1947 ANNUAL REPORT

CHICAGO, MILWAUKEE, ST. PAUL & 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, New York

BOARD OF DIRECTORS

John D. Allen
James M. Barker
Charles H. Buford
William J. Corbett
Leo T. Crowley
Walter J. Cummings
William J. Froelich
John B. Gallagher
Joshua Green
Arnold B. Keller
Judson Large
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Philip W. Pillsbury
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John B. Gallagher
William J. Froelich
Arnold B. Keller
Elmer Rich

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Leo T. Crowley
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Elmer Rich

*Alternate Members

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E. B. Finegan	Vice President	Chicago
J. P. Kiley	Vice President	Seattle
M. L. Bluhm	General Solicitor	Chicago
T. W. Burtness	Secretary	Chicago
F. H. Jeffrey	Treasurer	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, New York

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 1948. 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 outstanding developments of 1947 in the railroad transportation field were: the heaviest demand for freight transportation service in any peacetime year; delays in deliveries of new equipment; continued decline in passenger traffic; further rises in operating costs, and the inadequacy of rates and fares to meet the new costs.

The net income of the company for the year, after all charges pursuant to the provisions of the mortgages, amounted to $6,655,273, compared with $3,176,068 for 1946.

The company handled the greatest peacetime traffic in its history. In terms of freight hauled one mile, the traffic was 17 billion revenue ton miles, or 29.6% above 1929, and 7.5% below the 1944 peak of traffic during World War II.

Freight revenue of $187,064,309 was 22.9% greater than in 1946, and was the largest of any previous year.

Passenger traffic amounted to 1,029 million passenger miles, or 52.6% below the peak attained in 1945, and 35.1% below 1946.

Passenger revenue amounted to $21,327,973, or about 25% less than in 1946.

Total operating revenues amounted to $231,478,568, an increase of 15.1% over 1946, and, like freight, the largest in the Company's history.

Operating expenses amounted to $186,135,168, an increase of 8.3% over 1946.

Briefly, the financial results of operation in 1947, compared with 1946, were:

	1947	1946
Railway Operating Revenues	$231,478,568	$201,180,111
Railway Operating Expenses	186,135,168	171,823,263
Net Revenue from Railway Operations	45,343,400	29,356,848
Railway Tax Accruals	21,172,000	11,002,000
Equipment Rents—Net Debit	4,844,578	2,733,040
Joint Facility Rents—Net Debit	2,514,646	2,275,210
Net Railway Operating Income	16,812,176	13,346,598
Other Income—Net	1,537,468	1,709,605
Income Available for Fixed Charges	18,349,644	15,056,203
Total Fixed Charges	3,560,518	3,524,168
Income after Fixed Charges	14,789,126	11,532,035
Total Contingent Charges	8,133,853	8,355,967
Net Income after Fixed Charges and Other Deductions	$ 6,655,273	$ 3,176,068
Times Fixed Charges Earned	5.15	4.27
Earnings Per Share—Preferred	$ 5.93	$ 2.83
Earnings Per Share—Common	$ .33	......

In 1947 the return on net investment was 2.38%, compared with 1.95% in 1946 and 3.91% in 1945.

The rate of return for all railroads in 1947 was 3.46%. This was less than that of any year since

A 200-series steam locomotive pulls a long freight out of Chicago.

1940, excepting only the 2.74% earned in 1946. It compares unfavorably also with the annual averages for previous five-year periods of heavy traffic, as follows: 1941-1945, 4.97%; 1926-1930, 4.76%; 1921-1925, 4.20%.

The country must have adequate rail transportation. That requires, among other things, continued investment in improved rail facilities and these have to be financed either out of earnings or out of credit which the earnings will support. The rate of return must be sufficient to assure confidence in the financial integrity of the enterprise so as to maintain credit and attract capital. To that end, railroad management has urged, and will continue to urge, the need for a rate of return which will average for the railroads as a whole, and over a period of years, not less than 6%. The accomplishment of this objective merits and requires the support and cooperation of the investors and the public.

In spite of the large volume of traffic handled, the principal problem has been, and continues to be, one of obtaining sufficient increases in charges for service to preserve a satisfactory balance between income and outgo in the face of rising costs of operation.

A locomotive-powered bulldozer digs up old ballast prior to a re-ballasting job.

Railroad labor rates and payroll taxes have continued to increase, and now stand at about 75% above the level of 1939. Prices of materials, supplies and fuel have also continued to increase and now stand at about 90% above the level of 1939.

The wage increases granted in 1947, on an annual basis, increased our payrolls $15,988,000, including payroll taxes. The latter took a sharp turn upward on January 1, 1947 as a result of the passage of the Crosser Act in 1946. In 1947 the Federal tax levy on the payrolls for employe retirement, unemployment and sick benefits was increased to 8¾% from 6½%, and added $2,596,000 to our tax bill for that year. Total payrolls for 1947 amounted to $124,964,972. Payroll taxes were $10,095,938, or 1.5 times the Net Income of the company for the year. These employe benefits are in addition to vacation allowances which have been extended in recent years to almost all employes at a substantial expense, and are elements that contribute to our high operating costs.

Recognizing the immediate need for increased revenue, the Interstate Commerce Commission in two orders, one dated October 6, 1947, and the other dated December 29, 1947, granted temporary general increases in freight rates and other charges, totaling 20%, with certain exceptions. Based on the volume of traffic in 1947, these increases are estimated to average 18.6% to the Milwaukee Road, producing additional revenue of about $35,000,000 per annum.

While roadway, tracks and structures are in good condition, considerable difficulty was experienced in obtaining delivery of structural steel and new rail in the quantities required. Of 60,000 net tons of new rail ordered, 49,810 net tons were delivered and 45,160 net tons placed in track. Difficulty was also experienced in obtaining adequate shop forces for the maintenance of rolling stock and locomotives.

Important Features of Operating Performance

Freight Service 	1947	1946	1940
Freight Revenue	$187,064,309	$152,186,983	$ 95,113,461
Revenue Tons Handled (Thousands)	55,204	50,242	35,321
Revenue Ton-miles (Thousands)	16,958,236	15,744,422	10,097,196
Average Haul—Miles	307	313	286
Net Ton-miles per Train-mile (Includes Non-revenue)	1,026	1,032	780
Net Ton-miles per Train-hour (Includes Non-revenue)	15,863	16,117	12,831
Locomotive-miles per Locomotive-day	122.7	116.2	112.8
Car-miles per Car-day	40.1	40.1	32.5
Average Number of Locomotives in Service	605	607	630
Average Number of Freight Cars Owned and Leased	52,037	54,152	56,159
Passenger Service 			
Passenger Revenue	$ 21,327,973	$ 28,313,790	$ 8,100,381
Revenue Passengers Carried (Thousands)	9,191	9,705	4,695
Revenue Passenger-miles (Thousands)	1,029,495	1,587,364	472,614
Average Distance Traveled—Miles	112.00	163.55	100.67
Locomotive-miles per Locomotive-day	224.7	252.3	200.0
Car-miles per Owned Car-day	250.6	264.0	194.7
Average Number of Locomotives in Service	175	179	183
Average Number of Passenger-train Cars Owned and Leased	973	958	927
Freight and Passenger Service 			
Gross Earnings—Railway Operating Revenues	$231,478,568	$201,180,111	$114,375,589
Operating Expense Ratio	80.41%	85.41%	76.21%

The shortage of skilled mechanics for the maintenance of locomotives was particularly acute.

We hope the situation will improve in 1948. The acquisition of 39 diesel-electric units now on order for delivery in 1948 and 1949, costing approximately $6,582,000, will be helpful.

We expect to have completed and placed in service by the end of May, 1948, all of the 125 new streamlined passenger cars, construction of which was started at the Milwaukee Shops during 1947. These cars will, for the most part, be assigned to the Pioneer Limited and the Morning, Afternoon and Midwest Hiawathas, and their equipment in turn stepped down to other trains.

Our new speedliner, the Olympian Hiawatha, was put into service between Chicago and Seattle-Tacoma on a forty-five hour schedule on June 29, 1947, with all new equipment except the standard sleepers which, on account of difficulties experienced by the Pullman Company, will not be delivered until the summer of 1948. The train has been well received by the traveling public.

Our order for 28 Pullman standard sleeping cars also includes new units for the Pioneer Limited operating between Chicago and St. Paul-Minneapolis.

The program for 1948 calls for the acquisition of 9,137 units of freight car equipment, involving an expenditure of about $28,838,000.

With the acquisition of the diesel-electric locomotives now on order, our yard service operation will be about 35% dieselized; road freight service about 20%, and road passenger service about 40%.

We anticipate a total volume of freight traffic in 1948 equal to that of 1947; passenger traffic is expected to decline from the level of 1947.

It is a pleasure to record appreciation of the loyal and effective work of the employes of The Milwaukee Road.

Chairman of the Board

President

By order of the Board of Directors
April 14, 1948

Touralux sleeping cars, built for service on the Olympian HIAWATHA, are unique with The Milwaukee Road.

Diagonal seating and table arrangements characterize the dining cars built for Olympian HIAWATHA service.

With Mt. Rainier in the background, the Olympian HIAWATHA heads east from Seattle. Locomotive is a Fairbanks-Morse.

Sources of Milwaukee Road Income

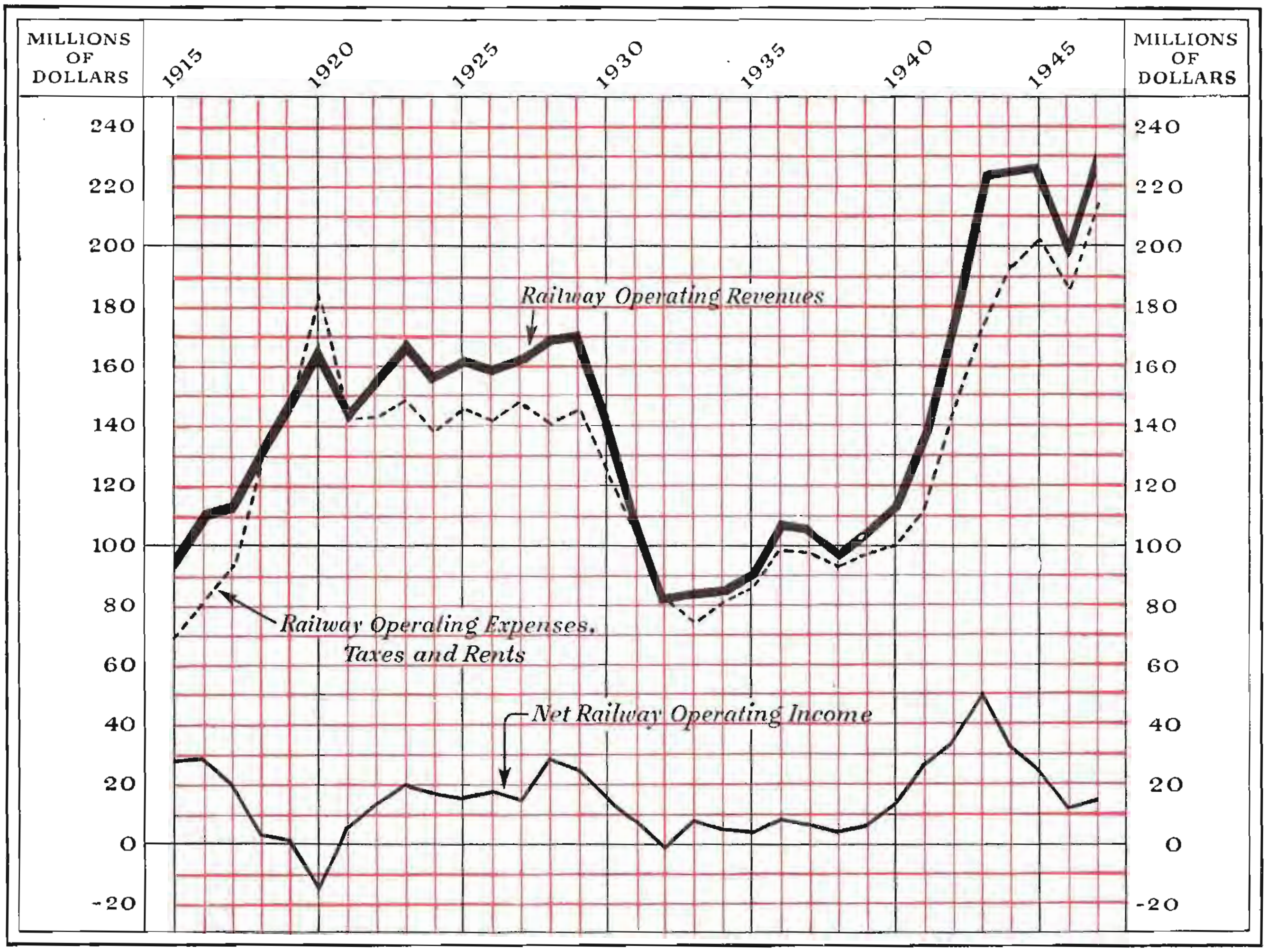
	1947	1946
Hauling Freight	$187,064,309	$152,186,983
Carrying Passengers	21,327,973	28,313,790
Transporting Mail and Express	9,412,941	8,480,829
Other Passenger Train Revenue, including Dining and Buffet Car Service	3,513,696	3,937,619
Switching	4,857,905	3,950,919
Other Operating Revenues	5,301,744	4,309,971
Total Operating Revenues	231,478,568	201,180,111
Other Income—Net	1,537,468	1,709,605
TOTAL	$233,016,036	$202,889,716

Disposition of Income

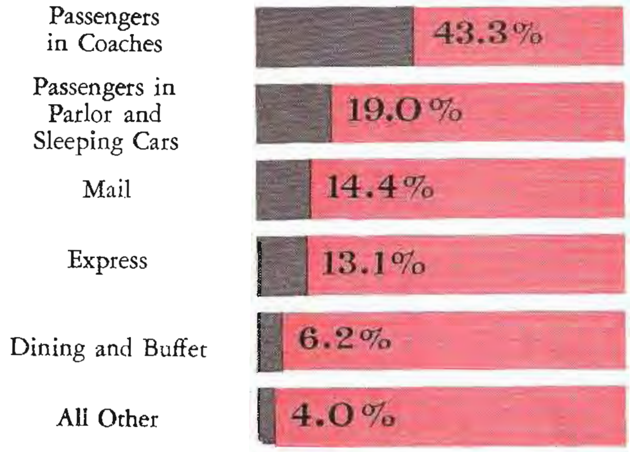
	1947	1946
Labor—To Operate and Maintain the Railroad	$113,944,564	$107,347,217
Fuel, Power, Materials and Supplies	42,772,223	37,212,939
Taxes—Federal, State and Local	21,172,000	11,002,000
Depreciation Charges, Miscellaneous Operating Expenses and Net Rents	36,777,605	32,271,357
Interest on Debt and Other Requirements of Mortgages	11,694,371	11,880,135
Remainder Available for Improvements and Other Corporate Purposes	6,655,273	3,176,068
TOTAL	$233,016,036	$202,889,716

Revenues, Expenses and Net Railway Operating Income

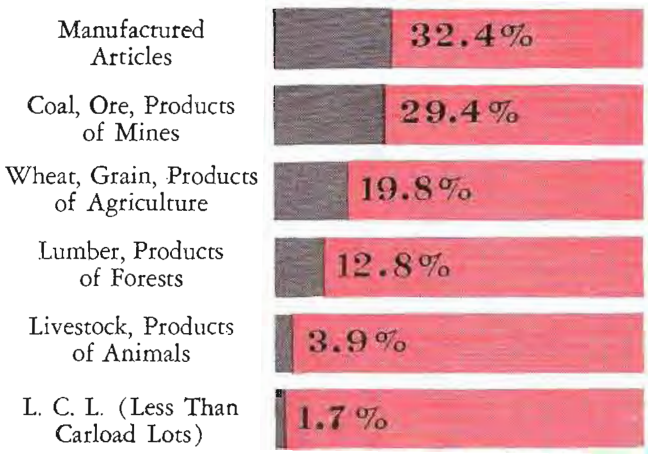
YEARS 1915-1947



Percentage Make-up of Total Passenger Train Revenue



Percentage Make-up of Total Revenue Tonnage



Revenues and Expenses

Operating revenues for the year amounted to $231,478,568, an increase of $30,298,457, or 15.1%, compared with 1946.

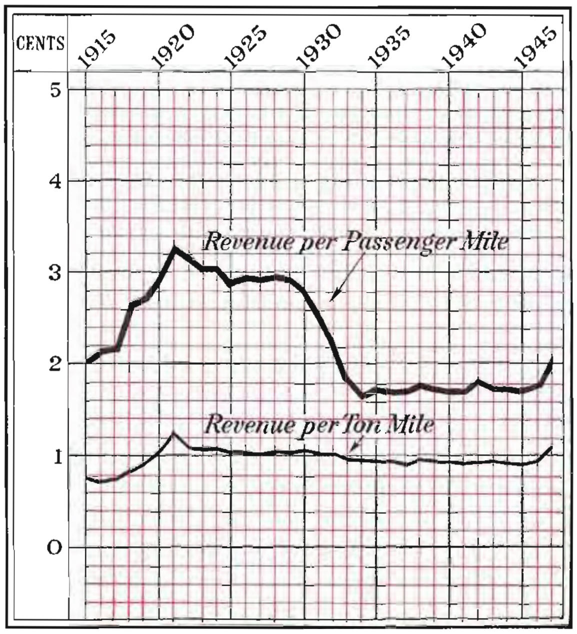
Freight revenue	increased	$34,877,326 or 22.9%
Passenger revenue	decreased	6,985,817 or 24.7%
All other revenue	increased	2,406,948 or 11.6%

Operating expenses were $186,135,168, an increase of $14,311,905, or 8.3% compared with 1946.

Maintenance of way and structures	increased	$4,457,691 or 13.4%
Maintenance of equipment	increased	1,237,701 or 3.5%
Transportation	increased	7,797,904 or 8.8%

Net railway operating income amounted to $16,812,176, an increase of $3,465,578, or 26.0%, compared with 1946.

Revenue per Passenger and Ton Mile, 1915-1947



Analysis of the more important Items of Increase and Decrease in Total Railway Operating Expenses as Compared with 1946

Items	Maintenance of Way & Structures	Maintenance of Equipment	Transportation	All Other	Total
Labor:					
General wage increases	+ $1,083,683	+ $1,234,194	+ $2,256,818	+ $ 512,994	+ $5,087,689
Straight time worked	+ 1,029,088	− 730,483	+ 1,061,287	− 215,883	+ 1,144,009
Overtime worked	+ 330,308	− 152,631	+ 196,277	− 8,305	+ 365,649
Total Labor	+ 2,443,079	+ 351,080	+ 3,514,382	+ 288,806	+ 6,597,347
Fuel:					
Price increase			+ 2,407,398		+ 2,407,398
Consumption			+ 379,389		+ 379,389
Total Fuel			+ 2,786,787		+ 2,786,787
Electric power			− 90,475		− 90,475
Material—Other than fuel:					
Price increase	+ 1,386,427	+ 1,677,924	+ 716,385	+ 285,912	+ 4,066,648
Quantity	+ 852,598	− 1,468,689	− 328,587	− 258,998	− 1,203,676
Total Material other than Fuel	+ 2,239,025	+ 209,235	+ 387,798	+ 26,914	+ 2,862,972
Voucher payments for contract work	− 464,378				− 464,378
Total Labor, Material and Vouchers for Contract Work	+ 4,217,726	+ 560,315	+ 6,598,492	+ 315,720	+ 11,692,253
Depreciation—Road and equipment	+ 74,914	+ 405,274			+ 480,188
Amortization of defense projects	+ 21,168	+ 55,827			+ 76,995
Retirements—Road	+ 219,500				+ 219,500
Total Depreciation, Amortization and Retirements	+ 315,582	+ 461,101			+ 776,683
Miscellaneous including casualties	− 75,617	+ 216,285	+ 1,199,412	+ 502,889	+ 1,842,969
Total Railway Operating Expenses	+ $4,457,691	+ $1,237,701	+ $7,797,904	+ $ 818,609	+ $14,311,905

Long Term Debt Outstanding

LONG term debt outstanding in the hands of the public as of December 31, 1947, amounted to $188,444,314, as compared with $188,469,474 as of December 31, 1946, a net decrease of $25,160, as follows:

Decreases:		
Funded Debt:		
Purchased and cancelled during the year through operation of sinking funds—		
First Mortgage 4% Bonds, Series A...$		181,000
General Mortgage 4½% Income Bonds, Series A....$641,400		
Less: Bonds held in treasury at December 31, 1946, sold to Mortgage Trustee for sinking fund and cancelled during the year.................	550,000	91,400
Purchased in open market, surrendered to Mortgage Trustee for cancellation, and cancelled during the year—		
First Mortgage 4% Bonds, Series A..		609,000
Purchased in open market during the year and held in treasury—		
General Mortgage 4½% Income Bonds, Series A........................		780,000
General Mortgage 4½% Convertible Income Bonds, Series B..........		6,147,000
Payments of Equipment Trust Certificates.		3,027,000
Payments under Conditional Sale Agreements covering purchase of equipment.		940,010
		$11,775,410
Increases:		
Equipment Trust Certificates ($8,240,000) and Conditional Sale Agreements covering purchase of equipment ($3,510,250).....		11,750,250
Net decrease.....................$		25,160

While the net decrease in the principal amount of outstanding debt is small, the annual interest requirements on the equipment obligations issued during 1947 are $222,734 less than the interest requirements on the mortgage bonds reacquired and equipment obligations retired during the year.

The proposed refundment of First Mortgage 4% Bonds at a lower rate of interest, which it was not possible to carry out in 1946 because of pending litigation in connection with the reorganization proceedings, has been further delayed by the unsettled market conditions. This matter is still under consideration and it is hoped that it can be carried out in the not too distant future. At this time conditions are not favorable to such an operation.

In line with the policy adopted for the reduction of funded debt, there were acquired $6,147,000 principal amount of General Mortgage 4½% Convertible Income Bonds, Series B, at a cost of $3,428,791.25, or an average cost of 55.78% of par.

During the year $609,000 principal amount of First Mortgage 4% Bonds, Series A, were purchased in the open market and deposited with the Trustee of the First Mortgage for cancellation, against which $609,000 of funds theretofore deposited with the Trustee in lieu of mortgaged property sold were released to the Treasury.

Dividends

THERE was no change during 1947 in the amount of stock outstanding. On April 9, 1947 the Board of Directors declared a dividend of $2.50 per share on the Series A Preferred Stock payable May 15, out of 1946 earnings, to holders of record at the close of business on May 1, 1947.

In the light of existing unsettled conditions, and in view of the fact that only $2.83 per share was earned on the preferred stock in 1946, the Board of Directors felt that a further payment in respect of that year could not be justified.

On March 10, 1948, the Board of Directors declared a dividend of $4.00 per share on the Series A Preferred stock payable April 15, 1948, out of 1947 earnings, to holders of record at the close of business March 31, 1948.

10,685 Miles of Main Line in 1947

At the end of 1947 The Milwaukee Road operated 10,685 miles of line in twelve states—touching two others. With additional main tracks, yard tracks and sidings, the total trackage operated was 15,970 miles.

Equipment

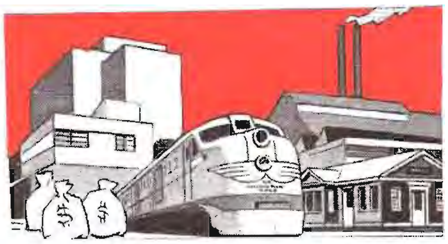
The equipment to operate this trackage consisted of:

LOCOMOTIVES	
Steam	1,027
Diesel road	52
Diesel switch	87
Electric	49
Total	1,215

FREIGHT CARS	
Box and auto	29,964
Gondola and hopper	11,042
Flat	4,920
Other	6,393
Total	52,319

PASSENGER CARS	
Sleeping	83
Coaches	373
Parlor	37
Baggage, mail and express	413
Other	127
Total	1,033
Rail motor cars	15

Investment per Employe



The total amount invested in railway property used in transportation service, including materials, supplies and working capital was

$905,583,389

The average number of Milwaukee Road Employes during 1947 was

37,955

Investment per Employe $23,859

Wage Increases

WAGE negotiations opened early in 1947 and continued throughout the year. On March 25, 1947 the seventeen non-operating unions served demands on the railroads for a wage increase of 20c per hour. An agreement was reached to arbitrate the dispute and on September 2, 1947 the Board of Arbitration awarded an increase in rates of pay of 15½c per hour, effective September 1, 1947.

On June 20, 1947 the five operating labor organizations served notices for forty-four changes in working rules, together with certain supplementary proposals from yardmasters and dining car stewards. On the same day the railroads submitted to the employes notices proposing twenty-five changes in rules.

Shortly after the arbitration board's award to the non-operating employes, the operating group served demands, on September 30, 1947, for a wage increase of 30% with a minimum increase of $3.00 in basic daily rates.

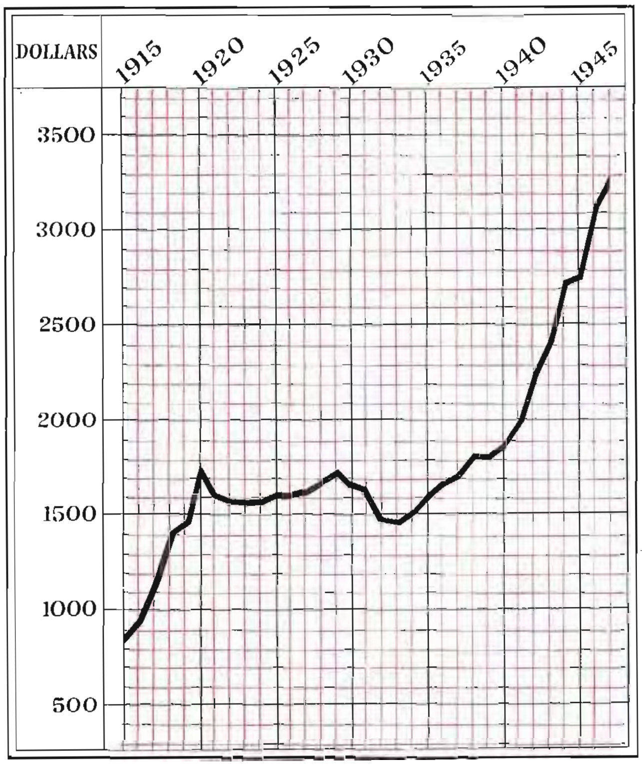
Following discussions between the railroads and the operating employes of rules and wages the employe representatives withdrew sixteen of the forty-four proposals in respect of rule changes and the railroads withdrew nine of their twenty-five.

On November 14, 1947 two of the five operating organizations, the Order of Railway Conductors and the Brotherhood of Railroad Trainmen reached an agreement with the railroads in settlement of the wage dispute and formally agreed to a basis for disposition of the rules proposals. The wage issue was settled by providing that, effective November 1, 1947, all basic daily rates of pay of employes represented by the conductors' and trainmen's organizations would be increased in the amount of $1.24, the equivalent of 15½c per hour except that the monthly rates of dining car employes and yardmasters represented by these organizations would be increased by $37.20.

Increases to the non-operating employes and the Conductors and Trainmen, on an annual basis, amounted to $15,988,000, including payroll taxes.

The other three operating organizations, the Brotherhood of Locomotive Firemen and Enginemen, Brotherhood of Locomotive Engineers and Switchmen's Union of North America, continued separate negotiations in regard to wages and rules proposals. The negotiations were suspended November 19, 1947 without agreement and the railroads invoked the services of the National Mediation Board, which failed to resolve the dispute. On January 27, 1948 the President of the United States issued an Executive Order creating an Emergency Board, which commenced hearings on February 2, 1948.

Average Annual Compensation per Employe, 1915-1947



Freight Rates and Passenger Fares

A general increase in freight rates and other charges, estimated at 17.6% for the country as a whole, was made effective January 1, 1947. Although the volume of freight traffic was high, it soon became apparent that, with increased costs of operation, the increased rates would be inadequate, and on July 3, 1947 an application for further increase in freight rates was filed with the Interstate Commerce Commission. The proposed increases averaged about 17%.

Before hearings on the petition opened the non-operating employes were granted an increase in wages of 15½c per hour effective September 1, 1947. To cover this added cost, including payroll taxes, as well as substantial increases in costs resulting from higher coal and steel prices which followed wage adjustments in the coal fields in July, the railroads filed an amended petition on September 5. This raised the general increases sought to an average of about 27%. In response to this petition, and after limited hearings, the Interstate Commerce Commission granted an interim increase on October 6, 1947, averaging 8.9%.

Following the increase in wages to the conductors and trainmen, the railroads filed a further amendment to their petition, on December 3, 1947, raising the general increases sought to 41% on traffic moving within and to and from the East, and to 31% on traffic within and between the South and West, with corresponding increases in the specific and maximum increases on certain commodities. The average increase on the basis of this final proposal was 29.2% for the country as a whole.

In an order of December 29, 1947, the Interstate Commerce Commission authorized further temporary increases, to June 30, 1948, superseding the temporary increases authorized October 6, and permitted an increase of 20% generally, except to the rates on iron ore, coal and coke as to which increases of 20c per ton were authorized. In the case of iron ore no increase was made in line haul rates to or handling charges at the upper lake ports.

The increased rates and charges were effective January 5, 1948, except those applicable to grain and grain products, which became effective January 15, 1948. Based on the volume of traffic in 1947, these increases are estimated to average 18.6% to The Milwaukee Road, producing additional revenue of about $35,000,000 per annum.

In May, 1947, the Supreme Court upheld the Interstate Commerce Commission's order in the Class Rate Investigation, Docket No. 28300, and effective August 22, 1947 we were required to publish the class rates prescribed. This order required a reduction of approximately 10% in Class rates within western territory and between western and eastern territories.

Effective June 1, 1947:

Basis for computing station-to-station round trip first-class fares changed from one and one-half to one and two-thirds times the one-way first-class fares.

One-way intermediate-class fares increased from 2.475c to 2.75c per mile with a corresponding increase in round-trip station-to-station intermediate-class fares on the basis of 180% of the one-way increased fares.

Round-trip trans-continental first-class and intermediate-class fares increased 15%. Coach-class fares from Chicago and intermediate points to Seattle and Tacoma were increased approximately 6½%.

Effective October 9, 1947:

The Milwaukee Road increased its tourist and sleeping car fares to conform to those authorized by the Interstate Commerce Commission for application by the Pullman Company.

Effective November 1, 1947:

The Illinois Commerce Commission, in an order dated October 21, 1947, authorized a temporary increase of 10% in commutation fares.

Effective December 18, 1947:

One-way intermediate fares increased from 2.75c per mile to 3c, and one-way first-class fares increased from 3.3c per mile to 3.5c. Increases also made in the round-trip fares.

Effective March 1, 1948:

Basic rate per mile for one-way coach-class fares increased from 2.2c per mile to 2.5c per mile, and round-trip station-to-station coach fares increased to 180% of the one-way fare. Round-trip trans-continental coach fares further increased approximately 5%.

Mail Pay

On February 19, 1947, the railroads petitioned the Interstate Commerce Commission to fix a new basis of mail pay and sought an increase of not less than 45%. On December 23, 1947 it entered an order authorizing a temporary increase of 25%, retroactive to February 19, 1947. This yielded additional mail revenue of $835,700 for 1947. On an annual basis, and using the volume of traffic in 1947, the 25% increase will yield an estimated $1,019,000.

Management Changes

JOHN OTTO STOLL

The Board of Directors, at its meeting on April 9, 1947, passed the following resolution concerning the death of Mr. John Otto Stoll, one of its members, on March 24, 1947:

"***Resolved,*** that the Board of Directors of Chicago, Milwaukee, St. Paul and Pacific Railroad Company express and record its deep sorrow for the loss by death of one of its members, John Otto Stoll, a Director of the Company since December 3, 1945, who was taken on March 24th, 1947, in the prime of his life and at the height of his useful service, and its profound appreciation of the wise counsel, the wholesome good humor and the conscientious cooperation which he contributed to the work of the Board in its supervision of the business and affairs of the Company."

Mr. Charles H. Buford, Executive Vice President, was elected President and a member of the Board of Directors on May 13, 1947, climaxing a railroad career of forty years, most of which was spent on The Milwaukee Road. He succeeded Mr. H. A. Scandrett who retired at his own request after serving with distinction as its Chief Executive Officer for over nineteen years.

Mr. D. C. Curtis, Chief Purchasing Officer, retired from active service July 1, 1947 and was succeeded by Mr. G. H. Walder, effective the same date.

Mr. J. Welch, Assistant Secretary and Assistant Treasurer, New York, retired December 31, 1947, and was succeeded by Mr. L. G. Weiffenbach.

Mr. F. N. Hicks, Passenger Traffic Manager, retired December 31, 1947 and was succeeded by Mr. H. Sengstacken.

Mr. F. H. Johnson, Public Relations Officer, retired December 31, 1947 and was succeeded by Mr. W. A. Dietze.

1947 Advertising introduces Olympian Hiawatha and promotes other services

NEWSPAPER ADVERTISING

297 daily newspapers with a circulation of 35,162,498 were used. Milwaukee Road advertisements appeared 602,087,088 times in these dailies.

527 weekly newspapers with a circulation of 790,500 were used. Milwaukee Road advertisements appeared 6,324,000 times in these weeklies.

MAGAZINE ADVERTISING

54 national, business, educational and miscellaneous magazines with a circulation of 30,467,689 were used. Milwaukee Road advertisements appeared 82,623,834 times in these magazines.

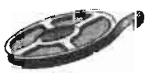
RADIO ADVERTISING

26 radio stations located in cities served by The Milwaukee Road carried a 15 minute news program broadcast each Sunday. It is estimated that these newscasts reached a weekly audience of 1,200,000.

WBBM—Chicago
WTMJ—Milwaukee
WTAQ—Green Bay
WIBA—Madison
WSAU—Wausau
WKBB—Dubuque
WKBH—La Crosse
WMT—Cedar Rapids
KRNT—Des Moines
KGLO—Mason City
WCCO—Minneapolis
KOIL—Omaha
KELO—Sioux Falls
WNAX—Yankton
KABR—Aberdeen
KOTA—Rapid City
KRJF—Miles City
KFDB—Great Falls
KXLK—Great Falls
KXLF—Butte
KXLJ—Helena
KXLQ—Bozeman
KGVO—Missoula
KHQ—Spokane
KOMO—Seattle
KVI—Tacoma

← LITERATURE

Descriptive folders and brochures on train services and vacation areas were distributed through the mail, at travel shows and by agents and representatives. Other promotional material included maps, blotters and novelties as well as pamphlets for employees.



MOVIES

Through 1,417 showings, motion pictures covering vacation trips and railroad operations were presented to audiences totaling 332,943.

Express Rates

THE Interstate Commerce Commission, in Ex Parte No. 163, authorized general express rate increases effective December 13, 1946. As a result of further hearings in this proceeding, l.c.l. express rates were further increased to a level about 41% above prewar rates, effective October 25, 1947. On November 25, 1947 the Express Agency sought a further increase of about 10% to cover the cost of wage increases effective September 1, 1947. In its order of December 16, 1947 the Commission authorized the Agency to file tariffs on first and second-class express rates as proposed, effective January 22, 1948.

Industrial Development

DURING the year 353 new industries were located adjoining the Milwaukee Road and when in operation will produce estimated annual freight revenue of $4,086,000. There were 72 expansions of existing industries, which it is expected will produce an increase of $1,221,000 in annual freight revenue. During the year 31 industries, with an annual freight revenue of $560,000, discontinued operation.

Public Relations Department

THE activities of this department during the year were directed toward public enlightenment and understanding of railroad problems, and improved employe relations. They include the issuing of news releases, making or arranging for talks before civic clubs and other groups, supplying literature, photographs and information requested by teachers, students and others, preparing leaflets and pamphlets containing information for employes, conducting a "Leadership" program among supervisors, and assisting Employe Service Clubs in their activities.

The new brick freight house at Goose Island, Chicago, has a 650-foot loading platform.

Additions and Betterments

DURING the year gross expenditures of $27,371,096 were made for additions and improvements to fixed property and equipment and for new equipment.

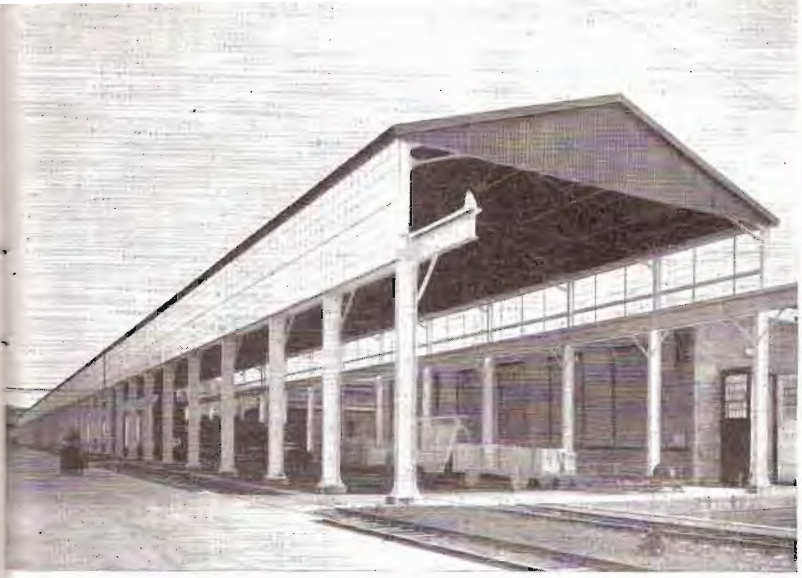
The funds for these expenditures were created mainly by charges to operating expenses for depreciation of depreciable road and equipment property and for retirement of nondepreciable road property, and by recoveries of salvage from property retired. Appropriation from income for additions and betterments to road property was limited to $2,500,000.

Terminal, Yard and Station Facilities

THE Glendale Yard at Milwaukee, Wisconsin was extended, and additional tracks were constructed in the yard at Bensenville, Illinois and Pig's Eye Yard at St. Paul, Minnesota to provide facilities to take care of increased business in these terminals. A new storage yard was also constructed at Port Washington Road on the Chestnut Street Line at Milwaukee, Wisconsin.

Acquisition of 53.4 acres of land on East Marginal Way, between Dakota and Oregon Streets at Seattle, Washington has been completed and the development of this property for industrial purposes is progressing.

At Goose Island, Chicago, Illinois, a new 60'x583' one story brick freight house with a 10'x650' platform was completed, and at Miles City, Montana a one story frame addition to the warehouse was constructed.



The new covered craneway at the Milwaukee shops is long enough for a couple of football fields.

Steel trusses overhead provide a clear floor area in the new steel fabricating building, Milwaukee shops.

A new 100'x190' masonry warehouse and office building, at Butte, Montana, is nearing completion. It has been leased to, and will be occupied by, the Westinghouse Electric Supply Company.

Shops and Enginehouses

THE program of modernizing and improving facilities at Milwaukee Shops, which was commenced in 1945, is nearing completion. A new steel fabricating building, also a new covered crane runway, and concrete paving, were completed during 1947.

The Car Department blacksmith shop at Milwaukee was partially remodeled and converted to a wheel shop as a first step to converting the entire building to wheel shop operations.

At Western Avenue, Chicago, Illinois, a tandem car washing machine was placed in service, and the Diesel House was extended to meet present requirements.

Two 650 h.p. oil burning boilers were installed in the power house at Minneapolis, Minnesota, replacing boilers no longer capable of producing the required capacity.

Fuel and Water Stations

AT Roscoe, South Dakota a 100,000 gallon capacity water tank was erected to replace a tank of smaller capacity to meet present requirements.

Diesel fuel oil storage tanks and facilities were installed at Aberdeen and Mitchell, South Dakota: Othello, Washington and at Sparta, New Lisbon, Wausau and Minocqua, Wisconsin.

Track and Roadway

NEW rail was laid on 207 miles of main track and usable rail recovered was laid on 126 miles of track. Passing track construction totaled 9,450 feet; new yard tracks 17,453 feet; and industrial tracks 59,407 feet.

Approximately 5,800 feet of trackage was constructed at Lake Andes, South Dakota, to connect with U. S. Government trackage serving the Fort Randall Dam Project.

The program of filling or replacing open deck bridges with structures of a more permanent nature was continued during the year.

The new tandem car washer at Western Avenue, Chicago, cleans up passenger cars in a jiffy.

Signal Systems

A controlled automatic block signal system was installed between Spring Hill and Preston, Indiana, and the centralized traffic control system was extended from Delmar to Puder, Illinois.

A manually operated interlocking plant at Mason City, Iowa was converted to automatic operation and a new electric interlocking plant was installed at West Davenport, Iowa.

The automatic block system between Marmarth, North Dakota and Harlowton, Montana, a distance of 340 miles, was completed. This completes the equipping of the main line with this form of protection from Chicago, Illinois to Seattle and Tacoma, Washington, thereby increasing the safety and efficiency of train operation. Several sections of the line have been equipped with centralized traffic control or the controlled automatic block system and two subdivisions have been equipped with the automatic cab signal system which is to be extended in 1948 from Portage, Wisconsin to the city limits of Chicago, Illinois.

Train Communication Systems

FIVE diesel-operated trains operating between Milwaukee, Wisconsin; Chicago, Illinois and Kansas City, Missouri, and three trains operating between Harlowton, Montana, and Tacoma, Washington are now equipped with a train communication system providing for communication between the head and rear end of freight trains.

Loud speaker communication systems were installed in the yards at Milwaukee, Wisconsin; St. Paul, Minnesota and Western Avenue, Chicago, Illinois.

Radio transmitting and receiving equipment was installed at Montevideo, Minnesota and Summit and Aberdeen, S. D., and two automobiles were equipped with mobile units to provide emergency communication when wire service is interrupted due to storms.

Lines Abandoned

ON April 16, 1947 the Interstate Commerce Commission authorized the abandonment of the line between DeKalb and Aurora, Illinois, 24.96 miles. Operation of this line was discontinued on August 27, 1947 as was also the operation over the line of the Elgin, Joliet and Eastern Railway Company between Aurora and Joliet, Illinois.

On November 21, 1947 the Commission authorized the abandonment of 13.61 miles of branch line between Reno and Caledonia, Minnesota, effective from and after December 31, 1947.

Equipment

Received during the year:

Four 6,000 h.p. and four 2000 h.p. diesel-electric passenger locomotives

Eleven 1500 h.p. road and switching and five 1000 h.p. diesel-electric switching locomotives

Constructed at Milwaukee Shops and placed in service during the year:

454	50-ton	40′6″	box cars
500	40-ton	40′6″	automobile cars with loaders
250	50-ton	50′6″	automobile cars with loaders
250	50-ton	50′6″	automobile cars

27 passenger coaches	8 baggage-dormitory cars
6 dining cars	23 mail and express cars
6 lunch-lounge cars	20 baggage cars
2 diner-lounge cars	2 railway postal cars
18 sleeping cars	

The construction of 75 additional passenger cars at Milwaukee Shops is expected to be completed by the end of May, 1948.

INCOME ACCOUNT 1947-1943

	1947	1946	1945	1944	1943
RAILWAY OPERATING REVENUES:					
Freight	$187,064,309	$*152,186,983	$*168,950,558	$*171,448,855	$*174,018,632
Passenger	21,327,973	28,313,790	37,107,494	33,885,998	31,010,174
Mail	** 4,912,808	3,644,524	3,442,374	3,444,700	3,442,965
Express	4,500,133	4,836,305	5,916,488	5,269,519	4,428,612
Switching	4,857,905	3,950,919	3,897,616	3,956,434	3,844,297
All other	8,815,440	8,247,590	9,632,406	8,704,187	7,770,560
Total	231,478,568	201,180,111	228,946,936	226,709,693	224,515,240
RAILWAY OPERATING EXPENSES:					
Maintenance of way and structures	37,772,609	33,314,918	44,931,431	38,878,167	36,149,211
Maintenance of equipment	36,963,419	35,725,718	51,029,360	35,028,904	31,362,161
Traffic	4,643,072	4,022,296	3,592,877	3,570,829	3,101,603
Transportation	96,469,711	88,671,807	78,764,472	74,853,049	67,796,281
Miscellaneous	3,212,970	3,289,054	2,802,024	2,643,214	2,340,806
General	7,073,387	6,799,470	5,739,253	5,611,343	4,985,739
Total	186,135,168	171,823,263	#186,859,417	160,585,506	145,735,801
(Operating Ratio)	(80.41%)	(85.41%)	(81.62%)	(70.83%)	(64.91%)
NET REVENUE FROM RAILWAY OPERATIONS	45,343,400	29,356,848	42,087,519	66,124,187	78,779,439
INCOME ITEMS:					
Railway tax accruals	21,172,000	11,002,000	# 12,067,000	29,173,000	26,030,000
Equipment rents—Net debit	4,844,578	2,733,040	1,116,152	440,065	Cr. 165,524
Joint facility rents—Net debit	2,514,646	2,275,210	2,322,037	3,801,603	2,246,009
Total	28,531,224	16,010,250	15,505,189	33,414,668	28,110,485
NET RAILWAY OPERATING INCOME	16,812,176	13,346,598	26,582,330	32,709,519	50,668,954
OTHER INCOME:					
Income from lease of road and equipment	234,008	229,092	202,393	240,560	136,798
Miscellaneous rent income	431,107	461,155	450,783	429,629	449,362
Dividend income	44,295	39,582	130,782	39,582	161,182
All other accounts	959,127	1,098,414	1,574,934	1,831,250	1,167,442
Total	1,668,537	1,828,243	2,358,892	2,541,021	1,914,784
MISCELLANEOUS DEDUCTIONS FROM INCOME:					
Miscellaneous rents	25,338	24,131	31,958	30,487	22,987
Miscellaneous tax accruals	40,073	29,996	38,582	38,787	32,642
Miscellaneous income charges	65,658	64,511	59,928	558,301	46,485
Delayed income debits	....	....	1,347	163,009	....
Total	131,069	118,638	131,815	790,584	102,114
NET OTHER INCOME	1,537,468	1,709,605	2,227,077	1,750,437	1,812,670
INCOME AVAILABLE FOR FIXED CHARGES	18,349,644	15,056,203	28,809,407	34,459,956	52,481,624
FIXED CHARGES:					
Rent for leased roads and equipment—Fixed	616,277	615,804	1,108,656	1,109,881	1,109,060
Interest on funded debt	2,899,249	2,882,981	2,896,740	2,893,991	12,789,232
Interest on unfunded debt	18,927	11,050	11,296	10,148	7,247
Amortization of discount on funded debt	26,065	14,333	10,973	10,514	18,777
Total	3,560,518	3,524,168	4,027,665	4,024,534	13,924,316
INCOME AFTER FIXED CHARGES	14,789,126	11,532,035	24,781,742	30,435,422	38,557,308
CONTINGENT CHARGES:					
Rent for leased roads and equipment—Contingent	## 328,932	## 328,932	....	....	....
Income applied to sinking and other reserve funds:					
Additions and betterments fund	2,500,000	2,500,000	5,144,238	6,176,490	....
Sinking funds	718,821	694,861	692,181	692,181	....
Interest on funded debt	4,586,100	4,832,174	4,867,412	4,890,541	9,143,685
Total	8,133,853	8,355,967	10,703,831	11,759,212	9,143,685
NET INCOME AFTER FIXED CHARGES AND OTHER DEDUCTIONS	6,655,273	3,176,068	14,077,911	18,676,210	29,413,623
DISPOSITION OF NET INCOME:					
Miscellaneous appropriations of income	....	....	....	1,000,000	....
Income balance transferred to Earned Surplus—Unappropriated	$ 6,655,273	$ 3,176,068	$ 14,077,911	$ 17,676,210	$ 29,413,623

*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 and $3,500,000 for the year 1943 on account of reserve for land grant adjustments.

**Includes accruals of additional mail compensation authorized by Interstate Commerce Commission December 4, 1947, $835,700.

#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.

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

GENERAL BALANCE SHEET AS OF DECEMBER 31, 1947 COMPARED WITH DECEMBER 31, 1946

Asset Side	December 31, 1947	December 31, 1946	Net Change During Year + Increase − Decrease
Investments:			
Road and equipment property:			
Road	$571,160,118.68	$565,687,136.83	+ $ 5,472,981.85
Equipment	218,834,414.22	205,515,583.50	+ 13,318,830.72
General expenditures	38,651,901.84	38,826,853.84	− 174,952.00
Total	828,646,434.74	810,029,574.17	+ 18,616,860.57
Improvements on leased property:			
Road	563,264.76	547,104.69	+ 16,160.07
Equipment	149,089.86	149,089.86	....
General expenditures	14,715.78	14,715.78	....
Total	727,070.40	710,910.33	+ 16,160.07
Acquisition adjustment	*170,628,579.03*	*170,702,545.82*	− *73,966.79*
Donations and grants	*48,109.48*	*38,876.70*	+ *9,232.78*
Investment in transportation property	658,696,816.63	639,999,061.98	+ 18,697,754.65
Accrued depreciation—Road	*62,906,123.64*	*59,411,806.93*	+ *3,494,316.71*
Accrued depreciation—Equipment	*111,681,854.37*	*109,671,056.67*	+ *2,010,797.70*
Accrued amortization of defense projects—Road	*2,092,815.85*	*2,092,186.14*	+ *629.71*
Accrued amortization of defense projects—Equipment	*19,685,966.41*	*19,319,731.87*	+ *366,234.54*
Investment in transportation property less recorded depreciation and amortization	462,330,056.36	449,504,280.37	+ 12,825,775.99
(Total book assets Dec. 31, 1947 / Company's own issues included)			
Sinking funds ... $ 480.50 ... None	480.50	21,578.75	− 21,098.25
Capital and other reserve funds ... 11,640,900.58 ... None	11,640,900.58	13,695,693.20	− 2,054,792.62
Maintenance funds	....	750,587.50	− 750,587.50
Miscellaneous physical property	8,048,725.06	7,881,775.14	+ 166,949.92
Accrued depreciation—Miscellaneous physical property	*1,390,194.40*	*1,314,733.10*	+ *75,461.30*
Miscellaneous physical property less recorded depreciation	6,658,530.66	6,567,042.04	+ 91,488.62
Investments in affiliated companies:			
Stocks	5,421,643.50	5,072,442.50	+ 349,201.00
Bonds	1,469,000.00	1,473,000.00	− 4,000.00
Unsecured notes	3,350,015.68	3,368,765.68	− 18,750.00
Investment advances	8,723,107.28	8,492,271.84	+ 230,835.44
Other investments:			
Stocks	7,678.00	7,340.00	+ 338.00
Bonds ($12,960,000 United States Treasury 2% bonds due Sept. 15, 1952/50—stated at cost)	13,497,090.63	13,497,090.63	....
Other secured obligations	12,634.00	12,634.00	....
Investment advances	500.00	750.00	− 250.00
Reserve for adjustment of investment in securities	*215,946.04*	*133,316.71*	+ *82,629.33*
Total Investments less recorded depreciation and amortization	512,895,691.15	502,330,159.80	+ 10,565,531.35
Current Assets:			
Cash	19,202,792.21	18,555,568.48	+ 647,223.73
Temporary cash investments	23,320,000.00	28,963,380.00	− 5,643,380.00
Special deposits	8,653,136.02	12,637,241.51	− 3,984,105.49
Loans and bills receivable	169,368.00	....	+ 169,368.00
Net balance receivable from agents and conductors	4,494,446.51	3,642,491.02	+ 851,955.49
Miscellaneous accounts receivable	7,206,759.16	6,664,688.55	+ 542,070.61
Material and supplies#	36,724,521.68	27,925,420.30	+ 8,799,101.38
Interest and dividends receivable	180,638.82	235,149.35	− 54,510.53
Accrued accounts receivable	3,652,430.23	3,631,281.58	+ 21,148.65
Other current assets	918,638.37	815,331.60	+ 103,306.77
Total Current Assets	104,522,731.00	103,070,552.39	+ 1,452,178.61
Deferred Assets:			
Working fund advances	457,926.43	711,157.07	− 253,230.64
Other deferred assets	1,343,516.83	1,169,101.77	+ 174,415.06
Total Deferred Assets	1,801,443.26	1,880,258.84	− 78,815.58
Unadjusted Debits:			
Prepayments	46,988.16	57,164.49	− 10,176.33
Discount on funded debt	434,346.56	228,291.74	+ 206,054.82
Other unadjusted debits	1,868,513.01	1,656,066.55	+ 212,446.46
(Par value of holdings at Dec. 31, 1947)			
Securities issued or assumed—Unpledged ... $6,927,000.00			
Total Unadjusted Debits	2,349,847.73	1,941,522.78	+ 408,324.95
Grand Total	$621,569,713.14	$609,222,493.81	+ $12,347,219.33

#Includes unapplied material and supplies for use in construction of new equipment. $ 7,796,440.05 $ 3,388,460.24 + $ 4,407,979.81

Italics denote credits.

GENERAL BALANCE SHEET AS OF DECEMBER 31, 1947 COMPARED WITH DECEMBER 31, 1946

Liability Side	Total book liability Dec. 31, 1947	Company's holdings included	December 31, 1947	December 31, 1946	Net Change During Year + Increase − Decrease	
Stock:						
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		
Long-Term Debt:						
Funded debt unmatured:						
First mortgage 4% bonds, Series A	$ 58,449,100.00	None	58,449,100.00	59,239,100.00	−	$ 790,000.00
General mortgage 4½% income bonds, Series A	55,528,400.00	$ 780,000.00	54,748,400.00	55,619,800.00	−	871,400.00
General mortgage 4½% convertible income bonds, Series B	51,422,100.00	6,147,000.00	45,275,100.00	51,422,100.00	−	6,147,000.00
Total Funded Debt Unmatured	165,399,600.00	6,927,000.00	158,472,600.00	166,281,000.00	−	7,808,400.00
Equipment obligations	29,971,714.27	None	29,971,714.27	22,188,474.09	+	7,783,240.18
Total Long-Term Debt			188,444,314.27	188,469,474.09	−	25,159.82
Current Liabilities:						
Traffic and car-service balances—Cr.			6,877,328.15	4,460,433.95	+	2,416,894.20
Audited accounts and wages payable			16,058,475.64	12,238,335.60	+	3,820,140.04
Miscellaneous accounts payable			5,759,471.93	3,071,132.17	+	2,688,339.76
Interest matured unpaid			1,611,336.04	1,551,945.19	+	59,390.85
Dividends matured unpaid			518,187.50	340,180.00	+	178,007.50
Unmatured interest accrued			4,602,185.63	4,925,255.42	−	323,069.79
Unmatured dividends declared				5,608,700.00	−	5,608,700.00
Accrued accounts payable			3,621,680.26	3,284,933.45	+	336,746.81
Taxes accrued			5,485,224.20	1,485,773.80	+	3,999,450.40
Other current liabilities			4,913,583.83	5,774,092.10	−	860,508.27
Total Current Liabilities			49,447,473.18	42,740,781.68	+	6,706,691.50
Deferred Liabilities:						
Other deferred liabilities			1,298,422.68	1,304,365.55	−	5,942.87
Total Deferred Liabilities			1,298,422.68	1,304,365.55	−	5,942.87
Unadjusted Credits:						
Premium on funded debt			10,410.97	15,271.75	−	4,860.78
Maintenance reserves				750,356.00	−	750,356.00
Other unadjusted credits			4,088,096.99	7,546,310.39	−	3,458,213.40
Accrued depreciation—Leased property			3,576,086.44	3,322,799.50	+	253,286.94
Total Unadjusted Credits			7,674,594.40	11,634,737.64	−	3,960,143.24
Surplus:						
Earned surplus—Appropriated			18,031,669.93	15,537,168.18	+	2,494,501.75
Earned surplus—Unappropriated			32,177,838.68	25,040,566.67	+	7,137,272.01
Total Surplus			50,209,508.61	40,577,734.85	+	9,631,773.76
Grand Total			$621,569,713.14	$609,222,493.81	+	$12,347,219.33

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

EARNED SURPLUS—UNAPPROPRIATED FOR THE YEARS 1947 AND 1946

Item	Year 1947	Year 1946
Credit balance at beginning of year	$25,040,566.67	$32,153,624.09
Credit balance transferred from Income	6,655,272.76	3,176,067.71
Miscellaneous credits	3,830,939.79	1,059,287.94
	35,526,779.22	36,388,979.74
Dividend appropriations of surplus	2,804,350.00	11,217,400.00
Miscellaneous debits	544,590.54	131,013.07
	3,348,940.54	11,348,413.07
Credit balance carried to Balance Sheet	$32,177,838.68	$25,040,566.67

AVAILABLE NET INCOME AND DISPOSITION THEREOF FOR THE YEARS 1947 AND 1946

Item	Year 1947	Year 1946
Income Available for Fixed Charges (as reported to the Interstate Commerce Commission)	$18,349,644.45	$15,056,203.04
Fixed Charges:		
Rent for leased roads and equipment—Fixed	616,276.99	615,803.79
Interest on funded debt:		
Fixed interest not in default:		
On First mortgage 4% bonds, Series A	2,364,368.42	2,377,924.00
On equipment obligations	534,880.21	505,057.40
Interest on unfunded debt	18,926.90	11,049.80
Amortization of discount on funded debt	26,065.57	14,332.97
Total fixed charges	3,560,518.09	3,524,167.96
Income after fixed charges	14,789,126.36	11,532,035.08
Add: Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced	475,657.52	46,040.53
Available Net Income	15,264,783.88	11,578,075.61
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	175,427.75	151,467.75
Contingent interest on General mortgage bonds of Series A and on modified Terre Haute Bonds	2,813,049.02	2,847,111.62
Additions and betterments fund—Optional payment	2,500,000.00	2,500,000.00
Contingent interest on General mortgage bonds of Series B	2,101,983.33	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	7,130,930.28	3,222,108.24
Deduct: Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced	475,657.52	46,040.53
Balance of income transferred to Earned Surplus—Unappropriated	$ 6,655,272.76	$ 3,176,067.71

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

I, J. W. Severs, Vice President and Comptroller, do hereby certify that the foregoing statements of Income Account, General Balance Sheet, Earned Surplus, and Available Net Income and Disposition Thereof, have been prepared under my direction; that I have carefully examined the same and, to the best of my knowledge, information and belief, they are correct.

J. W. Severs
Vice President and Comptroller

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES AS OF DECEMBER 31, 1947

Items	Principal Amount Outstanding Dec. 31, 1947
Chicago Union Station Company:	
1. First Mortgage Bonds, 3⅛%, Series F, due July 1, 1963	$16,000,000
2. First Mortgage Bonds, 2⅞%, Series G, due July 1, 1963	37,800,000
3. Guaranteed Serial Bonds, 1.95% to 2.05%, due semi-annually July 1, 1948 to January 1, 1950	1,372,000
4. Guaranteed Serial Notes, 1.40% to 2.05%, due semi-annually July 1, 1948 to July 1, 1954	4,450,000
	$59,622,000
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.	
Indiana Harbor Belt Railroad Company:	
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 principal and interest on 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 and interest on all these bonds.	
Kansas City Terminal Railway Company:	
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.	
The Minnesota Transfer Railway Company:	
1. First Mortgage Bonds, 3¾%, due June 1, 1956	$ 1,800,000
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.	
The St. Paul Union Depot Company:	
1. First and Refunding Mortgage Bonds, 3⅛%, Series B, due October 1, 1971	$14,017,000
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.	
Chicago, Terre Haute and Southeastern Railway Company:	
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.	

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	$ 90,472.99	$ 43,246.32	$ 2,912.75	$ *1,018.64*
Land for transportation purposes	72,086.62	*127,281.75*	4,603.75	*2,579.70*
Other right-of-way expenditures	19,979.74	24,686.67	3,082.34	3,075.34
Grading	353,761.66	255,293.27	40,102.79	7,593.06
Tunnels and subways	....	3,880.00	....	....
Bridges, trestles, and culverts	710,276.86	435,300.61	57,611.91	38,305.92
Ties	237,573.38	134,240.44	10,362.76	*13,213.39*
Rails	653,398.74	513,526.59	5,926.99	*18,418.98*
Other track material	924,101.29	835,607.93	9,844.47	*2,500.63*
Ballast	74,771.06	19,544.65	4,721.56	*2,638.17*
Track laying and surfacing	367,930.14	284,833.63	14,869.69	*3,333.01*
Fences, snowsheds, and signs	2,737.13	*6,555.92*	*1,054.52*	*2,726.52*
Station and office buildings	610,114.39	534,362.64	4,135.66	4,135.66
Roadway buildings	37,193.52	29,025.98	*151.38*	*151.38*
Water stations	80,410.69	*118,493.49*	4,029.34	1,306.76
Fuel stations	116,421.20	73,903.73	2,034.68	2,034.68
Shops and enginehouses	812,267.55	728,541.03	4,847.79	4,847.50
Storage warehouses	....	*250.00*	....	....
Wharves and docks	34,198.54	26,762.59	....	....
Telegraph and telephone lines	54,230.31	33,005.19	4,155.46	3,918.46
Signals and interlockers	846,374.04	783,561.08	24,516.22	23,556.22
Power plants	226.51	*72.49*	....	....
Power-transmission systems	39,554.65	42,107.66	422.27	*494.73*
Miscellaneous structures	6,355.84	6,355.84	....	....
Roadway machines	230,796.70	190,840.85	....	*1,070.65*
Roadway small tools	13,380.86	13,290.86	....	....
Public improvements—Construction	68,942.86	53,551.44	5,085.04	4,836.25
Shop machinery	512,116.70	454,109.81	140.36	140.36
Power-plant machinery	227,092.94	222,216.76	....	....
Total Expenditures for Road	7,196,766.91	5,489,141.92	202,199.93	45,604.41
Steam locomotives	87,017.09	*39,038.46*	801.82	*5,074.53*
Other locomotives	5,151,742.49	4,957,602.88	....	....
Freight-train cars	5,920,220.81	126,717.52	22,202.23	*13,645.30*
Passenger-train cars	8,285,132.14	8,107,052.55	....	....
Work equipment	105,650.63	64,128.99	....	*357.20*
Miscellaneous equipment	123,226.61	102,367.24	....	....
Total Expenditures for Equipment	19,672,989.77	13,318,830.72	23,004.05	*19,077.03*
General Expenditures	*52,986.48*	*174,952.00*	....	*200.74*
Grand Total	$26,816,770.20	$18,633,020.64	$ 225,203.98	$ 26,326.64

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	$ 328,934.94	$ 169,784.65	$ 187.20	$ *15,995.90*
Track material loaned	13,487.80	*2,834.73*	....	....
Total	$ 342,422.74	$ 166,949.92	$ 187.20	$ *15,995.90*

Italics denote credits.

SECURITIES OWNED, DECEMBER 31, 1947

Description		Number of Shares	Par Value	Book Value
Stocks:				
Affiliated companies:				
Chicago, Terre Haute & Southeastern Ry. Co.	A	40,551.82	$ 4,055,182.00	$ 405,518.20
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		26	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 Pullman Co.		9,426	94,260.00	348,762.00
The St. Paul Union Depot Co.	A	1,036	103,600.00	130,475.00
Nonaffiliated companies:				
Miscellaneous stocks			7,638.00	7,678.00
Bonds:				
Affiliated companies:				
Chicago, Terre Haute & Southeastern Ry. Co.	A		1,515,000.00	1,437,800.00
Minneapolis Eastern Ry. Co.	A		39,000.00	31,200.00
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
Notes:				
Affiliated companies:				
Chicago, Terre Haute & Southeastern Ry. Co.	A		640,392.30	640,392.30
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			$ 27,676,524.67	$ 23,758,061.81

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, 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.

LONG-TERM DEBT, DECEMBER 31, 1947

Description	Date of Issue	Date of Maturity	Amount Originally Issued	Amount as of Dec. 31, 1947	Amount Held by Company	Amount Actually Outstanding	Interest: Rate Per Cent	Interest: Payable	Interest: Accrued During Year
First mortgage bonds, Series A...	Jan. 1, 1944	Jan. 1, 1994	$ 59,515,100.00	$ 58,449,100.00	....	$ 58,449,100.00	4	J. & J.	$2,364,368.42
General mortgage income bonds, Series A....................	Jan. 1, 1944	Jan. 1, 2019	57,256,600.00	55,528,400.00	$ 780,000.00	54,748,400.00	4½	April	2,484,117.02
General mortgage convertible income bonds, Series B........	Jan. 1, 1944	Jan. 1, 2044	51,422,100.00	51,422,100.00	6,147,000.00	45,275,100.00	4½	April	2,101,983.33
Equipment obligations (See details below)................			52,639,980.00	29,971,714.27	....	29,971,714.27			534,880.21
Total long-term debt......			$220,833,780.00	$195,371,314.27	$6,927,000.00	$188,444,314.27			$7,485,348.98

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1947

Description	Date of Lease or Agreement	Date of Final Maturity	Original Cost of Equipment	Amount Originally Issued	Amount Outstanding Dec. 31, 1947	Principal Payable During 1948	Interest: Rate Per Cent	Interest: Payable	Interest: Accrued During Year
Equipment Trust Certificates:									
Series M....................	Apr. 24, 1934	Sept. 1, 1947	$ 1,563,000.00	$ 1,537,000.00	....	....	2½	M. & S.	$ 591.68
Series P....................	Jan. 1, 1937	Jan. 1, 1952	4,185,316.20	3,180,000.00	$ 1,060,000.00	$ 212,000.00	3½	J. & J.	37,100.00
Series Q....................	Mar 1, 1937	Mar. 1, 1952	3,561,722.09	2,655,000.00	885,000.00	177,000.00	3¼	M & S.	29,721.24
Series R....................	Aug. 1, 1937	Aug. 1, 1952	2,564,053.90	1,920,000.00	640,000.00	128,000.00	3¾	F. & A.	26,800.00
Series S....................	Apr. 1, 1938	Apr. 1, 1953	3,220,834.35	2,235,000.00	894,000.00	149,000.00	3¾	A. & O.	34,921.89
Series T....................	Apr. 1, 1939	Apr. 1, 1954	2,770,164.86	1,920,000.00	896,000.00	128,000.00	3	A. & O.	27,840.00
Series U....................	Dec. 1, 1939	Dec. 1, 1949	6,095,937.79	4,922,000.00	858,000.00	508,000.00	2½	J. & D.	33,091.67
Series V....................	Apr. 1, 1941	Apr. 1, 1951	4,358,045.34	3,120,000.00	1,092,000.00	312,000.00	2⅛	A. & O.	26,520.00
Series W....................	Nov. 1, 1941	Nov. 1, 1948	5,514,546.70	2,744,000.00	392,000.00	392,000.00	1⅝	M. & N.	8,534.50
Series X....................	Mar. 1, 1944	Mar. 1, 1954	9,700,062.91	7,260,000.00	4,719,000.00	726,000.00	1⅞	M. & S.	94,153.72
Series Y....................	Apr. 1, 1945	Apr. 1, 1955	2,800,092.41	2,100,000.00	1,575,000.00	210,000.00	1¾	A. & O.	29,400.01
Series Z....................	July 1, 1947	July 1, 1957	8,112,403.00	6,000,000.00	6,000,000.00	600,000.00	1⅞	J. & J.	47,842.50
Series AA....................	Oct. 1, 1947	Oct. 1, 1957	3,065,949.00	2,240,000.00	2,240,000.00	224,000.00	1⅞	A. & O.	8,055.60
Equipment Lease Agreement:									
General American Transportation Corporation............	Apr. 27, 1940	Aug. 1, 1955	129,500.00	129,500.00	73,148.89	8,654.92	3	Monthly	2,331.58
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	22,102.56	22,102.56	2	Monthly	641.37
The New York Trust Company, Assignee of Electro-Motive Corporation..............	Sept. 1, 1940	Jan. 1, 1949	625,680.00	625,680.00	90,694.86	83,648.74	2	Monthly	2,568.23
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	2,524,348.45	392,906.80	1.6	Quarterly Feb. May Aug. Nov.	43,232.96
Fairbanks, Morse & Co......	June 25, 1945	Nov. 1, 1954	790,430.00	592,500.00	463,871.34	72,060.25	1.6		7,943.47
The Baldwin Locomotive Works.................	July 25, 1945	Nov. 1, 1953	317,412.00	237,000.00	180,557.60	28,904.44	1.6		3,098.12
American Locomotive Company................	Aug. 10, 1945	Nov. 1, 1953	476,394.00	355,500.00	270,836.40	43,356.66	1.6		4,647.18
Paul B. Robb and Edward J. Friedrich................	Sept. 5, 1945	May 1, 1954	1,187,788.40	900,000.00	715,071.50	109,294.75	1.6		12,233.76
The First National Bank of Chicago, Assignee of the Seller:									
Fairbanks, Morse & Co......	July 1, 1946	Apr. 1, 1957	2,675,000.00	2,000,000.00	1,897,840.93	187,959.05	1.55	Quarterly Jan. Apr. July Oct.	26,770.46
American Locomotive Company................	Aug. 1, 1946	July 1, 1957	2,190,542.00	1,640,500.00	1,550,991.74	154,262.29	1.55		22,983.52
The Northern Trust Company, Assignee of the Seller:									
Fairbanks, Morse & Co......	June 10, 1947	Oct. 1, 1957	791,220.00	592,000.00	592,000.00	54,405.12	1.85		3,361.64
American Locomotive Company................	Sept. 10, 1947	Jan. 1 1958	192,177.00	135,700.00	135,700.00	9,331.58	1.85		83.68
General Motors Corporation (Electro-Motive Division)..	Sept. 10, 1947	Jan. 1, 1958	287,659.50	203,550.00	203,550.00	13,997.37	1.85		411.43
Total equipment obligations.			$71,665,176.45	$52,639,980.00	$29,971,714.27	$4,946,884.53			$534,880.21

Payments Maturing In Years Ending:

December 31, 1948............................	$ 4,946,884.53
December 31, 1949............................	4,323,482.89
December 31, 1950............................	3,984,322.45
December 31, 1951............................	3,846,510.43
December 31, 1952............................	3,708,979.52
December 31, 1953............................	3,147,720.91
December 31, 1954............................	$ 2,185,381.70
December 31, 1955............................	1,414,331.81
December 31, 1956............................	1,310,341.01
December 31, 1957............................	1,094,493.02
December 31, 1958............................	9,266.00
Total....................................	$29,971,714.27

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES FOR THE YEARS ENDED DECEMBER 31, 1947 AND 1946

RAILWAY OPERATING REVENUES

	1947	1946	Increase	Decrease
Transportation				
Freight	$187,064,309.27	$152,186,983.44	$ 34,877,325.83	....
Passenger	21,327,973.07	28,313,789.61	....	$ 6,985,816.54
Baggage	54,219.51	61,929.98	....	7,710.47
Sleeping car	655,561.72	709,063.15	....	53,501.43
Parlor and chair car	249,486.35	270,453.99	....	20,967.64
Mail	4,912,807.64	3,644,523.64	1,268,284.00	....
Express	4,500,132.98	4,836,305.47	....	336,172.49
Other passenger-train	174,233.88	148,356.47	25,877.41	....
Milk	251,272.14	384,350.84	....	133,078.70
Switching	4,857,904.83	3,950,918.64	906,986.19	....
Total transportation revenue	224,047,901.39	194,506,675.23	29,541,226.16	....
Incidental				
Dining and buffet	2,128,923.00	2,363,464.94	....	234,541.94
Hotel and restaurant	137,167.11	148,508.38	....	11,341.27
Station, train, and boat privileges	50,570.81	51,868.17	....	1,297.36
Parcel room	501.00	137.30	363.70	....
Storage—Freight	62,717.56	38,687.66	24,029.90	....
Storage—Baggage	8,699.78	11,163.74	....	2,463.96
Demurrage	1,363,437.93	1,003,084.85	360,353.08	....
Telegraph and telephone	183,351.09	147,326.93	36,024.16	....
Stockyard	108,554.54	134,824.08	....	26,269.54
Power	106,524.06	92,007.62	14,516.44	....
Rents of buildings and other property	451,924.89	434,644.70	17,280.19	....
Miscellaneous	711,936.43	568,875.83	143,060.60	....
Total incidental operating revenue	5,314,308.20	4,994,594.20	319,714.00	....
Joint Facility				
Joint facility—Credit	2,132,414.65	1,695,316.13	437,098.52	....
Joint facility—Debit	*16,056.40*	*16,474.05*	....	*417.65*
Total joint facility operating revenue	2,116,358.25	1,678,842.08	437,516.17	....
Total railway operating revenues	$231,478,567.84	$201,180,111.51	$ 30,298,456.33	....

Italics denote debits.

RAILWAY OPERATING EXPENSES

	1947	1946	Increase	Decrease
Maintenance of Way and Structures				
Superintendence	$ 2,374,635.34	$ 2,274,112.02	$ 100,523.32	....
Roadway maintenance	3,159,839.37	2,836,782.91	323,056.46	....
Tunnels and subways	3,513.94	177,784.83	....	$ 174,270.89
Bridges, trestles, and culverts	1,354,907.31	1,115,512.24	239,395.07	....
Ties	4,677,385.86	3,087,617.10	1,589,768.76	....
Rails	1,111,609.40	1,002,125.03	109,484.37	....
Other track material	1,237,795.76	1,267,886.03	....	30,090.27
Ballast	974,680.20	649,193.91	325,486.29	....
Track laying and surfacing	8,981,968.74	8,011,412.73	970,556.01	....
Fences, snowsheds, and signs	229,132.48	273,665.19	....	44,532.71
Station and office buildings	1,104,759.65	1,211,328.63	....	106,568.98
Roadway buildings	130,768.15	117,472.33	13,295.82	....
Water stations	231,406.04	241,253.20	....	9,847.16
Fuel stations	203,049.82	165,991.76	37,058.06	....
Shops and enginehouses	985,350.80	947,367.22	37,983.58	....

RAILWAY OPERATING REVENUES AND EXPENSES—CONTINUED

RAILWAY OPERATING EXPENSES—CONTINUED

	1947	1946	Increase	Decrease
Maintenance of Way and Structures				
Wharves and docks	$ 37,320.88	$ 42,622.21		$ 5,301.33
Telegraph and telephone lines	596,168.68	507,885.49	$ 88,283.19	
Signals and interlockers	1,093.714.37	1,044,027.82	49,686.55	
Power plants	29,041.94	27,851.79	1,190.15	
Power-transmission systems	189,404.58	214,623.02		25,218.44
Miscellaneous structures	52,655.88	45,705.26	6,950.62	
Road property—Depreciation	4,059,746.86	3,984,832.62	74,914.24	
Retirements—Road	572,554.35	353,053.69	219,500.66	
Deferred maintenance—Way and structures	*631,750.00*	*512,648.00*	*119,102.00*	
Roadway machines	505,501.49	451,582.69	53,918.80	
Dismantling retired road property	241,701.43	206,892.91	34,808.52	
Road—Amortization of defense projects	39,122.47	17,953.90	21,168.57	
Small tools and supplies	634,609.90	560,605.53	74,004.37	
Removing snow, ice, and sand	802,583.89	457,618.83	344,965.06	
Public improvements—Maintenance	539,558.04	393,075.35	146,482.69	
Injuries to persons	226,989.30	161,985.04	65,004.26	
Insurance	33,435.80	37,410.41		3,974.61
Stationery and printing	44,683.51	37,522.78	7,160.73	
Other expenses	42,189.61	88,033.89		45,844.28
Right-of-way expenses	26,274.25	16,536.57	9,737.68	
Maintaining joint tracks, yards, and other facilities—Debit	2,529.467.75	2,302,931.35	226,536.40	
Maintaining joint tracks, yards, and other facilities—Credit	*653,169.04*	*504,690.06*	*148,478.98*	
Total maintenance of way and structures	37,772,608.80	33,314,918.22	4,457,690.58	
Maintenance of Equipment				
Superintendence	1,299,448.05	1,224,685.48	74,762.57	
Shop machinery	950,874.60	868,276.05	82,598.55	
Power-plant machinery	166,697.45	158,510.80	8,186.65	
Shop and power-plant machinery—Depreciation	271,165.50	263,720.60	7,444.90	
Dismantling retired shop and power-plant machinery	7,548.49	9,903.42		2,354.93
Steam locomotives—Repairs	9,902,125.83	10,190,640.39		288,514.56
Other locomotives—Repairs	2,615,349.59	1,846,174.22	769,175.37	
Freight-train cars—Repairs	9,164,517.98	8,778,937.95	385,580.03	
Passenger-train cars—Repairs	3,631,002.29	4,000,256.97		369,254.68
Floating equipment—Repairs	53,972.50	52,363.73	1,608.77	
Work equipment—Repairs	723,806.73	690,715.19	33,091.54	
Miscellaneous equipment—Repairs	164,789.19	145,209.71	19,579.48	
Dismantling retired equipment	108,468.62	97,960.85	10,507.77	
Retirements—Equipment	*6,774.59*	*11,953.82*		*5,179.23*
Equipment—Depreciation	7,039,351.24	6,641,522.86	397,828.38	
Equipment—Amortization of defense projects	371,619.90	315,792.95	55,826.95	
Injuries to persons	152,777.04	142,046.43	10,730.61	
Insurance	53,712.10	57,340.22		3,628.12
Stationery and printing	42,085.96	32,712.66	9,373.30	
Other expenses	94,748.73	87,439.53	7,309.20	
Joint maintenance of equipment expenses—Debit	301,840.56	255,290.55	46,550.01	
Joint maintenance of equipment expenses—Credit	*27,103.10*	*18,571.52*	*8,531.58*	
Deferred maintenance—Equipment	*118,606.00*	*103,257.00*	*15,349.00*	
Total maintenance of equipment	36,963,418.66	35,725,718.22	1,237,700.44	
Traffic				
Superintendence	1,084,066.87	1,005,513.10	78,553.77	
Outside agencies	2,196,048.11	2,011,423.01	184,625.10	
Advertising	889,920.39	622,732.57	267,187.82	
Traffic associations	164,305.57	128,631.81	35,673.76	
Industrial and immigration bureaus	141,966.05	103,845.42	38,120.63	
Insurance	614.49	462.79	151.70	
Stationery and printing	164,546.12	148,982.49	15,563.63	
Other expenses	1,604.80	704.12	900.68	
Total traffic expenses	$ 4,643,072.40	$ 4,022,295.31	$ 620,777.09	

Italics denote credits.

RAILWAY OPERATING REVENUES AND EXPENSES—CONCLUDED

RAILWAY OPERATING EXPENSES—CONCLUDED

	1947	1946	INCREASE	DECREASE
TRANSPORTATION				
Superintendence	$ 2,051,920.83	$ 2,008,455.29	$ 43,465.54	
Dispatching trains	933,290.37	929,033.80	4,256.57	
Station employees	15,223,821.16	14,782,801.26	441,019.90	
Weighing, inspection, and demurrage bureaus	259,305.46	235,787.24	23,518.22	
Station supplies and expenses	830,808.29	769,650.37	61,157.92	
Yardmasters and yard clerks	2,507,649.91	2,254,491.08	253,158.83	
Yard conductors and brakemen	7,694,475.44	6,693,506.71	1,000,968.73	
Yard switch and signal tenders	503,643.41	453,900.08	49,743.33	
Yard enginemen	3,494,021.00	3,021,190.03	472,830.97	
Yard motormen	1,641,000.96	1,573,427.60	67,573.36	
Yard switching fuel	2,185,502.93	1,633,607.80	551,895.13	
Yard switching power purchased	21,513.51	13,392.53	8,120.98	
Water for yard locomotives	195,349.44	169,578.33	25,771.11	
Lubricants for yard locomotives	77,648.47	66,239.32	11,409.15	
Other supplies for yard locomotives	74,461.94	59,393.97	15,067.97	
Enginehouse expenses—Yard	1,504,003.80	1,354,874.16	149,129.64	
Yard supplies and expenses	143,391.72	116,749.72	26,642.00	
Operating joint yards and terminals—Debit	3,432,209.30	3,120,083.25	312,126.05	
Operating joint yards and terminals—Credit	*315,995.69*	*286,863.69*	*29,132.00*	
Train enginemen	7,322,842.71	7,602,336.03		$ 279,493.32
Train motormen	2,271,583.00	1,988,773.16	282,809.84	
Train fuel	12,621,795.19	10,386,902.91	2,234,892.28	
Train power purchased	1,170,939.13	1,269,536.71		98,597.58
Water for train locomotives	688,223.35	706,955.22		18,731.87
Lubricants for train locomotives	459,001.02	399,656.71	59,344.31	
Other supplies for train locomotives	203,128.71	187,619.49	15,509.22	
Enginehouse expenses—Train	2,811,141.37	2,831,010.06		19,868.69
Trainmen	11,625,695.36	11,168,574.42	457,120.94	
Train supplies and expenses	6,416,364.52	6,048,462.16	367,902.36	
Operating sleeping cars	483,339.21	486,026.42		2,687.21
Signal and interlocker operation	618,692.04	580,125.83	38,566.21	
Crossing protection	767,513.30	715,516.38	51,996.92	
Drawbridge operation	143,146.04	130,603.18	12,542.86	
Telegraph and telephone operation	578,802.12	584,831.07		6,028.95
Operating floating equipment	302,135.23	260,336.77	41,798.46	
Stationery and printing	386,363.37	327,561.71	58,801.66	
Other expenses	124,936.39	512,940.61		388,004.22
Operating joint tracks and facilities—Debit	938,804.17	898,556.43	40,247.74	
Operating joint tracks and facilities—Credit	*461,024.50*	*447,033.62*	*13,990.88*	
Insurance	69,983.11	63,255.35	6,727.76	
Clearing wrecks	178,779.04	141,389.22	37,389.82	
Damage to property	132,898.86	127,793.31	5,105.55	
Damage to live stock on right of way	98,744.98	98,989.83		244.85
Loss and damage—Freight	2,742,085.17	1,702,958.58	1,039,126.59	
Loss and damage—Baggage	8,437.20	15,617.81		7,180.61
Injuries to persons	1,307,338.15	913,212.32	394,125.83	
Total transportation expenses	96,469,710.49	88,671,806.92	7,797,903.57	
MISCELLANEOUS OPERATIONS				
Dining and buffet service	3,009,258.00	3,068,857.95		59,599.95
Hotels and restaurants	44,602.61	40,349.78	4,252.83	
Stockyards	91,222.06	117,536.47		26,314.41
Producing power sold	67,887.50	62,310.13	5,577.37	
Total miscellaneous operations	3,212,970.17	3,289,054.33		76,084.16
GENERAL				
Salaries and expenses of general officers	610,823.34	552,819.69	58,003.65	
Salaries and expenses of clerks and attendants	4,951,563.04	4,842,197.05	109,365.99	
General office supplies and expenses	273,523.90	268,791.26	4,732.64	
Law expenses	455,952.16	400,975.03	54,977.13	
Insurance	1,797.66	1,155.68	641.98	
Pensions	71,197.55	77,767.65		6,570.10
Stationery and printing	231,352.78	206,159.78	25,193.00	
Valuation expenses	35,222.70	34,616.69	606.01	
Other expenses	284,419.46	270,578.47	13,840.99	
General joint facilities—Debit	162,600.78	148,566.38	14,034.40	
General joint facilities—Credit	*5,066.07*	*4,157.60*	*908.47*	
Total general expenses	7,073,387.30	6,799,470.08	273,917.22	
Grand total railway operating expenses	$186,135,167.82	$171,823,263.08	$ 14,311,904.74	

Italics denote credits.

NET RAILWAY OPERATING INCOME ITEMS—1947, 1946 AND 1945 SHOWING PERCENTAGES OF RAILWAY OPERATING REVENUES

Items	1947 Amount	1947 Per Cent Ry. Opr. Revs.	1946 Amount	1946 Per Cent Ry. Opr. Revs.	1945 Amount	1945 Per Cent Ry. Opr. Revs.
Railway Operating Revenues:						
Freight	$187,064,309	80.81	$152,186,983	75.65	$168,950,558	73.80
Passenger	21,327,973	9.21	28,313,790	14.08	37,107,494	16.21
Mail	4,912,808	2.12	3,644,524	1.81	3,442,374	1.50
Express	4,500,133	1.94	4,836,305	2.40	5,916,488	2.59
Switching	4,857,905	2.10	3,950,919	1.96	3,897,615	1.70
All other transportation	1,384,773	.60	1,574,154	.78	1,950,586	.85
Incidental	5,314,308	2.30	4,994,594	2.48	5,544,395	2.42
Joint facility—Net Cr.	2,116,359	.92	1,678,842	.84	2,137,426	.93
Total	231,478,568	100.00	201,180,111	100.00	228,946,936	100.00
Railway Operating Expenses:						
*Maintenance of way and structures	37,772,609	16.32	33,314,918	16.56	44,931,431	19.63
#Maintenance of equipment	36,963,419	15.97	35,725,718	17.76	51,029,360	22.29
Traffic expenses	4,643,072	2.00	4,022,296	2.00	3,592,877	1.57
Transportation expenses	96,469,711	41.67	88,671,807	44.08	78,764,472	34.40
Miscellaneous operations	3,212,970	1.39	3,289,054	1.63	2,802,024	1.22
General expenses	7,073,387	3.06	6,799,470	3.38	5,739,253	2.51
Total	186,135,168	80.41	171,823,263	85.41	186,859,417	81.62
Net Revenue From Railway Operations	45,343,400	19.59	29,356,848	14.59	42,087,519	18.38
Railway Tax Accruals:						
Federal income and excess profits	3,165,000	1.37	*3,459,813*	*1.72*	*991,000*	*.43*
Property, payroll and other	18,007,000	7.78	14,461,813	7.19	13,058,000	5.70
Total	21,172,000	9.15	11,002,000	5.47	12,067,000	5.27
Equipment Rents—Net Dr.	4,844,578	2.09	2,733,040	1.36	1,116,152	.49
Joint Facility Rents—Net Dr.	2,514,646	1.09	2,275,210	1.13	2,322,037	1.01
Net Railway Operating Income	$ 16,812,176	7.26	$ 13,346,598	6.63	$ 26,582,330	11.61
*Includes for depreciation, amortization and retirement charges—Road	$ 4,671,423	2.02	$ 4,355,841	2.17	$ 7,865,953	3.44
#Includes for depreciation, amortization and retirement charges—Equipment	$ 7,675,362	3.32	$ 7,209,082	3.58	$ 22,884,993	10.00

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1947

1947	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	$ 17,608,765.16	$ 13,985,260.79	$ 3,623,504.37	$ 1,732,000.00	$ 1,891,504.37	$ 263,188.67	$ 151,154.27	$ 1,477,161.43
February	16,272,650.55	12,996,429.17	3,276,221.38	1,470,000.00	1,806,221.38	434,783.96	242,259.28	1,129,178.14
March	19,402,815.94	14,138,207.62	5,264,608.32	2,384,000.00	2,880,608.32	406,076.80	195,678.67	2,278,852.85
April	18,129,733.95	14,661,033.67	3,468,700.28	1,737,000.00	1,731,700.28	257,054.29	222,547.03	1,252,098.96
May	18,749,385.17	15,654,188.00	3,095,197.17	1,416,000.00	1,679,197.17	283,557.31	206,221.78	1,189,418.08
June	17,812,967.18	15,657,748.26	2,155,218.92	1,269,000.00	886,218.92	184,388.38	225,252.98	476,577.56
July	18,476,897.03	16,193,050.06	2,283,846.97	1,296,000.00	987,846.97	272,829.27	200,050.27	514,967.43
August	19,717,842.86	16,033,413.37	3,684,429.49	1,758,000.00	1,926,429.49	424,155.19	177,584.69	1,324,689.61
September	20,186,697.16	16,613,693.05	3,573,004.11	1,634,000.00	1,939,004.11	615,600.70	200,075.38	1,123,328.03
October	23,048,163.72	17,429,822.64	5,618,341.08	2,450,000.00	3,168,341.08	581,603.99	246,703.83	2,340,033.26
November	20,343,333.54	16,436,576.51	3,906,757.03	1,898,000.00	2,008,757.03	443,773.82	252,896.42	1,312,086.79
December	21,729,315.58	16,335,744.68	5,393,570.90	2,128,000.00	3,265,570.90	677,565.30	194,221.64	2,393,783.96
Total	$231,478,567.84	$186,135,167.82	$45,343,400.02	$21,172,000.00	$24,171,400.02	$4,844,577.68	$2,514,646.24	$16,812,176.10

Italics denote reverse items.

REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE—TEN YEARS, 1938–1947

Year	Tons Carried	Ton Miles	Average Haul—Miles	Freight Revenue: Total	Per Ton	Per Ton Mile (Cents)
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
1947	55,204,073	16,958,235,718	307.19	187,294,773	3.39	1.104

REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE—TEN YEARS, 1938–1947

Year	Passengers Carried	Passenger Miles	Average Distance Traveled—Miles	Passenger Revenue: Total	Per Passenger	Per Passenger Mile (Cents)
Other Than Commutation						
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
1947	5,093,890	941,767,622	184.88	20,479,841	4.02	2.175
Commutation						
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
1947	4,097,654	87,727,080	21.41	851,447	.21	.971
Total						
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
1947	9,191,544	1,029,494,702	112.00	21,331,288	2.32	2.072

TRANSPORTATION STATISTICS—AGGREGATES, 1947–1943

ITEMS	1947	1946	1945	1944	1943
RAIL LINE					
Average miles of road operated	10,712.71	10,732.88	10,727.20	10,727.01	10,760.89
TRAIN-MILES					
Freight....—Including light	18,130,371	16,906,158	18,028,655	18,508,028	19,021,207
Passenger..—With locomotives—Including light	11,348,310	12,812,855	13,487,317	12,802,754	11,964,434
Passenger..—Motor car	678,490	701,165	714,158	872,795	885,828
TRAIN-HOURS					
Freight....—Total including train switching	1,172,981	1,082,853	1,142,706	1,165,343	1,223,332
Passenger..—Total including train switching	322,513	366,362	387,838	370,010	349,504
LOCOMOTIVE-MILES					
Freight....—Road—Principal, helper and light	19,920,362	18,697,827	20,237,472	20,646,844	21,163,312
Passenger..—Road—Principal, helper and light	11,645,105	13,351,620	14,211,936	13,441,769	12,766,600
Freight....—Train switching at way stations	1,625,418	1,539,275	1,588,883	1,626,014	1,639,759
Passenger..—Train switching	....	....	666	60	522
Freight....—Yard switching	10,039,360	9,038,133	8,867,446	8,629,332	8,496,751
Passenger..—Yard switching	635,520	671,500	670,188	627,590	580,014
—Total locomotive-miles	43,865,765	43,298,355	45,576,591	44,971,609	44,646,958
CAR-MILES					
Freight....—Loaded eastbound	325,594,164	309,770,270	316,124,173	317,001,085	318,125,573
Freight....—Loaded westbound	274,059,728	262,334,652	312,885,819	318,454,685	293,909,739
Freight....—Loaded total	599,653,892	572,104,922	629,009,992	635,455,770	612,035,312
Freight....—Empty eastbound	118,082,809	110,061,280	152,208,734	133,823,239	134,672,110
Freight....—Empty westbound	180,284,762	168,471,496	150,074,811	150,019,455	159,621,333
Freight....—Empty total	298,367,571	278,532,776	302,283,545	283,842,694	294,293,443
Freight....—Total freight cars	898,021,463	850,637,698	931,293,537	919,298,464	906,328,755
Freight....—Caboose	17,717,334	16,579,924	17,852,187	18,411,305	18,890,698
Freight....—Pass. trn. cars in frt. trns. (incl'd. below)	4,149,816	3,961,991	3,937,027	3,239,816	4,552,013
Passenger..—Coaches	29,104,546	31,106,956	37,764,739	35,882,361	33,253,211
Passenger..—Combination passenger and head-end	2,900,740	2,884,705	3,006,570	3,028,782	2,937,002
Passenger..—Head-end (mail, express and baggage)	36,361,141	37,276,255	38,500,795	33,466,321	30,445,339
Passenger..—Sleeping, parlor, dining, lounge, etc.	33,377,458	46,549,787	49,541,645	42,684,350	39,375,951
Passenger..—Total passenger-train cars	101,743,885	117,817,703	128,813,749	115,061,814	106,011,503
Passenger..—Freight-trn. cars in pass. trns. (incl'd above)	611,245	742,587	911,181	1,229,848	1,701,015
Frt. & Pass.—Business cars	158,719	185,257	191,022	179,200	141,564
TON-MILES—THOUSANDS					
Frt. Train..—Gross—Locomotives only	5,196,035	4,940,159	5,444,289	5,363,134	5,379,531
Frt. Train..—Gross—Trailing (cars and contents)	40,205,794	37,684,958	41,973,780	42,037,179	41,498,929
Freight....—Gross—In passenger trains	22,700	25,696	30,438	41,812	60,224
Frt. Train..—Net—Revenue and non-revenue	18,607,090	17,452,695	19,966,924	20,334,419	20,091,604
Freight....—Net—Rev. & non-rev. in pass. trns.	23,041	22,055	22,480	22,744	27,781
Pass. Train.—Gross—Locomotives only	3,045,447	3,374,640	3,572,921	3,306,547	3,085,562
Pass. Train.—Gross—Trailing (cars and contents)	6,783,790	8,143,007	8,950,653	7,947,847	7,243,768
Passenger..—Gross—In freight trains	231,728	231,095	223,633	185,123	263,441
REVENUE TRAFFIC AND REVENUE					
Freight....—Tons carried	55,204,073	50,242,184	52,326,187	53,744,554	53,824,310
Freight....—Ton-miles (incl. water transfer) (thousands)	16,958,236	15,744,422	18,182,059	18,323,916	18,209,707
Freight....—Revenue—Freight only (Acct. 101)	$187,294,773	$152,088,843	$168,770,268	$171,262,207	$173,866,487
Freight....—Train revenue (frt., pass., mail, express, etc.)	$187,362,240	$152,186,727	$168,898,342	$171,388,323	$173,919,177
Passenger..—Number carried	9,191,544	9,705,413	11,343,310	11,069,602	10,133,640
Passenger..—Number of passenger-miles (thousands)	1,029,495	1,587,364	2,171,853	1,953,034	1,771,800
Passenger..—Revenue—Passenger only (Acct. 102)	$ 21,331,288	$ 28,307,993	$ 37,101,219	$ 33,875,097	$ 31,004,038
Passenger..—Car revenue (pass., mail, express, etc.)	$ 32,132,874	$ 38,365,969	$ 48,413,401	$ 44,586,022	$ 40,360,965
Passenger..—Train revenue (pass., mail, express, frt., etc.)	$ 32,065,407	$ 38,268,085	$ 48,285,327	$ 44,459,906	$ 40,308,275
OPERATION BY CLASSES OF POWER					
Yard......—Switching-hours—Steam	1,177,775	1,022,185	1,089,434	1,094,362	1,141,015
Yard......—Switching-hours—Diesel	578,563	577,165	481,951	431,446	356,518
Yard......—Switching-hours—Electric	22,809	18,922	18,221	17,012	15,261
Road Frt...—Gross ton-miles—Steam (thousands)	34,171,922	31,362,889	36,831,729	40,385,712	41,838,066
Road Frt...—Gross ton-miles—Diesel (thousands)	7,706,363	7,815,355	5,965,187	2,213,404	621,379
Road Frt...—Gross ton-miles—Electric (thousands)	3,755,272	3,677,968	4,844,786	4,986,320	4,682,456
Road Pass..—Car-miles—Steam	54,425,701	81,567,665	98,897,068	90,192,467	82,436,896
Road Pass..—Car-miles—Diesel (incl. gas motor cars)	38,031,744	19,708,664	11,360,914	10,036,110	9,865,493
Road Pass..—Car-miles—Electric	5,874,820	13,478,971	15,677,035	12,950,058	10,960,618
HIGHWAY OPERATION					
Freight....—Tons carried	103,870	120,588	177,180	180,020	197,778
Freight....—Ton-miles (thousands)	3,614	4,401	8,667	8,973	8,866
Passenger..—Number of rail passengers carried	42,224	57,405	88,908	88,960	98,249
Passenger..—Number of all passengers carried	72,389	93,037	132,348	127,672	132,088
Passenger..—Number of passenger miles	1,215,451	1,535,444	2,139,072	2,029,358	1,962,050

TRANSPORTATION STATISTICS—RAIL LINE—AVERAGES, 1947–1943

Items	1947	1946	1945	1944	1943
Per Mile of Road					
Freight......—Train-miles	1,692	1,575	1,681	1,725	1,768
Freight......—Train-miles—Per day	4.6	4.3	4.6	4.7	4.8
Freight......—Loaded car-miles (total)	55,976	53,304	58,637	59,239	56,876
Freight......—Gross ton-miles (total and trailing)	3,755,212	3,515,563	3,915,674	3,922,714	3,862,055
Freight......—Net ton-miles (revenue)	1,583,001	1,466,934	1,694,949	1,708,203	1,692,212
Freight......—Revenue—Freight only (Acct. 101)	$ 17,483	$ 14,170	$ 15,733	$ 15,966	$ 16,157
Passenger....—Train-miles	1,123	1,259	1,324	1,275	1,194
Passenger....—Train-miles—Per day	3.1	3.4	3.6	3.5	3.3
Passenger....—Car-miles	9,497	10,977	12,008	10,726	9,852
Passenger....—Car revenue (pass., mail, express, etc.)	$ 3,000	$ 3,575	$ 4,513	$ 4,156	$ 3,751
Passenger....—Number of passenger-miles (revenue)	96,100	147,897	202,462	182,067	164,652
Passenger....—Revenue—Passenger only (Acct. 102)	$ 1,991	$ 2,638	$ 3,459	$ 3,158	$ 2,881
Frt. & Pass...—Maintenance of way expenses	$ 3,526	$ 3,104	$ 4,189	$ 3,624	$ 3,359
Frt. & Pass...—Taxes, other than federal and payroll	$ 731	$ 681	$ 622	$ 611	$ 604
Frt. & Pass...—Yard switching locomotive-miles	996	905	889	863	843
Frt. & Pass...—Train switching miles at way stations	152	143	148	152	152
Frt. & Pass...—Total railway operating revenue	$ 21,620	$ 18,726	$ 21,317	$ 21,107	$ 20,840
Per Train-mile					
Freight......—Locomotive-miles	1.10	1.11	1.12	1.12	1.11
Freight......—Loaded frt. car-miles (in frt. trains)	33.04	33.80	34.85	34.28	32.10
Freight......—Empty frt. car-miles (in frt. trains)	16.46	16.47	16.76	15.33	15.46
Freight......—Total car-miles (incl. pass. cars & cab. in frt. trns.)	50.71	51.49	52.82	50.78	48.79
Freight......—Gross ton-miles (trailing) (in frt. trains)	2,218	2,229	2,328	2,271	2,182
Freight......—Net ton-miles (rev. & non-rev.) (in frt. trains)	1,026	1,032	1,108	1,099	1,056
Freight......—Net ton-miles (revenue)	935	931	1,009	990	957
Freight......—Train revenue (frt., pass., mail, express, etc.)	$ 10.33	$ 9.00	$ 9.37	$ 9.26	$ 9.14
Passenger....—Locomotive-miles	1.03	1.04	1.05	1.05	1.07
Passenger....—Car-miles (incl. frt. cars & cab. in pass. trains)	8.18	8.49	8.87	8.28	8.04
Passenger....—Number of passenger-miles (revenue)	85.60	117.46	152.93	142.81	137.88
Passenger....—Train revenue (pass., mail, express, frt., etc.)	$ 2.67	$ 2.83	$ 3.40	$ 3.25	$ 3.14
Per Train-hour					
Freight......—Train-miles (average speed)	15.5	15.6	15.8	15.9	15.5
Freight......—Gross ton-miles (trailing)	34,474	35,015	36,928	36,232	34,138
Freight......—Net ton-miles (rev. and non-rev.)	15,863	16,117	17,473	17,449	16,424
Passenger....—Train-miles (average speed)	37.3	36.9	36.6	37.0	36.8
Per Car-mile (Freight Loaded)					
Freight......—Ton-miles (rev. and non-rev.)	31.07	30.54	31.78	32.04	32.87
Freight......—Revenue—Freight only (Acct. 101)	$ .312	$ .266	$ .268	$ .270	$ .284
Freight......—Yard & train sw. loco.-miles (per 100 car-miles)	1.95	1.85	1.66	1.62	1.66
Passenger....—Number of passenger-miles	18.4	22.4	26.9	27.2	26.8
Passenger....—Car revenue—(pass., mail, express, etc.)	$ .32	$ .33	$ .38	$ .39	$ .38
Passenger....—Yard & train sw. loco.-miles (per 100 car-miles)	.66	.59	.54	.56	.57
Per Freight Car-day on Line					
Car-miles....—Loaded and empty—Serviceable	40.1	40.1	47.0	46.7	47.3
Net ton-miles—Revenue and non-revenue	818	809	988	1,016	1,036
Per Ton of Freight					
Average haul	307.19	313.37	347.48	340.94	338.32
Revenue—Freight only (Acct. 101)	$ 3.39	$ 3.03	$ 3.23	$ 3.19	$ 3.23
Per Passenger (Excl. Commutation)					
Average distance traveled	184.88	253.24	275.55	253.88	251.63
Revenue—Passenger only (Acct. 102)	$ 4.02	$ 4.63	$ 4.78	$ 4.49	$ 4.49
Per Traffic Unit Mile					
Revenue per ton-mile	$ .01104	$ .00966	$ .00928	$ .00935	$ .00955
Revenue per passenger-mile (excl. commutation)	$ .02175	$ .01827	$ .01736	$ .01768	$ .01785
Percent Operation by Classes of Power					
Yard........—Steam (Base-Switching hours)	66.20	63.17	68.53	70.93	75.42
Yard........—Diesel (Base-Switching hours)	32.52	35.66	30.32	27.97	23.57
Yard........—Electric (Base-Switching hours)	1.28	1.17	1.15	1.10	1.01
Road Frt.....—Steam (Base-Gross ton-miles)	74.88	73.18	77.31	84.87	88.75
Road Frt.....—Diesel (Base-Gross ton-miles)	16.89	18.24	12.52	4.65	1.32
Road Frt.....—Electric (Base-Gross ton-miles)	8.23	8.58	10.17	10.48	9.93
Road Pass....—Steam (Base-Car-miles)	55.35	71.08	78.53	79.69	79.83
Road Pass....—Diesel (Base-Car-miles) (incl. gas motor cars)	38.68	17.17	9.02	8.87	9.55
Road Pass....—Electric (Base-Car-miles)	5.97	11.75	12.45	11.44	10.62

REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1947 AND 1946

Commodities	1947		1946		Increase + or Decrease −		
	Tons Carried	Percent of Total	Tons Carried	Percent of Total		Tons	Percent
Products of Agriculture:							
Wheat	2,685,176	4.9	2,380,110	4.7	+	305,066	12.8
Corn	2,129,578	3.9	1,420,321	2.8	+	709,257	49.9
Barley and rye	1,061,057	1.9	1,028,587	2.0	+	32,470	3.2
Oats	781,947	1.4	926,119	1.9	−	144,172	15.6
Flour, meal, and mill products	1,873,757	3.4	1,931,753	3.8	−	57,996	3.0
Citrus fruits	144,500	.3	133,325	.3	+	11,175	8.4
Other fruits, fresh and frozen	173,334	.3	157,422	.3	+	15,912	10.1
Potatoes, other than sweet	294,726	.5	295,184	.6	−	458	.2
Other vegetables, fresh and frozen	142,662	.3	128,292	.3	+	14,370	11.2
Sugar beets	227,628	.4	191,842	.4	+	35,786	18.7
Other products of agriculture	1,391,137	2.5	1,376,281	2.7	+	14,856	1.1
Total	10,905,502	19.8	9,969,236	19.8	+	936,266	9.4
Animals and Products:							
Cattle, calves, sheep and goats	520,642	1.0	675,517	1.4	−	154,875	22.9
Swine	282,257	.5	360,145	.7	−	77,888	21.6
Fresh meats	579,110	1.1	471,071	.9	+	108,039	22.9
Poultry, eggs, butter and cheese	231,474	.4	263,322	.5	−	31,848	12.1
Wool, hides and leather	189,772	.3	197,851	.4	−	8,079	4.1
Other animals and products	340,774	.6	287,044	.6	+	53,730	18.7
Total	2,144,029	3.9	2,254,950	4.5	−	110,921	4.9
Products of Mines:							
Bituminous coal	11,010,698	19.9	10,026,811	19.9	+	983,887	9.8
Coke	515,177	.9	438,343	.9	+	76,834	17.5
Ores and concentrates	239,205	.4	193,034	.4	+	46,171	23.9
Gravel and sand	2,077,841	3.8	1,933,835	3.8	+	144,006	7.4
Stone, broken, ground, and crushed	876,056	1.6	435,157	.9	+	440,899	101.3
Stone, rough and finished	246,199	.5	128,944	.3	+	117,255	90.9
Asphalt	223,207	.4	151,770	.3	+	71,437	47.1
Salt	168,589	.3	185,090	.4	−	16,501	8.9
Other products of mines	868,915	1.6	915,193	1.8	−	46,278	5.1
Total	16,225,887	29.4	14,408,177	28.7	+	1,817,710	12.6
Products of Forests:							
Logs, posts, poles and cordwood	3,488,560	6.3	3,058,148	6.1	+	430,412	14.1
Pulpwood	654,156	1.2	596,390	1.2	+	57,766	9.7
Lumber and mill products	2,409,265	4.4	2,315,858	4.6	+	93,407	4.0
Veneer and built-up wood	182,337	.3	168,086	.3	+	14,251	8.5
Other products of forests	313,895	.6	275,141	.6	+	38,754	14.1
Total	7,048,213	12.8	6,413,623	12.8	+	634,590	9.9
Manufactures and Miscellaneous:							
Refined petroleum and products	2,417,992	4.4	2,299,972	4.6	+	118,020	5.1
Sugar, table sirups and molasses	374,897	.7	306,463	.6	+	68,434	22.3
Iron and steel products	2,778,837	5.0	2,152,952	4.3	+	625,885	29.1
Machinery and boilers	334,211	.6	230,097	.5	+	104,114	45.2
Cement	941,658	1.7	949,791	1.9	−	8,133	.9
Brick, building tile and artificial stone	349,584	.6	286,106	.6	+	63,478	22.2
Lime and plaster	170,591	.3	146,830	.3	+	23,761	16.2
Agricultural implements, tractors and parts	374,304	.7	267,174	.5	+	107,130	40.1
Automobiles, Autotrucks, parts and tires	618,314	1.1	356,659	.7	+	261,655	73.4
Beverages	1,154,360	2.1	956,351	1.9	+	198,009	20.7
Ice	94,604	.2	89,985	.2	+	4,619	5.1
Fertilizers	367,054	.6	376,904	.7	−	9,850	2.6
Paper and paper products	916,330	1.7	735,783	1.5	+	180,547	24.5
Canned food products	866,059	1.6	1,021,044	2.0	−	154,985	15.2
Scrap iron and scrap steel	645,588	1.2	455,855	.9	+	189,733	41.6
Building paper, roofing and woodwork	340,846	.6	160,036	.3	+	180,810	113.0
Other manufactures and miscellaneous	5,173,627	9.3	5,379,150	10.7	−	205,523	3.8
Total	17,918,856	32.4	16,171,152	32.2	+	1,747,704	10.8
Grand Total, Carload Traffic	54,242,487	98.3	49,217,138	98.0	+	5,025,349	10.2
All L. C. L. Freight	961,586	1.7	1,025,046	2.0	−	63,460	6.2
Grand Total, Carload and L. C. L. Traffic	55,204,073	100.0	50,242,184	100.0	+	4,961,889	9.9

EQUIPMENT OWNED (INCLUDING C. T. H. & S. E. RY.) END OF YEARS 1946–1947

LOCOMOTIVES

Kind	Year	Number by Services as Assigned: Frt.	Passenger	Yard	Other #	Total	Tractive Power (Pounds): Total	Av. per Loco.	Weight (Tons) Excl. of Tender: Total	Av. per Loco.	On Drivers Average per Loco.
Steam	1946	548	159	311	16	1,034	48,781,286	47,177	135,137	130.69	97.06
	1947	549	143	322	13	1,027	48,586,396	47,309	134,516	130.98	97.30
Electric	1946	32	14	4	....	50	6,460,250	129,205	16,260	325.20	258.42
	1947	31	13	5	....	49	6,355,250	129,699	15,950	325.51	259.40
Diesel-electric	1946	26	10	79	2	117	8,873,455	75,841	18,940	161.88	151.68
	1947	33	19	86	1	139	10,511,645	75,623	23,498	169.05	151.22
Total	1946	606	183	394	18	1,201	64,114,991	53,385	170,337	141.83	109.10
	1947	613	175	413	14	1,215	65,453,291	53,871	173,964	143.18	110.01

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

FREIGHT-TRAIN CARS

Year	Box	Auto 40′	Auto 50′	Gondola	Hopper	Ballast	Ore	Stock	Flat & Miscl.	Caboose	Total
1946	24,708	3,586	1,965	9,849	3,048	988	800	3,843	4,972	813	54,572
1947	23,450	4,054	2,460	7,995	3,047	988	800	3,812	4,920	793	52,319

PASSENGER-TRAIN CARS

Year	Coaches	Company Sleepers	Parlor	Parlor Cafe	Dining	Tap Lounge Observation	Tap Express	Baggage Express & Mail	Passenger and Baggage	Pass. Mail and Baggage	Steam Heating	Total
1946	351	65	24	13	36	6	3	381	57	11	2	949
1947	373	83	24	13	50	6	3	413	57	11	....	1,033

RAIL MOTOR CARS

Year	275 H. P. Gas-Electric: Passenger Mail and Express	Passenger and Baggage	Mail and Express	400 H. P. Gas-Electric Mail and Express	Total
1946	3	2	9	1	15
1947	3	2	9	1	15

FLOATING EQUIPMENT

Year	Tugboats	Car Barges	Total
1946	1	4	5
1947	1	4	5

HIGHWAY VEHICLES

Year	Revenue Service: Buses	Trucks	Tractors	Semi-Trailers	Trailers	Nonrevenue Service: Passenger Automobiles	Buses	Trucks	Tractors	Semi-Trailers	Trailers	Misc. Equip.
1946	5	1	6	1	10	204	7	152	8	3	15	10
1947	4	1	7	2	10	216	8	178	9	2	15	10

COMPANY SERVICE EQUIPMENT

Year	Business Cars	Derrick Cars	Steam Shovels	Bunk and Outfit Cars	Cinder Dump Cars	Water Cars	Snow Fighting Equipment	Other Company Service Equipment	Total
1946	10	20	1	1,970	377	243	190	475	3,286
1947	10	20	1	2,010	328	239	190	477	3,275

MILES OF ROAD BY STATES, DECEMBER 31, 1947

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	116.20	2.67	....	115.15	132.17	704.06
Indiana	....	....	....	....	196.59	....	196.59
Iowa	#1,199.72	535.29	.05	.04	.10	66.53	1,801.73
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	747.86	473.33	....	29.99	....	....	1,251.18
Nebraska	....	....	....	....	....	5.62	5.62
North Dakota	102.50	263.28	....	1.10	....	....	366.88
South Dakota	1,039.43	695.37	....	....	....	....	1,734.80
Washington	314.69	490.00	26.88	50.02	....	201.11	1,082.70
Wisconsin	1,039.37	499.67	....	16.58	....	32.39	1,588.01
Total	5,846.46	3,699.52	43.98	120.68	311.84	662.11	10,684.59

#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, 1947

Items	Owned Solely	Owned Jointly	Leased	Trackage Rights	Total
Miles of Road (First Main Track):					
Operated	*9,545.98	164.66	311.84	662.11	10,684.59
Not operated	12.21	....	....	....	12.21
Additional Main Tracks:					
Operated	855.12	14.28	45.43	275.60	1,190.43
Not operated	15.32	.70	....	....	16.02
Yard Tracks and Sidings:					
Operated	*3,106.87	252.31	203.70	532.20	4,095.08
Not operated	7.18	36.02	....	....	43.20
Total operated	13,507.97	431.25	560.97	1,469.91	15,970.10
Total not operated	34.71	36.72	....	....	71.43
Grand Total	13,542.68	467.97	560.97	1,469.91	16,041.53

*Miles of Road "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.

NUMBER OF EMPLOYEES AND COMPENSATION 1928–1947 INCLUSIVE

Year	Regular Employees: Average No. of Employees (Middle of Month Count)	Regular Employees: Compensation	Regular Employees: Average Compensation Per Employee	Part Time Employees: Compensation (Not Subject to Continuing Authority of Railroad)	Total Compensation All Employees: Total Compensation	Charged To: Operating Expenses	Charged To: Additions and Betterments and Other Accounts
1928	48,129	$ 81,744,769	$1,698	$135,855	$ 81,880,624	$ 75,548,543	$6,332,081
1929	47,995	83,540,420	1,741	137,631	83,678,051	76,795,279	6,882,772
1930	42,326	71,198,791	1,682	149,072	71,347,863	65,531,534	5,816,329
1931	34,569	56,871,675	1,645	150,722	57,022,397	52,891,878	4,130,519
1932	28,827	43,014,585	1,492	135,511	43,150,096	40,271,832	2,878,264
1933	26,493	39,042,823	1,474	129,469	39,172,292	36,740,362	2,431,930
1934	28,065	42,385,752	1,510	130,799	42,516,551	39,186,108	3,330,443
1935	30,109	48,398,365	1,607	139,536	48,537,901	44,788,277	3,749,624
1936	32,178	54,061,839	1,680	148,763	54,210,602	49,472,441	4,738,161
1937	32,784	56,372,965	1,720	127,669	56,500,634	51,078,213	5,422,421
1938	28,988	52,830,262	1,822	112,370	52,942,632	48,236,913	4,705,719
1939	30,224	55,042,582	1,821	122,809	55,165,391	50,465,157	4,700,234
1940	29,674	55,664,577	1,876	136,211	55,800,788	50,954,049	4,846,739
1941	31,583	63,000,300	1,995	169,287	63,169,587	57,796,806	5,372,781
1942	33,253	74,673,850	2,246	171,679	74,845,529	68,157,394	6,688,135
1943	35,377	85,217,993	2,409	178,602	85,396,595	79,260,743	6,135,852
1944	38,230	*104,576,956	2,735	*213,420	*104,790,376	96,625,162	8,165,214
1945	38,589	106,425,149	2,758	229,063	106,654,212	98,367,453	8,286,759
1946	37,203	116,746,703	3,138	246,953	116,993,656	107,551,316	9,442,340
1947	37,955	124,724,548	3,286	240,424	124,964,972	114,112,437	10,852,535

*Exclusive of back pay in 1944 applicable to 1943, in the amounts of $5,087,416, $547, and $5,087,963, respectively.

NUMBER OF EMPLOYEES AND COMPENSATION BY STATES—1947

State	Regular Employees: Average Number	Regular Employees: Total Compensation	Regular Employees: Average Compensation Per Employee	Part Time Employees Total Compensation	Total Compensation All Employees
Illinois	8,890	$ 28,945,619	$3,256	$ 68,242	$ 29,013,861
Iowa	4,343	13,959,321	3,214	26,047	13,985,368
Wisconsin	9,769	32,743,636	3,352	55,892	32,799,528
Minnesota	4,637	14,849,337	3,202	24,550	14,873,887
Michigan	251	776,979	3,096	4,181	781.160
Missouri	590	1,865,354	3,162	9,212	1,874,566
Indiana	1,025	3,378,987	3,297	6,171	3,385,158
South Dakota	2,482	7,683,373	3,096	7,820	7,691,193
North Dakota	329	890,410	2,706	2,071	892,481
Montana	2,506	8,607,562	3,435	18,939	8,626,501
Idaho	301	918,845	3,053	300	919,145
Washington	2,673	9,480,073	3,547	11,115	9,491,188
New York	38	167,588	4,410	450	168,038
All other	121	457,464	3,781	5,434	462,898
Total	37,955	$124,724,548	$3,286	$240,424	$124,964,972

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY
GENERAL BALANCE SHEET
DECEMBER 31, 1947 AND DECEMBER 31, 1946

	1947	1946	Increase	Decrease
Asset Side				
Investments:				
Road and equipment property	$28,262,105.27	$28,235,778.63	$ 26,326.64	....
Donations and grants	*200,552.33*	*155,488.94*	*45,063.39*	....
Investment in transportation property	28,061,552.94	28,080,289.69	....	$ 18,736.75
Accrued depreciation—Equipment	*58,396.84*	*59,169.77*	....	*772.93*
Investment in transportation property, less recorded depreciation	28,003,156.10	28,021,119.92	....	17,963.82
Capital and other reserve funds	19,149.95	7,557.43	11,592.52	....
Miscellaneous physical property	150,948.09	166,943.99	....	15,995.90
Affiliated companies	3.00	3.00	....	....
Total Investments, less recorded depreciation	28,173,257.14	28,195,624.34	....	22,367.20
Current Assets:				
Cash	5,293.59	9,155.78	....	3,862.19
Special deposits	1,112.05	2,933.36	....	1,821.31
Accrued accounts receivable	678,587.55	658,641.54	19,946.01	....
Total Current Assets	684,993.19	670,730.68	14,262.51	....
Deferred Assets:				
Other deferred assets	64,968.49	23,314.64	41,653.85	....
Unadjusted Debits:				
Discount on funded debt	67,086.84	52,144.17	14,942.67	....
Grand Total	$28,990,305.66	$28,941,813.83	$ 48,491.83	....
Liability Side				
Capital Stock:				
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	....	....
Long-Term Debt:				
Funded debt unmatured	23,710,000.00	23,710,000.00	....	....
Bonds held in treasury	*166,200.00*	*166,200.00*	....	....
Bonds pledged	*100,000.00*	*100,000.00*	....	....
	23,443,800.00	23,443,800.00	....	....
Amounts payable to affiliated companies	3,327,973.85	3,359,703.90	....	$ 31,730.05
Total Long-Term Debt	26,771,773.85	26,803,503.90	....	31,730.05
Current Liabilities:				
Audited vouchers	....	2,883.38	....	2,883.38
Interest matured unpaid	350,767.60	332,642.90	$ 18,124.70	....
Unmatured interest accrued	328,932.00	328,932.00	....	....
Total Current Liabilities	679,699.60	664,458.28	15,241.32	....
Deferred Liabilities:				
Other deferred liabilities	86,902.87	86,902.87	....	....
Unadjusted Credits:				
Other unadjusted credits	67,086.84	....	67,086.84	....
Surplus:				
Unearned surplus	7,612.17	7,286.25	325.92	....
Earned surplus—Unappropriated	*2,795,764.67*	*2,793,332.47*	*2,432.20*	....
Total Surplus	*2,788,152.50*	*2,786,046.22*	*2,106.28*	....
Grand Total	$28,990,305.66	$28,941,813.83	$ 48,491.83	....

Italics denote reverse items.

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY
INCOME ACCOUNT
FOR THE YEARS 1947 AND 1946

	1947	1946	Increase	Decrease
Income:				
Income from lease of road and equipment	$ 944,640.99	$ 944,027.79	$ 613.20	....
Deductions from Income:				
Interest on funded debt:				
Fixed interest	603,042.00	603,042.00	....	....
Contingent interest	328,932.00	328,932.00	....	....
Amortization of discount on funded debt	1,393.32	1,109.45	283.87	....
Maintenance of investment organization	3,010.89	3,299.48	....	$ 288.59
Miscellaneous income charges	9,241.59	10,528.24	....	1,286.65
Total Deductions from Income	945,619.80	946,911.17	....	1,291.37
Net Deficit	*$ 978.81*	*$ 2,883.38*	....	*$ 1,904.57*

EARNED SURPLUS—UNAPPROPRIATED
FOR THE YEARS 1947 AND 1946

	1947	1946	Increase	Decrease
Debit balance at beginning of year	$ 2,793,332.47	$ 2,783,846.94	$ 9,485.53	....
Debit balance transferred from income	978.81	2,883.38	....	$ 1,904.57
Miscellaneous debits	8,926.32	6,602.15	2,324.17	....
	$ 2,803,237.60	$ 2,793,332.47	$ 9,905.13	....
Miscellaneous credits	7,472.93	....	7,472.93	....
Debit Balance, December 31, carried to General Balance Sheet	$ 2,795,764.67	$ 2,793,332.47	$ 2,432.20	....

LONG-TERM DEBT, DECEMBER 31, 1947

Description of Bonds	Date of Maturity	Total	In Treasury of Company	Pledged	In Hands of Public	①Interest Accrued 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.

MILWAUKEE LAND COMPANY
GENERAL BALANCE SHEET
DECEMBER 31, 1947 AND DECEMBER 31, 1946

	1947	1946	Increase	Decrease
Asset Side				
Current Assets:				
Cash	$ 364,110.66	$ 978,386.19	....	$ 614,275.53
Notes receivable	86,509.12	84,944.87	$ 1,564.25	....
Interest accrued on notes receivable—Timber division	4,958.86	12,079.77	....	7,120.91
Interest accrued on timber sales contracts	15,873.54	18,590.48	....	2,716.94
Interest accrued on securities owned	1,581.92	....	1,581.92	....
Purchase contracts—Town lots and acreage	7,000.00	....	7,000.00	....
Audited bills—Timber division	36,990.74	33,393.67	3,597.07	....
Total Current Assets	517,024.84	1,127,394.98	....	610,370.14
Investment Securities:				
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	....	....
United States savings bonds	1,928,412.74	....	1,928,412.74	....
Total Investment Securities	2,066,972.93	138,560.19	1,928,412.74	....
Deferred Assets:				
Rent accrued—Townsite division	4.00	3.00	1.00	....
Rayonier, Inc. timber sale contracts	730,740.97	885,565.16	....	154,824.19
St. Regis Paper Co. timber sale contract	100,000.00	150,000.00	....	50,000.00
Crown Zellerbach Corp. timber sale contract	104,356.64	156,534.96	....	52,178.32
Total Deferred Assets	935,101.61	1,192,103.12	....	257,001.51
Capital Assets:				
Land and timber	2,265,782.41	2,499,733.82	....	233,951.41
Real estate—Town lots and acreage	52,799.28	65,660.81	....	12,861.53
St. Joe, Idaho powersite lands	48,308.02	48,308.02	....	....
Spokane, Wash.—Industrial tract	30,270.55	30,270.55	....	....
Reforestation lands purchased—Idaho	19,147.61	16,942.24	2,205.37	....
Reforestation lands purchased—Washington	727.04	727.04	....	....
Equipment—Automobiles .... $ 8,183.18				
Accrued depreciation *5,722.58*	2,460.60	4,110.12	....	1,649.52
Furniture and fixtures 5,101.29				
Accrued depreciation *4,399.88*	701.41	1,027.43	....	326.02
Government land scrip	1.00	1.00	....	....
South Olympic Tree Farm improvements	3,361.30	....	3,361.30	....
Total Capital Assets	2,423,559.22	2,666,781.03	....	243,221.81
Grand Total	$5,942,658.60	$5,124,839.32	$ 817,819.28	....
Liability Side				
Current Liabilities:				
Audited vouchers and payrolls	$ 4,922.60	$ 8,963.62	....	$ 4,041.02
Employees payroll deductions—Purchase of U. S. savings bonds	18.75	18.76	....	.01
Federal Insurance Contributions Act—Employees' tax deductions	74.69	....	$ 74.69	....
Taxes accrued not yet payable	301,675.22	90,556.47	211,118.75	....
Total Current Liabilities	306,691.26	99,538.85	207,152.41	....
Deferred Liabilities:				
Advances received on cutting contracts	149,683.19	144,441.79	5,241.40	....
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.	5,429,972.26	5,270,852.26	159,120.00	....
Total Deferred Liabilities	5,634,543.41	5,470,182.01	164,361.40	....
Unadjusted Credits:				
Suspense accounts	6,361.50	10,398.70	....	4,037.20
Advances billed on cutting contracts	16,994.70	16,994.70	....	....
Advances billed on coal leases	5,293.34	4,607.03	686.31	....
Total Unadjusted Credits	28,649.54	32,000.43	....	3,350.89
Capital Liabilities:				
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	....	....
Profit and Loss:				
Profit and Loss—Debit balance	*3,179,225.61*	*3,628,881.97*	....	*449,656.36*
Grand Total	$5,942,658.60	$5,124,839.32	$ 817,819.28	....

Italics denote reverse items.

MILWAUKEE LAND COMPANY INCOME ACCOUNT FOR THE YEARS 1947 AND 1946

INCOME	1947	1946	INCREASE	DECREASE
TOWNSITE DIVISION:				
SALES:				
Real estate sales	$ 66,831.00	$ 3,823.91	$ 63,173.52	
Book value of lots and acreage sold	*12,921.53*	*6,320.71*	*6,767.25*	
Gross Profit from Sales	53,909.47	*2,496.80*	56,406.27	
OTHER INCOME:				
Rents	3,867.23	2,489.58	1,377.65	
Interest and discount	120.00	37.46	82.54	
Miscellaneous income	60.00	85.00		$ 25.00
Total Other Income	4,047.23	2,612.04	1,435.19	
TOTAL INCOME—TOWNSITE DIVISION	57,956.70	115.24	57,841.46	
TIMBER DIVISION:				
SALES:				
Stumpage sales	1,158,228.89	1,029,982.81	128,246.08	
Acreage sales	5,548.00	3,564.89	1,983.11	
Sale of timber	40,331.74	25,967.85	14,363.89	
Cost of land and timber sold	*235,219.14*	*364,516.29*		*129,297.15*
Gross Profit from Sales	968,889.49	694,999.26	273,890.23	
OTHER INCOME:				
Rents	7,359.64	3,397.66	3,961.98	
Trespass	1,007.18	294.69	712.49	
Coal mine royalties	425.40	1,379.27		953.87
Interest on securities owned	15,365.97		15,365.97	
Interest on notes receivable—Timber	5,490.68	5,835.44		344.76
Interest on miscellaneous bills and other accounts	29,905.06	29,623.05	282.01	
Forfeited advances on oil leases		2,003.32		2,003.32
Royalties	2,303.64	204.98	2,098.66	
Total Other Income	61,857.57	42,738.41	19,119.16	
TOTAL INCOME—TIMBER DIVISION	1,030,747.06	737,737.67	293,009.39	
TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS	1,088,703.76	737,852.91	350,850.85	
EXPENSES				
TOWNSITE DIVISION:				
Salaries	2,831.81	2,486.28	345.53	
Salaries and expenses—Real estate department	694.08	683.84	10.24	
General office supplies and expenses	158.95	62.34	96.61	
Commissions	8.50		8.50	
Taxes accrued	1,063.45	1,747.46		684.01
Interest on notes payable	64,043.76	64,043.76		
Depreciation on furniture and fixtures	26.40	126.00		99.60
Total Expense—Townsite Division	68,826.95	69,149.68		322.73
TIMBER DIVISION:				
Fire protection	9,489.66	10,109.78		620.12
Office expense	19,753.26	20,594.58		841.32
Officers salaries	13,930.68	13,212.00	718.68	
Real estate expense	25,746.51	22,769.09	2,977.42	
Timber cutting contracts expense	34,875.38	43,754.48		8,879.10
Legal expense		50.00		50.00
Taxes accrued	365,601.26	77,445.47	288,155.79	
Interest on notes payable	95,076.24	95,076.24		
Pension account	1,200.00	798.40	401.60	
Depreciation on automobiles, furniture and fixtures	898.32	1,486.28		587.96
South Olympic Tree Farm Co. expense	371.88	351.22	20.66	
Clemons Tree Farm expense		520.13		520.13
Amortization of premium paid on U. S. bonds	3,337.26		3,337.26	
Total Expense—Timber Division	570,280.45	286,167.67	284,112.78	
TOTAL EXPENSE—TOWNSITE AND TIMBER DIVISIONS	639,107.40	355,317.35	283,790.05	
NET INCOME	$ 449,596.36	$ 382,535.56	$ 67,060.80	

MILWAUKEE LAND COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1947 AND 1946

	1947	1946	INCREASE	DECREASE
CREDITS:				
Credit balance transferred from income	$ 449,596.36	$ 382,535.56	$ 67,060.80	
Miscellaneous credits	60.00	1,680.00		$ 1,620.00
	449,656.36	384,215.56	65,440.80	
DEBITS:				
Debit balance at beginning of year	3,628,881.97	4,013,095.53		384,213.56
Miscellaneous debits		2.00		2.00
Debit balance, December 31, carried to General Balance Sheet	*$3,179,225.61*	*$3,628,881.97*		*$ 449,656.36*

Italics denote reverse items.

REPUBLIC COAL COMPANY GENERAL BALANCE SHEET DECEMBER 31, 1947 AND DECEMBER 31, 1946

	1947	1946	Increase	Decrease
Asset Side				
INVESTMENTS:				
Property investment	$1,248,996.20	$1,248,996.20		
Reserve for accrued amortization, depletion and depreciation	*1,054,380.83*	*1,032,608.35*	*$ 21,772.48*	
Net property investment	194,615.37	216,387.85		$ 21,772.48
United States savings bonds	230,870.00	180,430.00	50,440.00	
Total Investments	425,485.37	396,817.85	28,667.52	
CURRENT ASSETS:				
Cash	153,368.10	196,841.28		43,473.18
Employees' U. S. savings bonds collections	3,332.75	1,209.75	2,123.00	
Audited bills	115,134.40	69,253.69	45,880.71	
Material and supplies	62,505.73	46,808.82	15,696.91	
Total Current Assets	334,340.98	314,113.54	20,227.44	
DEFERRED ASSETS:				
Advance royalty paid Roundup Coal Mining Company	13,037.16	13,037.16		
Advance royalty paid U. S. Government	1,396.41		1,396.41	
Mine clerk's working fund	5,000.00	5,000.00		
Prepaid insurance	398.68	410.04		11.36
Total Deferred Assets	19,832.25	18,447.20	1,385.05	
UNADJUSTED DEBITS:				
Other unadjusted debits	248.00	194.00	54.00	
GRAND TOTAL	$ 779,906.60	$ 729,572.59	$ 50,334.01	
Liability Side				
CAPITAL STOCK:				
Common stock	$ 100,000.00	$ 100,000.00		
CURRENT LIABILITIES:				
Payrolls and vouchers	117,211.26	80,505.72	$ 36,705.54	
Federal insurance contributions act—Employees' tax deductions	699.39	1,136.60		$ 437.21
Employees' payroll deductions for purchase of U. S. savings bonds	1,977.25	2,206.25		229.00
Taxes accrued not yet payable	11,286.16	13,860.64		2,574.48
U. S. Government royalties accrued		503.13		503.13
Total Current Liabilities	131,174.06	98,212.34	32,961.72	
DEFERRED LIABILITIES:				
Reserve for personal injuries	42,407.55	42,204.87	202.68	
UNADJUSTED CREDITS:				
Other unadjusted credits	200.00	150.00	50.00	
PROFIT AND LOSS:				
Credit balance	506,124.99	489,005.38	17,119.61	
GRAND TOTAL	$ 779,906.60	$ 729,572.59	$ 50,334.01	

REPUBLIC COAL COMPANY INCOME ACCOUNT FOR THE YEARS 1947 AND 1946

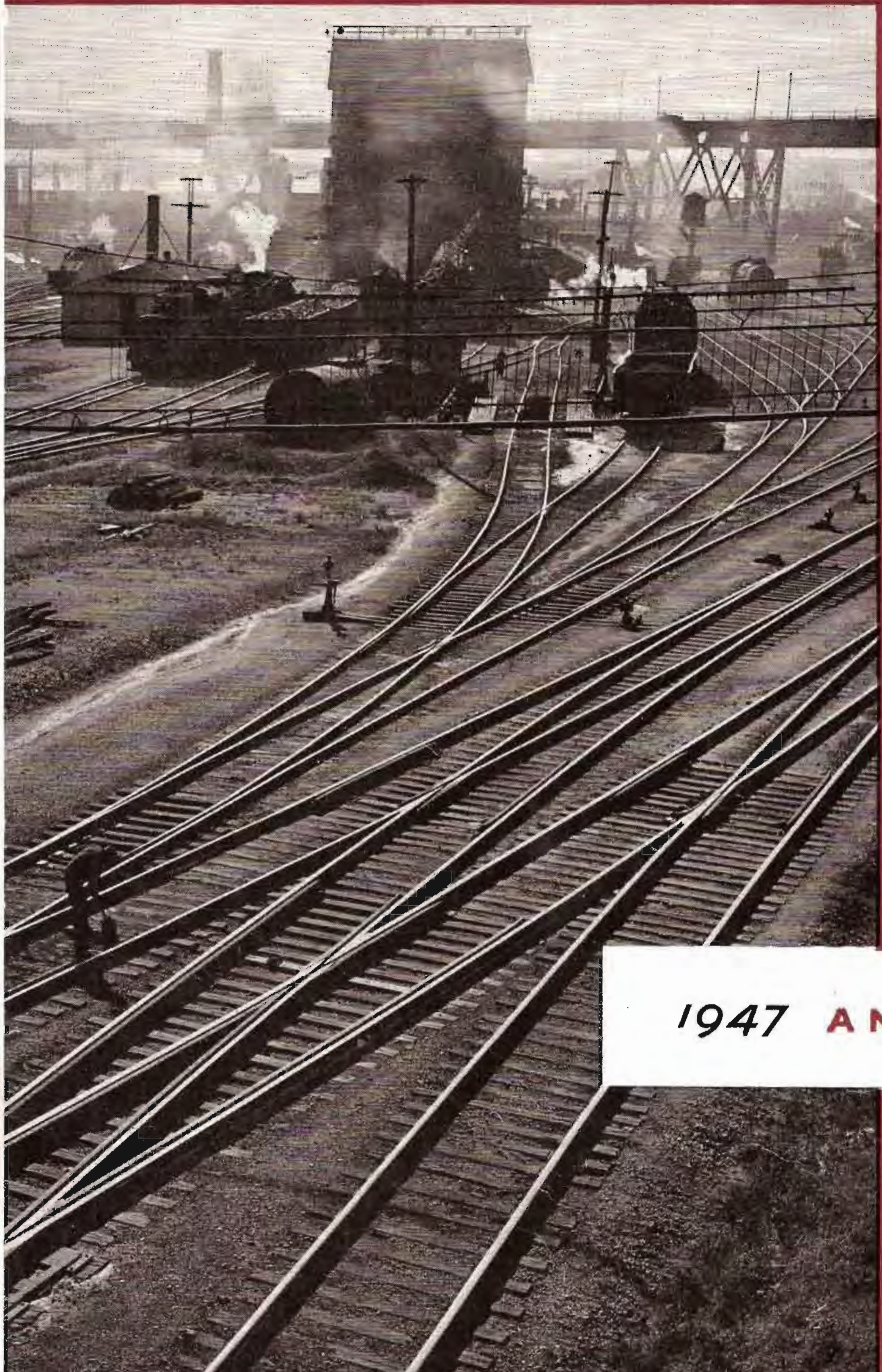
	1947	1946	Increase	Decrease
OPERATING INCOME:				
Coal sales	$1,249,972.41	$1,010,821.08	$ 239,151.33	
Operating expenses	1,180,905.14	940,089.71	240,815.43	
Taxes	59,680.90	62,669.92		$ 2,989.02
Total Expenses and Taxes	1,240,586.04	1,002,759.63	237,826.41	
NET OPERATING INCOME	9,386.37	8,061.45	1,324.92	
OTHER INCOME:				
Interest received	2,340.00	1,610.00	730.00	
Coal delivery	187.70	*25.13*	212.83	
House rents	5,438.75	5,402.00	36.75	
Income from lands	532.00	520.75	11.25	
Miscellaneous income	342.85	140.03	202.82	
Total Other Income	8,841.30	7,647.65	1,193.65	
TOTAL INCOME	18,227.67	15,709.10	2,518.57	
DEDUCTIONS FROM INCOME:				
Maintenance of tenements	434.38	628.26		193.88
Taxes—Townsite property	585.39	554.84	30.55	
Interest paid	209.20		209.20	
Total Deductions	1,228.97	1,183.10	45.87	
NET INCOME	$ 16,998.70	$ 14,526.00	$ 2,472.70	

REPUBLIC COAL COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1947 AND 1946

	1947	1946	Increase	Decrease
Credit balance at beginning of year	$ 489,005.38	$ 474,102.87	$ 14,902.51	
Credit balance transferred from income	16,998.70	14,526.00	2,472.70	
Miscellaneous credits	120.91	382.98		$ 262.07
	506,124.99	489,011.85	17,113.14	
Miscellaneous debits		6.47		6.47
Credit balance, December 31, carried to General Balance Sheet	$ 506,124.99	$ 489,005.38	$ 17,119.61	

Italics denote reverse items.

INDEX TO TABLES



CHICAGO MILWAUKEE ST. PAUL AND PACIFIC

1947 ANNUAL REPORT