Stock .....                                               | 4,172,995.00            | 4,172,995.00            |                      |               |
| <b>LONG-TERM DEBT:</b>                                                  |                         |                         |                      |               |
| Funded debt unmatured .....                                             | 23,710,000.00           | 23,360,000.00           | \$ 350,000.00        |               |
| Bonds held in treasury .....                                            | 166,200.00              | 166,200.00              |                      |               |
| Bonds pledged .....                                                     | 100,000.00              |                         | 100,000.00           |               |
|                                                                         | 23,443,800.00           | 23,193,800.00           | 250,000.00           |               |
| Debt in default .....                                                   |                         | 350,000.00              |                      | \$ 350,000.00 |
| Bonds pledged .....                                                     |                         | 100,000.00              |                      | 100,000.00    |
|                                                                         |                         | 250,000.00              |                      | 250,000.00    |
| Amounts payable to affiliated companies .....                           | 3,359,703.90            | 2,913,876.95            | 445,826.95           |               |
| Total Long-Term Debt .....                                              | 26,803,503.90           | 26,357,676.95           | 445,826.95           |               |
| <b>CURRENT LIABILITIES:</b>                                             |                         |                         |                      |               |
| Audited vouchers .....                                                  | 2,883.38                |                         | 2,883.38             |               |
| Interest matured unpaid .....                                           | 332,642.90              | 306,029.15              | 26,613.75            |               |
| Unmatured interest accrued .....                                        | 328,932.00              | 6,312.50                | 322,619.50           |               |
| Total Current Liabilities .....                                         | 664,458.28              | 312,341.65              | 352,116.63           |               |
| <b>DEFERRED LIABILITIES:</b>                                            |                         |                         |                      |               |
| Other deferred liabilities .....                                        | 86,902.87               | 1,038.12                | 85,864.75            |               |
| <b>SURPLUS:</b>                                                         |                         |                         |                      |               |
| Unearned surplus .....                                                  | 7,286.25                | 6,976.25                | 310.00               |               |
| Earned surplus—Unappropriated .....                                     | 2,793,332.47            | 2,783,846.94            | 9,485.53             |               |
| Total Surplus .....                                                     | 2,786,046.22            | 2,776,870.69            | 9,175.53             |               |
| <b>GRAND TOTAL .....</b>                                                | <b>\$ 28,941,813.83</b> | <b>\$ 28,067,181.03</b> | <b>\$ 874,632.80</b> |               |

*Italics denote reverse items.*

# ANNUAL REPORT FOR 1946

## CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY CO.

### INCOME ACCOUNT

FOR THE YEARS 1946 AND 1945

|                                              | 1946          | 1945            | INCREASE      | DECREASE      |
|----------------------------------------------|---------------|-----------------|---------------|---------------|
| INCOME:                                      |               |                 |               |               |
| Income from lease of road and equipment..... | \$ 944,027.79 | \$ 1,107,878.27 |               | \$ 163,850.48 |
| DEDUCTIONS FROM INCOME:                      |               |                 |               |               |
| Interest on funded debt:                     |               |                 |               |               |
| Fixed interest.....                          | 603,042.00    | 1,099,393.06    |               | 496,351.06    |
| Contingent interest.....                     | 328,932.00    |                 | \$ 328,932.00 |               |
| Amortization of discount on funded debt..... | 1,109.45      |                 | 1,109.45      |               |
| Maintenance of investment organization.....  | 3,299.48      | 3,215.09        | 84.39         |               |
| Miscellaneous income charges.....            | 10,528.24     | 5,270.12        | 5,258.12      |               |
| Total Deductions from Income.....            | 946,911.17    | 1,107,878.27    |               | 160,967.10    |
| NET DEFICIT.....                             | \$ 2,883.38   |                 | \$ 2,883.38   |               |

### EARNED SURPLUS—UNAPPROPRIATED FOR THE YEARS 1946 AND 1945

|                                                                      | 1946            | 1945            | INCREASE        | DECREASE        |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Debit balance at beginning of year.....                              | \$ 2,783,846.94 | \$ 1,239,272.31 | \$ 4,023,119.25 |                 |
| Debit balance transferred from income.....                           | 2,883.38        |                 | 2,883.38        |                 |
| Miscellaneous debits.....                                            | 6,602.15        | ① 4,023,119.25  |                 | \$ 4,016,517.10 |
| Debit Balance, December 31, carried to General<br>Balance Sheet..... | \$ 2,793,332.47 | \$ 2,783,846.94 | \$ 9,485.53     |                 |

①Includes write-off of equipment vacancies under mortgages up to January 1, 1944 of \$4,004,195.47.

### LONG-TERM DEBT, DECEMBER 31, 1946

| DESCRIPTION OF BONDS              | DATE OF<br>MATURITY | TOTAL           | IN<br>TREASURY<br>OF<br>COMPANY | PLEGDED       | IN HANDS<br>OF PUBLIC | ①INTEREST ACCRUED<br>DURING THE YEAR |              |
|-----------------------------------|---------------------|-----------------|---------------------------------|---------------|-----------------------|--------------------------------------|--------------|
|                                   |                     |                 |                                 |               |                       | FIXED                                | CONTINGENT   |
| FUNDED DEBT UNMATURED:            |                     |                 |                                 |               |                       |                                      |              |
| Bedford Belt Ry. Co.:             |                     |                 |                                 |               |                       |                                      |              |
| First mortgage.....               | Jan. 1, 1994        | \$ 350,000.00   |                                 | \$②100,000.00 | \$ 250,000.00         | \$ 6,875.00                          | \$ 3,750.00  |
| Southern Indiana Ry. Co.:         |                     |                 |                                 |               |                       |                                      |              |
| First mortgage.....               | Jan. 1, 1994        | 7,287,000.00    |                                 |               | 7,287,000.00          | 200,392.50                           | 109,305.00   |
| C. T. H. & S. E. Ry. Co.:         |                     |                 |                                 |               |                       |                                      |              |
| First and refunding mortgage..... | Jan. 1, 1994        | 9,573,000.00    | \$ 2,000.00                     |               | ③9,571,000.00         | ④221,540.00                          | ④120,840.00  |
| Income mortgage.....              | Jan. 1, 1994        | 6,500,000.00    | 164,200.00                      |               | 6,335,800.00          | 174,234.50                           | 95,037.00    |
| TOTAL.....                        |                     | \$23,710,000.00 | \$166,200.00                    | \$ 100,000.00 | \$23,443,800.00       | \$603,042.00                         | \$328,932.00 |

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

①Fixed interest—2¾% payable January 1 and July 1; Contingent interest—1½% payable April 1.

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

③Includes \$1,515,000.00 owned by C. M. St. P. & P. R. R. Co. and pledged with Trustee under its First mortgage.

④Exclusive of interest on \$1,515,000.00 owned by C. M. St. P. & P. R. R. Co., and pledged with Trustee under its First mortgage.

*Italics denote reverse items.*

## CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

MILWAUKEE LAND COMPANY  
GENERAL BALANCE SHEET

DECEMBER 31, 1946 AND DECEMBER 31, 1945

| ASSET SIDE                                                        | 1946                   | 1945                   | INCREASE             | DECREASE     |
|-------------------------------------------------------------------|------------------------|------------------------|----------------------|--------------|
| <b>CURRENT ASSETS:</b>                                            |                        |                        |                      |              |
| Cash.....                                                         | \$ 978,386.19          | \$ 139,353.31          | \$ 839,032.88        |              |
| Notes receivable.....                                             | 84,944.87              | 146,776.03             |                      | \$ 61,831.16 |
| Interest accrued on notes receivable—Timber division.....         | 12,079.77              | 8,085.98               | 3,993.79             |              |
| Interest accrued on timber sales contracts.....                   | 18,590.48              | 19,305.95              |                      | 715.47       |
| Purchase contracts—Town lots and acreage.....                     |                        | 740.88                 |                      | 740.88       |
| Audited bills—Timber division.....                                | 33,393.67              | 33,414.60              |                      | 20.93        |
| Rayonier, Inc. timber sale contract.....                          | 885,565.16             | 783,082.55             | 102,482.61           |              |
| St. Regis Paper Co. timber sale contract.....                     | 150,000.00             | 200,000.00             |                      | 50,000.00    |
| Crown Zellerbach Corp. timber sale contract.....                  | 156,534.96             | 208,713.28             |                      | 52,178.32    |
| Total Current Assets.....                                         | 2,319,495.10           | 1,539,472.58           | 780,022.52           |              |
| <b>INVESTMENT SECURITIES:</b>                                     |                        |                        |                      |              |
| Ozette Timber Company—Capital stock.....                          | 138,065.19             | 138,065.19             |                      |              |
| South Olympic Tree Farm Co.—Capital stock.....                    | 370.00                 | 370.00                 |                      |              |
| Puget Sound Log Scaling and Grading Bureau—Capital stock.....     | 100.00                 | 100.00                 |                      |              |
| Farmers Equity Union of Rhame—Capital stock.....                  | 25.00                  | 25.00                  |                      |              |
| Total Investment Securities.....                                  | 138,560.19             | 138,560.19             |                      |              |
| <b>DEFERRED ASSETS:</b>                                           |                        |                        |                      |              |
| Other deferred assets.....                                        |                        | 2.00                   |                      | 2.00         |
| Rent accrued—Townsite division.....                               | 3.00                   | 4.00                   |                      | 1.00         |
| Total Deferred Assets.....                                        | 3.00                   | 6.00                   |                      | 3.00         |
| <b>CAPITAL ASSETS:</b>                                            |                        |                        |                      |              |
| Land and timber.....                                              | 2,499,733.82           | 2,856,880.11           |                      | 357,146.29   |
| Real estate—Town lots and acreage.....                            | 65,660.81              | 70,119.37              |                      | 4,458.56     |
| St. Joe, Idaho powersite lands.....                               | 48,308.02              | 48,308.02              |                      |              |
| Spokane, Wash.—Industrial tract.....                              | 30,270.55              | 30,452.70              |                      | 182.15       |
| Reforestation lands purchased—Idaho.....                          | 16,942.24              | 16,862.24              | 80.00                |              |
| Reforestation lands purchased—Washington.....                     | 727.04                 | 727.04                 |                      |              |
| Equipment—Automobiles.....                                        | \$ 9,688.50            |                        |                      |              |
| Accrued depreciation.....                                         | 5,578.38               | 4,110.12               | 756.87               |              |
| Furniture and fixtures.....                                       | 5,092.11               |                        |                      |              |
| Accrued depreciation.....                                         | 4,064.68               | 1,027.43               |                      | 384.27       |
| Government land scrip.....                                        | 1.00                   | 1.00                   |                      |              |
| Total Capital Assets.....                                         | 2,666,781.03           | 3,028,115.43           |                      | 361,334.40   |
| <b>GRAND TOTAL.....</b>                                           | <b>\$ 5,124,839.32</b> | <b>\$ 4,706,154.20</b> | <b>\$ 418,685.12</b> |              |
| <b>LIABILITY SIDE</b>                                             |                        |                        |                      |              |
| <b>CURRENT LIABILITIES:</b>                                       |                        |                        |                      |              |
| Audited vouchers and payrolls.....                                | \$ 8,963.62            | \$ 23,340.41           |                      | \$ 14,376.79 |
| Employees payroll deductions—Purchase of U. S. savings bonds..... | 18.76                  | 25.01                  |                      | 6.25         |
| Total Current Liabilities.....                                    | 8,982.38               | 23,365.42              |                      | 14,383.04    |
| <b>DEFERRED LIABILITIES:</b>                                      |                        |                        |                      |              |
| Taxes accrued not yet payable.....                                | 90,556.47              | 153,461.01             |                      | 62,904.54    |
| Advances received on cutting contracts.....                       | 144,441.79             | 194,707.09             |                      | 50,265.30    |
| Interest accrued on advances—C. M. St. P. & P. R. R. Co.....      | 54,887.96              | 54,887.96              |                      |              |
| Interest accrued on notes payable—C. M. St. P. & P. R. R. Co..... | 5,270,852.26           | 5,111,732.26           | \$ 159,120.00        |              |
| Total Deferred Liabilities.....                                   | 5,560,738.48           | 5,514,788.32           | 45,950.16            |              |
| <b>UNADJUSTED CREDITS:</b>                                        |                        |                        |                      |              |
| Suspense accounts.....                                            | 10,398.70              | 5,809.16               | 4,589.54             |              |
| Advances billed on cutting contracts.....                         | 16,994.70              | 17,000.88              |                      | 6.18         |
| Advances billed on coal leases.....                               | 4,607.03               | 4,282.63               | 324.40               |              |
| Advances billed on oil leases.....                                |                        | 2,003.32               |                      | 2,003.32     |
| Total Unadjusted Credits.....                                     | 32,000.43              | 29,095.99              | 2,904.44             |              |
| <b>CAPITAL LIABILITIES:</b>                                       |                        |                        |                      |              |
| Capital stock.....                                                | 500,000.00             | 500,000.00             |                      |              |
| Notes payable—C. M. St. P. & P. R. R. Co.....                     | 2,652,000.00           | 2,652,000.00           |                      |              |
| Total Capital Liabilities.....                                    | 3,152,000.00           | 3,152,000.00           |                      |              |
| <b>PROFIT AND LOSS:</b>                                           |                        |                        |                      |              |
| Profit and Loss—Debit balance.....                                | 3,628,881.97           | 4,013,095.53           |                      | 384,213.56   |
| <b>GRAND TOTAL.....</b>                                           | <b>\$ 5,124,839.32</b> | <b>\$ 4,706,154.20</b> | <b>\$ 418,685.12</b> |              |

*Italics denote reverse items.*

# ANNUAL REPORT FOR 1946

## MILWAUKEE LAND COMPANY INCOME ACCOUNT FOR THE YEARS 1946 AND 1945

|                                                          | 1946          | 1945          | INCREASE  | DECREASE      |
|----------------------------------------------------------|---------------|---------------|-----------|---------------|
| <b>INCOME</b>                                            |               |               |           |               |
| <b>TOWNSITE DIVISION:</b>                                |               |               |           |               |
| <b>SALES:</b>                                            |               |               |           |               |
| Real estate sales.....                                   | \$ 3,823.91   | \$ 2,872.81   | \$ 951.10 |               |
| Book value of lots and acreage sold.....                 | 6,320.71      | 2,876.29      | 3,444.42  |               |
| Gross Profit from Sales.....                             | 2,496.80      | 3.48          | 2,493.32  |               |
| <b>OTHER INCOME:</b>                                     |               |               |           |               |
| Rents.....                                               | 2,489.58      | 5,692.38      |           | \$ 3,202.80   |
| Interest and discount.....                               | 37.46         | 37.21         | .25       |               |
| Miscellaneous income.....                                | 85.00         | 10.00         | 75.00     |               |
| Total Other Income.....                                  | 2,612.04      | 5,739.59      |           | 3,127.55      |
| TOTAL INCOME—TOWNSITE DIVISION.....                      | 115.24        | 5,736.11      |           | 5,620.87      |
| <b>TIMBER DIVISION:</b>                                  |               |               |           |               |
| <b>SALES:</b>                                            |               |               |           |               |
| Stumpage sales.....                                      | 1,029,982.81  | 1,489,122.86  |           | 459,140.05    |
| Acreage sales.....                                       | 3,564.89      | 14,925.71     |           | 11,360.82     |
| Sale of timber.....                                      | 25,967.85     |               | 25,967.85 |               |
| Cost of land and timber sold.....                        | 364,516.29    | 531,000.59    |           | 166,484.30    |
| Gross Profit from Sales.....                             | 694,999.26    | 973,047.98    |           | 278,048.72    |
| <b>OTHER INCOME:</b>                                     |               |               |           |               |
| Rents.....                                               | 3,397.66      | 2,614.84      | 782.82    |               |
| Trespass.....                                            | 294.69        | 3,302.44      |           | 3,007.75      |
| Coal mine royalties.....                                 | 1,379.27      | 1,956.36      |           | 577.09        |
| Interest on notes receivable—Timber.....                 | 5,835.44      | 7,915.17      |           | 2,079.73      |
| Interest on miscellaneous bills and other accounts.....  | 29,623.05     | 33,147.25     |           | 3,524.20      |
| Forfeited advances on oil leases.....                    | 2,003.32      |               | 2,003.32  |               |
| Royalties.....                                           | 204.98        | 8.10          | 196.88    |               |
| Total Other Income.....                                  | 42,738.41     | 48,944.16     |           | 6,205.75      |
| TOTAL INCOME—TIMBER DIVISION.....                        | 737,737.67    | 1,021,992.14  |           | 284,254.47    |
| TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS.....          | 737,852.91    | 1,027,728.25  |           | 289,875.34    |
| <b>EXPENSES</b>                                          |               |               |           |               |
| <b>TOWNSITE DIVISION:</b>                                |               |               |           |               |
| Salaries.....                                            | 2,486.28      | 2,454.75      | 31.53     |               |
| Salaries and expenses—Real estate department.....        | 683.84        | 503.08        | 180.76    |               |
| General office supplies and expenses.....                | 62.34         | 47.85         | 14.49     |               |
| Commissions.....                                         |               | 5.25          |           | 5.25          |
| Taxes accrued.....                                       | 1,747.46      | 869.69        | 877.77    |               |
| Interest on notes payable.....                           | 64,043.76     | 64,043.76     |           |               |
| Depreciation on furniture and fixtures.....              | 126.00        |               |           |               |
| Total Expense—Townsite Division.....                     | 69,149.68     | 68,050.38     | 1,099.30  |               |
| <b>TIMBER DIVISION:</b>                                  |               |               |           |               |
| Fire protection.....                                     | 10,109.78     | 11,683.72     |           | 1,573.94      |
| Office expense.....                                      | 20,594.58     | 17,753.24     | 2,841.34  |               |
| Officers salaries.....                                   | 13,212.00     | 14,230.50     |           | 1,018.50      |
| Real estate expense.....                                 | 22,769.09     | 33,728.78     |           | 10,959.69     |
| Timber cutting contracts expense.....                    | 43,754.48     | 41,604.54     | 2,149.94  |               |
| Legal expense.....                                       | 50.00         | 603.50        |           | 553.50        |
| Taxes accrued.....                                       | 77,445.47     | 158,951.30    |           | 81,505.83     |
| Interest on notes payable.....                           | 95,076.24     | 114,235.62    |           | 19,159.38     |
| Pension account.....                                     | 798.40        | 698.40        | 100.00    |               |
| Depreciation on automobiles, furniture and fixtures..... | 1,486.28      | 1,731.95      |           | 245.67        |
| South Olympic Tree Farm Co. expense.....                 | 351.22        | 361.55        |           | 10.33         |
| Clemons Tree Farm expense.....                           | 520.13        |               | 520.13    |               |
| Total Expense—Timber Division.....                       | 286,167.67    | 395,583.10    |           | 109,415.43    |
| TOTAL EXPENSE—TOWNSITE AND TIMBER DIVISIONS.....         | 355,317.35    | 463,633.48    |           | 108,316.13    |
| NET INCOME.....                                          | \$ 382,535.56 | \$ 564,094.77 |           | \$ 181,559.21 |

## MILWAUKEE LAND COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1946 AND 1945

|                                                                   | 1946            | 1945            | INCREASE | DECREASE      |
|-------------------------------------------------------------------|-----------------|-----------------|----------|---------------|
| <b>CREDITS:</b>                                                   |                 |                 |          |               |
| Credit balance transferred from income.....                       | \$ 382,535.56   | \$ 564,094.77   |          | \$ 181,559.21 |
| Miscellaneous credits.....                                        | 1,680.00        |                 | 1,680.00 |               |
|                                                                   | 384,215.56      | 564,094.77      |          | 179,879.21    |
| <b>DEBITS:</b>                                                    |                 |                 |          |               |
| Debit balance at beginning of year.....                           | 4,013,095.53    | 4,577,190.30    |          | 564,094.77    |
| Miscellaneous debits.....                                         | 2.00            |                 | 2.00     |               |
| Debit balance, December 31, carried to General Balance Sheet..... | \$ 3,628,881.97 | \$ 4,013,095.53 |          | \$ 384,213.56 |

*Italics denote reverse items.*

# CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

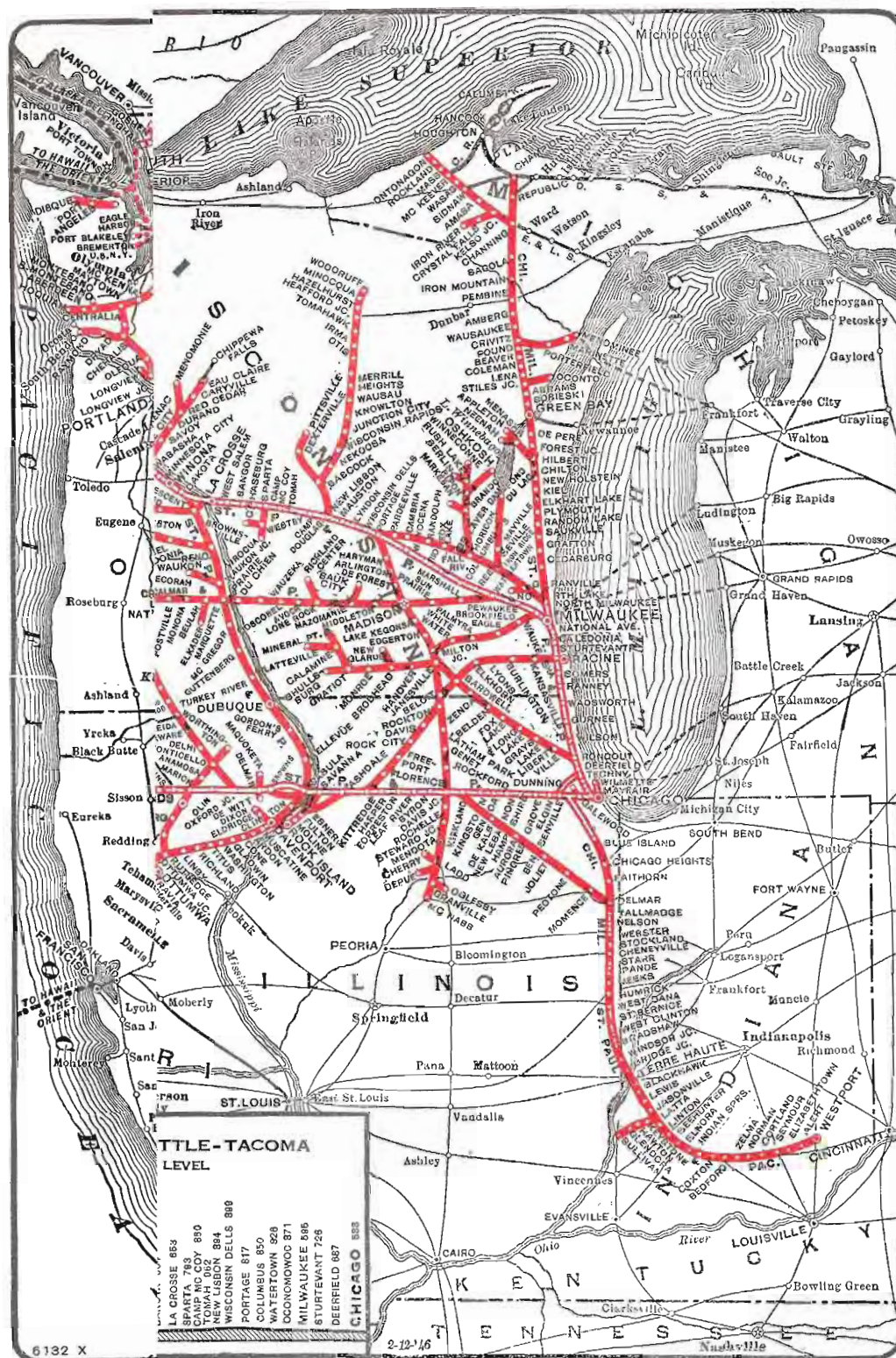
## THE MILWAUKEE MOTOR TRANSPORTATION COMPANY GENERAL BALANCE SHEET DECEMBER 31, 1946 AND DECEMBER 31, 1945

| ASSET SIDE                                   | 1946                | 1945                | INCREASE           | DECREASE        |
|----------------------------------------------|---------------------|---------------------|--------------------|-----------------|
| <b>CURRENT ASSETS:</b>                       |                     |                     |                    |                 |
| Cash.....                                    | \$ 27,152.98        | \$ 21,876.13        | \$ 5,276.85        |                 |
| Working fund.....                            | 100.00              | 100.00              |                    |                 |
| Receivables from associated companies.....   | 5,520.99            | 3,870.87            | 1,650.12           |                 |
| Accounts receivable.....                     |                     | 11.71               |                    | \$ 11.71        |
| Material and supplies.....                   | 809.08              | 460.36              | 348.72             |                 |
| <b>Total Current Assets.....</b>             | <b>33,583.05</b>    | <b>26,319.07</b>    | <b>7,263.98</b>    |                 |
| <b>TANGIBLE PROPERTY:</b>                    |                     |                     |                    |                 |
| Carrier operating property.....              | 41,633.99           | 39,616.76           | 2,017.23           |                 |
| Reserve for depreciation.....                | 22,561.63           | 16,374.43           | 6,187.20           |                 |
| <b>Total Tangible Property.....</b>          | <b>19,072.36</b>    | <b>23,242.33</b>    |                    | <b>4,169.97</b> |
| <b>DEFERRED DEBITS:</b>                      |                     |                     |                    |                 |
| Prepayments.....                             | 3,304.65            | 2,844.74            | 459.91             |                 |
| Other deferred debits.....                   | 50.00               | 50.00               |                    |                 |
| <b>Total Deferred Debits.....</b>            | <b>3,354.65</b>     | <b>2,894.74</b>     | <b>459.91</b>      |                 |
| <b>MISCELLANEOUS DEBIT ITEMS:</b>            |                     |                     |                    |                 |
| Commission and expense on capital stock..... | 55.00               | 55.00               |                    |                 |
| <b>GRAND TOTAL.....</b>                      | <b>\$ 56,065.06</b> | <b>\$ 52,511.14</b> | <b>\$ 3,553.92</b> |                 |
| <b>LIABILITY SIDE</b>                        |                     |                     |                    |                 |
| <b>CURRENT LIABILITIES:</b>                  |                     |                     |                    |                 |
| Audited vouchers.....                        | \$ 5,170.06         | \$ 1,634.40         | \$ 3,535.66        |                 |
| Wages payable.....                           | 660.85              | 518.27              | 142.58             |                 |
| Other current liabilities.....               | 234.15              | 358.47              |                    | \$ 124.32       |
| <b>Total Current Liabilities.....</b>        | <b>6,065.06</b>     | <b>2,511.14</b>     | <b>3,553.92</b>    |                 |
| <b>CAPITAL STOCK:</b>                        |                     |                     |                    |                 |
| Common capital stock.....                    | 50,000.00           | 50,000.00           |                    |                 |
| <b>GRAND TOTAL.....</b>                      | <b>\$ 56,065.06</b> | <b>\$ 52,511.14</b> | <b>\$ 3,553.92</b> |                 |

## INCOME ACCOUNT FOR THE YEARS 1946 AND 1945

|                                                         | 1946                | 1945                | INCREASE           | DECREASE |
|---------------------------------------------------------|---------------------|---------------------|--------------------|----------|
| <b>REVENUES:</b>                                        |                     |                     |                    |          |
| Revenue under C. M. St. P. & P. R. R. Co. contract..... | \$ 56,969.09        | \$ 50,971.58        | \$ 5,997.51        |          |
| <b>EXPENSES:</b>                                        |                     |                     |                    |          |
| Equipment maintenance and garage expense.....           | 9,579.92            | 9,651.91            |                    | \$ 71.99 |
| Transportation expense.....                             | 29,397.20           | 23,927.98           | 5,469.22           |          |
| Insurance and safety expense.....                       | 1,028.96            | 1,037.65            |                    | 8.69     |
| Administrative and general expense.....                 | 156.61              | 147.96              | 8.65               |          |
| Depreciation expense.....                               | 6,187.20            | 6,112.28            | 74.92              |          |
| Operating taxes and licenses.....                       | 10,619.20           | 10,093.80           | 525.40             |          |
| <b>Total Expenses.....</b>                              | <b>\$ 56,969.09</b> | <b>\$ 50,971.58</b> | <b>\$ 5,997.51</b> |          |
| <b>NET INCOME.....</b>                                  | <b>None</b>         | <b>None</b>         |                    |          |

*Italics denote reverse items.*





CHICAGO  
MILWAUKEE  
ST. PAUL  
AND PACIFIC