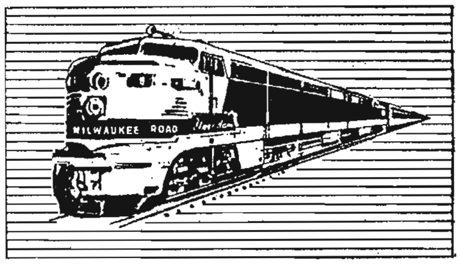
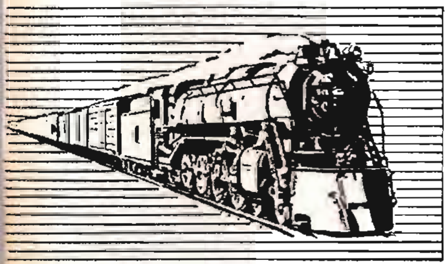
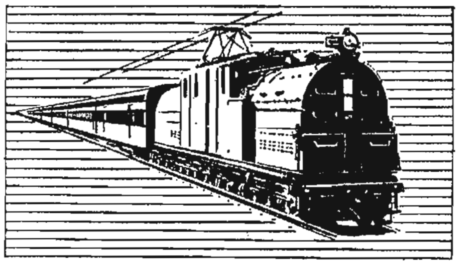



# ANNUAL REPORT

1949





CHICAGO, MILWAUKEE, ST. PAUL
AND PACIFIC RAILROAD COMPANY

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

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



## OFFICERS

| | | |
|---|---|---|
| L. T. Crowley | Chairman of the Board | Chicago |
| C. H. Buford | President | Chicago |
| A. N. Whitlock | Vice President and General Counsel | Chicago |
| J. W. Severs | Vice President—Finance and Accounting | Chicago |
| J. P. Kiley | Vice President—Operation | Chicago |
| P. H. Draver | Vice President—Traffic | Chicago |
| R. J. Marony | Vice President | New York |
| L. H. Dugan | Vice President | Seattle |
| M. L. Bluhm | General Solicitor | Chicago |
| R. S. Stephenson | Comptroller | Chicago |
| W. Kruckstein | General Auditor | Chicago |
| T. W. Burtness | Secretary | Chicago |
| F. H. Jeffrey | Treasurer | Chicago |

Transfer Agents or 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 1950. 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.

The Annual Meeting of the Stockholders will be held at 12 o'clock noon, on May 9, 1950, in Room 866 Union Station, Chicago, Illinois.

## *To the Stockholders:*

THE year 1949 witnessed some important operating changes in the railroad industry, the most outstanding of which was the advent of the 40-hour week for non-operating employes, effective September 1, 1949.

To meet the impact of the 40-hour week, a careful review was made of work assignments and a detailed program outlined so as to avoid, as much as possible, penalty payments for work performed in excess of 40 hours per week. As a result, many of our smaller stations are closed on Saturday; at the larger stations the forces are staggered or rotated and minimum forces work on Saturday. At smaller one-man stations, arrangements have been made for relief men to work the rest days of regular employes. The large freight stations and transfer platforms are closed for handling less-carload freight on Saturday. Work on maintenance of equipment is restricted to five days a week, and the same applies to maintenance of way and structures. General offices are closed on Saturday.

## *Financial Results*

NET income amounted to $4,476,982. Pursuant to the provisions of the First and General Mortgages, an appropriation in the amount of $723,982 was made for sinking fund requirements. No optional appropriation was made for the Additions and Betterments Fund.

At a meeting of the Board of Directors on February 8, 1950, a dividend of $3.25 per share on the Series A Preferred Stock of the Company was declared out of 1949 earnings, payable March 15, 1950, to holders of Voting Trust Certificates for Series A Preferred Stock of record at the close of business February 28, 1950. This dividend amounts to $3,645,655, or almost all of the unappropriated net income for the year 1949. However, the Directors felt that in view of the Company's cash position, their action in declaring this dividend was justified.

Federal income and excess profits tax returns of the Company for the years 1943 to 1947, inclusive, have been for the past three years, and still are, under examination by representatives of the Bureau of Internal Revenue. The findings of the Bureau in connection with this examination have not been issued; however, negotiations are under way in respect of certain items involved in determining taxable income, and should these matters be resolved in favor of the Company, which it is hoped will be within a reasonable time, and no other important amounts of tax deficiencies are asserted, the Company will be entitled to substantial refunds of Federal taxes, already reflected in income statements.

When there has been a final determination of the Company's claims for refund of taxes, the Board of Directors will give further consideration to the matter of payment of additional dividends on the preferred stock, in respect of certain years for which the full preferred dividend has not been paid.

## *Results of Operations—In Brief*

| | 1949 | 1948 | 1947 | 1946 |
|---|---|---|---|---|
| Railway operating revenues | $238,021,260 | $254,982,710 | $231,478,568 | $201,180,111 |
| Railway operating expenses | 202,111,827 | 210,276,587 | 186,135,168 | 171,823,263 |
| Net revenue from railway operations | 35,909,433 | 44,706,123 | 45,343,400 | 29,356,848 |
| Railway tax accruals | 19,624,000 | 21,265,000 | 21,172,000 | 11,002,000 |
| Equipment rents—Net debit | 2,847,204 | 5,548,644 | 4,844,578 | 2,733,040 |
| Joint facility rents—Net debit | 2,498,943 | 2,378,064 | 2,514,646 | 2,275,210 |
| Net railway operating income | 10,939,286 | 15,514,415 | 16,812,176 | 13,346,598 |
| Other income—Net | 2,136,133 | 1,184,423 | 1,537,468 | 1,709,605 |
| Income available for fixed charges | 13,075,419 | 16,698,838 | 18,349,644 | 15,056,203 |
| Total fixed charges | 4,176,475 | 3,854,154 | 3,560,518 | 3,524,168 |
| Income after fixed charges | 8,898,944 | 12,844,684 | 14,789,126 | 11,532,035 |
| Total other deductions (contingent charges) | 4,421,962 | 4,715,194 | 4,915,032 | 5,161,106 |
| Net income | 4,476,982 | 8,129,490 | 9,874,094 | 6,370,929 |
| Appropriations of income for sinking funds and additions and betterments fund | 723,982 | 3,217,141 | 3,218,821 | 3,194,861 |
| Remainder transferred to earned surplus—Unappropriated | $ 3,753,000 | $ 4,912,349 | $ 6,655,273 | $ 3,176,068 |
| Times fixed charges earned | 3.13 | 4.33 | 5.15 | 4.27 |
| Earnings per share—Preferred | $ 3.35 | $ 4.38 | $ 5.93 | $ 2.83 |
| Earnings per share—Common | .......... | .......... | .33 | .......... |

## *Freight Rates*

THE principal development was the final order of the Interstate Commerce Commission in Ex Parte 168.

As stated in the 1948 report, the Commission issued an order dated December 29, 1948 authorizing temporary or interim increases in freight rates and charges. These averaged for the Company approximately 4.76%.

The final order of the Commission, dated August 2, 1949, authorized increases which superseded and cancelled the interim increases. The increases finally approved, effective September 1, 1949, averaged for the Milwaukee an estimated 8.49%, or 3.73% above the interim increase.

Cost increases were offset to some extent by the freight rate increases authorized in Ex Parte 168, but increases in rates presented a greater threat than ever before of diverting traffic from the railroads to their less regulated and heavily subsidized competitors.

## *Revenues and Expenses*

OPERATING revenues for the year amounted to $238,021,260, a decrease of $16,961,450, or 6.65% compared with 1948.

Freight revenue decreased........$12,992,609, or 6.22%
Passenger revenue decreased.... 2,229,978, or 10.30%
All other revenue decreased...... 1,738,863, or 7.07%

Operating expenses were $202,111,827, a decrease of $8,164,760, or 3.88%, compared with 1948.

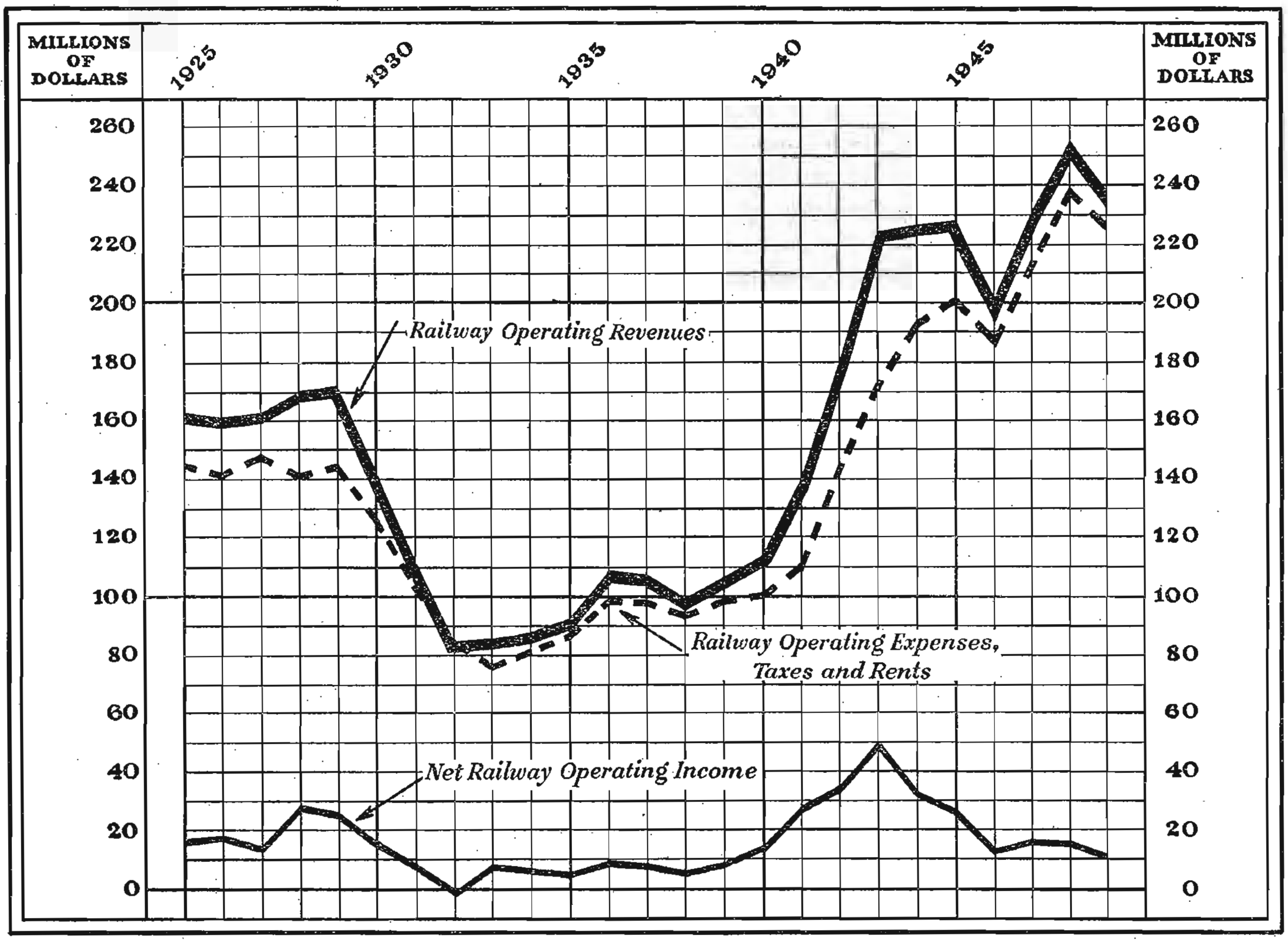
Maintenance of way and structures decreased .....................$1,125,928, or 2.87%
Maintenance of equipment decreased ............................... 128,248, or .28%
Transportation decreased .......... 6,757,392, or 6.15%
All other operating expenses decreased ............................. 153,192, or .95%

Net railway operating income amounted to $10,939,286, a decrease of $4,575,129, or 29.49%, compared with 1948.

## *Analysis of Increase and Decrease in Total Railway Operating Expenses 1949 Compared With 1948*

| Items | Maintenance of Way and Structures | Maintenance of Equipment | Transportation | All Other | Total |
|---|---|---|---|---|---|
| Labor: | | | | | |
| General wage increases | + $1,032,916 | + $ 913,859 | + $3,333,833 | + $ 415,331 | + $5,695,939 |
| Straight time worked | − 1,909,810 | − 1,223,754 | − 4,319,098 | − 322,915 | − 7,775,577 |
| Overtime worked | − 232,605 | − 1,077,917 | − 2,029,069 | − 12,578 | − 3,352,169 |
| Total Labor | − 1,109,499 | − 1,387,812 | − 3,014,334 | + 79,838 | − 5,431,807 |
| Fuel: | | | | | |
| Price | .......... | .......... | − 957,260 | .......... | − 957,260 |
| Consumption | .......... | .......... | − 1,947,671 | .......... | − 1,947,671 |
| Total Fuel | .......... | .......... | − 2,904,931 | .......... | − 2,904,931 |
| Electric power | .......... | .......... | + 12,459 | .......... | + 12,459 |
| Material—Other than fuel: | | | | | |
| Price | + 647,881 | + 273,955 | − 60,598 | + 83,043 | + 944,281 |
| Quantity | − 888,183 | − 539,602 | − 440,024 | − 345,441 | − 2,213,250 |
| Total Material other than Fuel | − 240,302 | − 265,647 | − 500,622 | − 262,398 | − 1,268,969 |
| Voucher payments for contract work | + 36,592 | − 50,173 | + 1,380 | + 3,783 | − 8,418 |
| TOTAL LABOR, MATERIAL AND VOUCHERS FOR CONTRACT WORK | − 1,313,209 | − 1,703,632 | − 6,406,048 | − 178,777 | − 9,601,666 |
| Depreciation—Road and equipment | + 179,551 | + 1,005,244 | .......... | .......... | + 1,184,795 |
| Amortizarion of defense projects | + 353 | − 373 | .......... | .......... | − 20 |
| Retirements—Road | − 22,214 | .......... | .......... | .......... | − 22,214 |
| TOTAL DEPRECIATION, AMORTIZATION AND RETIREMENTS | + 157,690 | + 1,004,871 | .......... | .......... | + 1,162,561 |
| Miscellaneous including casualties | + 29,591 | + 570,513 | − 351,344 | + 25,585 | + 274,345 |
| TOTAL RAILWAY OPERATING EXPENSES | − $1,125,928 | − $ 128,248 | − $6,757,392 | − $ 153,192 | − $8,164,760 |

## *Revenues, Expenses and Net Railway Operating Income, 1925-1949*




## *Wages and Employment*

THE average number of employes in 1949 was 35,131, compared with 38,268 in 1948, a decrease of 3137, or 8.2%.

Relations between the railroads and employes continued throughout the year to be an unsettled and disturbing part of the overall picture, and there is no indication that wage scales will soon be stabilized or demands for further concessions abated.

The 40-hour week for non-operating employes, discussed elsewhere in this report, went into effect September 1, 1949, pursuant to agreement of March 19, 1949.

Under an agreement effective July 1, 1949, railroad operating employes were granted an annual vacation of two weeks with pay after five years of service. These employes were already receiving one week vacation after one year of service.

The request of the Brotherhood of Locomotive Engineers for the assignment of an additional man on Diesel-electric locomotives was denied in recommendation of the President's Emergency Board dated April 11, 1949. Similar request of the Brotherhood of Locomotive Firemen and Enginemen was denied in the President's Emergency Board's report of September 9, 1949.

Request of the American Train Dispatchers Association for a 40-hour week and various other changes in schedule rules was disposed of by agreement of March 25, 1949, which provided for an increase of $16.80 in the monthly rates, effective October 1, 1948, and a 40-hour week with 48 hours pay, effective September 1, 1949.

The Milwaukee Road Mechanical Foremen's Association requested, July 29, 1948, a wage increase of $60 per month and revision of certain rules. By agreement of June 13, 1949, these employes were granted an increase of $25 per month, retroactive to October 1, 1948, in lieu of a 40-hour week rule.

Unsettled are:

Request of the Order of Railway Conductors and Brotherhood of Railroad Trainmen for a 40-hour week, with 48 hours pay, time and one-half for Sundays and holidays, for yard service employes, and numerous schedule rule changes, including expenses away from home, and a reduction in the basic monthly hours of stewards from 225 to 205.

Request of the Brotherhood of Locomotive Firemen and Enginemen for a 40-hour week with 48 hours pay for all firemen, helpers, hostlers and hostler helpers in yard and transfer service; and similar request of the Brotherhood of Locomotive Engineers, the latter including expenses when away from home in road service.

Request of the Order of Railway Conductors in behalf of Sleeping and Parlor Car Conductors, for many changes in schedule rules.

## *Wages and Payroll Taxes*

| Year | Wages and Payroll Taxes | Average Per Employe | % of Wages and Payroll Taxes to Operating Revenues |
|---|---|---|---|
| 1940 | $ 58,939,915 | $1,986 | 51.5% |
| 1941 | 66,809,073 | 2,115 | 47.8 |
| 1942 | 79,062,488 | 2,378 | 44.0 |
| 1943 | 95,487,676 | 2,699 | 42.5 |
| 1944 | 111,182,993 | 2,908 | 49.0 |
| 1945 | 112,751,694 | 2,922 | 49.2 |
| 1946 | 123,832,677 | 3,329 | 61.6 |
| 1947 | 134,820,486 | 3,552 | 58.2 |
| 1948 | 146,197,924 | 3,820 | 57.3 |
| 1949 | 140,538,719 | 4,000 | 59.0 |

## *Diesel Operation*

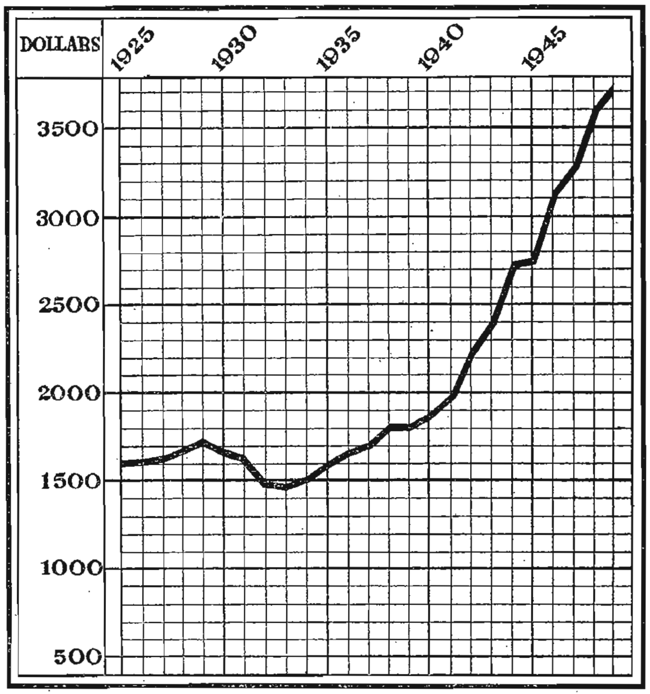
At the close of the year Diesel-electric locomotives were performing 37% of freight operation; 50% of passenger operation, and 50% of yard switching. Diesel-electric locomotives acquired during 1949 are shown on Page 9 of this report.

The following Diesel-electric locomotives were on order and undelivered at the end of the year:

15 4500 h.p. freight
6 4500 h.p. passenger
19 1000 h.p. switching

Three of the 4500 h.p. freight locomotives were received in January, 1950. With the acquisition of these 40 locomotives it is estimated the percentages of Diesel operation will be: freight, 55%; passenger, 67%; yard switching, 59%.

## *Average Annual Compensation Per Employe, 1925-1949*




## *Unprofitable Passenger Service and Branch Line Operation*

A determined effort has been made to eliminate unprofitable passenger train service. During the year there was discontinued, on an annual basis, 605,799 miles of steam, motor car, mixed train and bus service. Since the end of the year 130,670 additional miles were eliminated. The reduction in operating expenses and payroll taxes, on an out-of-pocket or relievable expense basis, is estimated at $966,000. Other unprofitable passenger services, involving 306,392 miles and estimated expenses of $203,000, on an annual basis, are at present being progressed for discontinuance.

As in past years, studies were made to determine unprofitable branch lines, taking into consideration their contribution to the revenues of the system. These studies will be continued throughout the coming year, and if the earnings record of any of these lines justify the making of an application to the Interstate Commerce Commission for authority to abandon, this will be done.

## *Reparation Cases*

REFERENCE was made in the 1948 report to the fact that there were pending before the Interstate Commerce Commission certain cases brought by the Reconstruction Finance Corporation, and a larger number of cases brought by the United States, in which it was claimed that the freight charges on certain Government freight which moved during World War II were excessive and unreasonable, and reparation was sought. One of the cases brought by the Reconstruction Finance Corporation has been tried and a decision rendered by the Interstate Commerce Commission in favor of the railroads.

Five of the cases brought by the United States have been tried in part before the Commission and evidence introduced by the Government and the railroads. It is expected that the trial of these five cases will be concluded and that they will be submitted to the Commission for decision before the summer of 1950. It is felt the showing made by the railroads at the hearing was entirely satisfactory.

## *Anti-Trust Case*

SINCE the last report, little progress has been made in the anti-trust case pending at Lincoln, Nebraska, and brought against the Association of American Railroads and western railroads, including the Milwaukee. As pointed out in the last report, the Government seeks to enjoin certain operating and rate-making practices alleged to have been followed by the Association and the railroad companies. Trial of the case has been postponed pending the final decisions upon certain applications to the Interstate Commerce Commission for the approval of agreements between or among carriers relating to rates, fares, classifications, divisions, allowances and charges and regulations pertaining thereto, and procedures for the joint consideration, initiation and establishment thereof, which applications have been filed pursuant to the so-called Reed-Bulwinkle Act enacted by Congress in the summer of 1948. The agreement filed with the Commission in behalf of the western railroads has been approved.

## *Long Term Debt Outstanding*

LONG term debt outstanding in the hands of the public as of December 31, 1949, amounted to $228,859,616, compared with $225,474,284 as of December 31, 1948, a net increase of $3,385,332.

| | | |
|---|---|---|
| *Increases:* | | |
| Equipment Trust Certificates covering purchase of equipment | | $20,740,000 |
| *Decreases:* | | |
| Funded Debt: | | |
| Purchased and cancelled during the year through operation of sinking funds— | | |
| General Mortgage 4½% Income Bonds, Series A | $944,000 | |
| Less: Bonds held in Treasury at December 31, 1948, sold to Mortgage Trustee for sinking fund and cancelled during the year | 777,000 | 167,000 |
| Purchased in the open market, surrendered to Mortgage Trustee for cancellation, and cancelled during the year— | | |
| First Mortgage 4% Bonds, Series A | | 495,000 |
| General Mortgage 4½% Income Bonds, Series A | | 610,000 |
| The Bedford Belt Ry. Co. First Mortgage Bonds | | 4,000 |
| Purchased in the open market during the year and held in Treasury— | | |
| First Mortgage 4% Bonds, Series A | | 149,000 |
| General Mortgage 4½% Income Bonds, Series A | | 915,000 |
| General Mortgage 4½% Convertible Income Bonds, Series B | | 4,523,600 |
| Chicago, Terre Haute and Southeastern Ry. Co. Income Mortgage Bonds | | 317,000 |
| Excess amount of General Mortgage 4½% Convertible Income Bonds, Series B, surrendered to Mortgage Trustee for cancellation account not required for exchanges under Plan of Reorganization | | 55,400 |
| Payments of Equipment Trust Certificates | | 6,167,000 |
| Payments of Conditional Sale Agreements covering purchase of equipment | | 3,951,668 |
| Total decrease | | $17,354,668 |
| Net increase | | $ 3,385,332 |

In carrying out the Plan of Reorganization which was consummated on December 1, 1945, there were issued $168,193,800 of Mortgage Bonds, of which $147,132,700 principal amount were outstanding as of December 31, 1949, a reduction in the interim period of $21,061,100.

Of the First Mortgage 4% Bonds, Series A, $795,000 principal amount were purchased and cancelled through operation of the sinking fund for retirement of bonds; $1,304,000 principal amount were purchased and deposited with the Trustee of the First Mortgage for cancellation, against which an equal amount of funds theretofore deposited with the Trustee in lieu of mortgaged property sold were released to the Treasury; and $151,000 principal amount were purchased in the open market and will be delivered to the Mortgage Trustee prior to April 1, 1950, in connection with the sinking fund.

Of the General Mortgage 4½% Income Bonds, Series A, $3,454,100 principal amount were purchased and cancelled through the operation of the sinking fund for retirement of bonds of Series A and Series B; $610,000 principal amount were purchased in the open market and deposited with the Trustee of the General Mortgage for cancellation, using $372,000 received from the Great Northern Railway Company for termination of Agreements for its use of this Company's line between Monroe and Carnation, Washington; and $915,000 principal amount were purchased in the open market and will be available for sale to the Mortgage Trustee prior to April 1, 1950, in connection with the sinking fund.

There have been acquired $13,776,600 principal amount of General Mortgage 4½% Convertible Income Bonds, Series B, at a cost of $7,250,775, or an average cost of 52.63% of par, which bonds are held in the Treasury; $55,400 principal amount were surrendered to the Mortgage Trustee and cancelled, account not required for exchanges under the Plan of Reorganization.

In addition to the above-described Bonds of this Company's issue, $4,000 principal amount of The Bedford Belt Railway Company First Mortgage Bonds and $317,000 principal amount of Chicago, Terre Haute and Southeastern Railway Company Income Mortgage Bonds, assumed in the acquisition of properties of the Terre Haute Company, have been acquired.

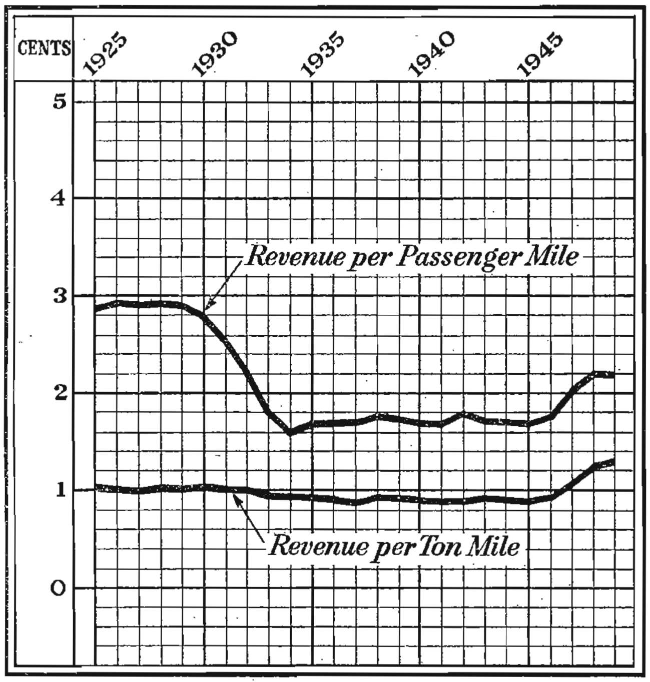
These acquisitions of issued or assumed Bonds have reduced the annual bond interest requirements in the amount of $950,142.

Your Directors have had under consideration for several years the matter of refundment of the First Mortgage Bonds at a lower interest rate but, because of unfavorable market conditions, it has not been possible to do this. However, the program of acquiring General Mortgage 4½% Convertible Income Bonds, Series B, at favorable prices has resulted in a larger interest saving than would be possible through the refundment of the First Mortgage Bonds, but it is hoped that market conditions will become more stable and that it will be possible to refund these bonds at some future time.

## *Industrial Development*

DURING the year 258 new industries were located adjoining the Milwaukee Road and when in operation will produce estimated annual freight revenue of $2,669,798. There were 112 expansions of existing industries which it is expected will produce an increase of $1,101,088 in annual freight revenue. During the year 57 industries with an annual freight revenue of $750,220 discontinued operation.

## *Revenue Per Passenger and Ton Mile, 1925-1949*



## *Source of Revenues by Services and Classes of Traffic*

| Services and Classes of Traffic | Percentages of Grand Total | Percentages of Services |
|---|---|---|
| FREIGHT SERVICE | | |
| Freight Traffic | | |
| Manufactured articles | 35.1% | 40.8% |
| Wheat, grain, products of agriculture | 15.9 | 18.4 |
| Coal, ore, products of mines | 10.2 | 11.9 |
| Lumber, products of forests | 9.3 | 10.8 |
| Livestock, products of animals | 6.2 | 7.3 |
| L.C.L. traffic | 3.3 | 3.9 |
| Forwarder traffic | 2.1 | 2.4 |
| Total Freight Traffic | 82.1 | 95.5 |
| Other Freight Service | | |
| Switching | 2.2 | 2.6 |
| Joint facility—Net Cr. | .8 | .9 |
| Demurrage | .3 | .3 |
| All other | .6 | .7 |
| Total Other Freight Service | 3.9 | 4.5 |
| Total Freight Service | 86.0 | 100.0 |
| PASSENGER SERVICE | | |
| Passenger Traffic | | |
| Passengers in coaches | 5.3 | 38.0 |
| Passengers in parlor and sleeping cars | 2.8 | 20.1 |
| Total Passenger Traffic | 8.1 | 58.1 |
| Other Passenger Service | | |
| Mail | 2.7 | 19.3 |
| Express | 1.3 | 9.5 |
| Dining and buffet | .9 | 6.0 |
| All other | 1.0 | 7.1 |
| Total Other Passenger Service | 5.9 | 41.9 |
| Total Passenger Service | 14.0 | 100.0 |
| Freight, Passenger & Other Services | 100.0 | |

## *Mail Pay*

THE railroads originally petitioned the Interstate Commerce Commission, on February 19, 1947, for a 45% increase in rates. A temporary increase of 25%, was authorized on December 23, 1947.

Supplemental petitions were filed June 28, 1948, for an additional 20%, and on March 24, 1949 and December 30, 1949, each for a further 15% increase, making a total increase requested of 95%.

Hearings began before the Commission in January, 1950 on the petition of the railroads for a further interim increase of 35%, in addition to the first interim increase of 25%, pending such time as the Post Office Department is ready to proceed with the main case.

The joint study of railroad mail-carrying costs, relating to the respective costs of head-end and passenger-carrying services, undertaken by the railroads and the Post Office Department in the Fall of 1948 was nearing completion at the end of 1949.

## *Agricultural Conditions*

DUE largely to a widespread drouth condition in the northern Great Plains area, an increase in corn borer infestation and a very damaging wind storm in the Corn Belt in October, Milwaukee-served States harvested 15% less wheat, 12% less corn and 13% less oats in 1949 than in 1948.

The 1949 drouth in the western Dakotas and eastern Montana forced ranchmen to sell a larger number of cattle and sheep than are usually sold in a normal year thereby reducing their breeding herds and flocks an estimated 40%. During the late summer, fall and early winter, 27% more feeder cattle and 6% more sheep and lambs were shipped into the Corn Belt for fattening than a year ago.

Agricultural prospects for 1950 are somewhat less hopeful than they were at the beginning of 1949. Soil moisture conditions are spotted, with sizeable deficient areas in the western Dakotas and eastern Montana. Because of mounting crop surpluses, the Government has set acreage allotments limiting the acres farmers may sow or plant to wheat, corn and potatoes, and may likewise limit the production of other crops. Yet, with an average crop, plus the grains, corn and cotton in storage and under purchase agreement, there can well be the largest potential crop tonnages on record for movement before the end of 1950.

## *Centennial Celebration*

OPENING OUR SECOND CENTURY
* 1950 *

THE Public Relations Department laid plans during the year for the observance in 1950 of the railroad's Second Century of Service. Operation of the original predecessor company began on November 20, 1850 with the running of a train a distance of five miles from Milwaukee to Wauwatosa, Wisconsin.

The medallion developed by this department for the purpose of calling public attention to the Centennial carries a symbolic figure of Hiawatha and implies by the words "Opening Our Second Century" that The Milwaukee Road is definitely looking to the future rather than the past.

The Centennial will be marked by luncheon or dinner meetings sponsored by civic clubs in about one hundred communities at which officers of the railroad will make addresses. A 48-page booklet titled "Four Generations on the Line," telling the one hundred year story of the railroad in semi-fiction form, will be distributed during the centennial year among Milwaukee patrons, employes, foreign line traffic representatives, on-line newspapers, radio stations, educational institutions and libraries, and to all who attend the Milwaukee Road Centennial Day meetings.

## *Additions and Betterments*

During the year charges were made to Investment Account for road and equipment aggregating $36,458,857, which includes improvements to road property and existing equipment of $9,074,863, which latter amount includes a charge of $1,159,362 for the construction of a four track Diesel house in Milwaukee, Wisconsin and a two-stall addition to the Diesel house in Chicago, Illinois; and new equipment costing $27,383,994.

## *Equipment*

Purchased and delivered during the year:

19—1000 H.P. Diesel-electric switching locomotives
4—1500 " " " " "
1—2000 " " " transfer locomotive
1—1500 " " " (unit) freight locomotive
6—4500 " " " freight locomotives
6—6000 " " " " "
6—Pullman standard sleeping cars (balance of order of 28)
38—Pullman standard sleeping cars (second hand)
255—70-ton covered hopper cars

Constructed at Company shops and placed in service during the year:

1806—40′6″ 50-ton box cars
2200—41′6″ 50-ton gondola cars
200—40′ 40-ton skeleton log flat cars
50—cabooses

## *Improvement Budget for 1950*

The Improvement Budget for 1950 was given careful consideration by the Budget Committee and the Board of Directors, in the light of current situations affecting the railroad industry, and we have programmed only such expenditures as are necessary to preserve maintenance of the property and safety. It is our present estimate that the funds with which to carry out the budget will be available from depreciation, salvage, and retirement charges to operating expenses. At this time it is not thought necessary to make an appropriation out of the earnings for the year 1950. No new freight or passenger cars will be constructed or acquired during the year 1950, as it is believed our present ownership is sufficient to meet the traffic demands during the year.

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We are grateful for the loyalty and splendid efforts put forth by the members of the Milwaukee family in meeting the problems and difficulties which have confronted us.

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Chairman of the Board

President

By Order of the Board of Directors
March 31, 1950

*ACCOUNTANTS' REPORT*

# ERNST & ERNST

**ACCOUNTANTS AND AUDITORS**

Board of Directors,
Chicago, Milwaukee, St. Paul and
Pacific Railroad Company.

We have examined the balance sheet of CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY as of December 31, 1949, and the related statements of income and surplus, and of available net income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the records and of the accounting procedures as we considered necessary in the circumstances.

Attention is directed to Notes D and G to the financial statements relative to the status of federal taxes on income and certain claims for reparation of freight charges instituted by the Government of the United States.

In our opinion, subject to the ultimate disposition of the contingencies referred to in the above paragraph, the accompanying balance sheet and statements of income and earned surplus present fairly the financial position of CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY at December 31, 1949, and the results of its operations for the year then ended on the basis of principles of accounting which are in conformity with the regulations and accounting classification prescribed by the Interstate Commerce Commission. Also, it is our opinion that the statement of available net income and application thereof fairly summarizes the computation of "available net income" for the year ended December 31, 1949, in conformity with the provisions of the First Mortgage and General Mortgage indentures.

ERNST & ERNST
Certified Public Accountants.

Chicago, Illinois,
February 26, 1950.

## STATEMENT OF INCOME FOR THE YEARS 1949-1945

| | 1949 | 1948 | 1947 | 1946 | 1945 |
|---|---|---|---|---|---|
| **Railway Operating Revenues:** | | | | | |
| Freight | $195,728,630 | $208,721,239 | $187,064,309 | $152,186,983 | $168,950,558 |
| Passenger | 19,420,606 | 21,650,584 | 21,327,973 | 28,313,790 | 37,107,494 |
| Mail | 6,538,810 | 5,685,278 | 4,912,808 | 3,644,524 | 3,442,374 |
| Express | 3,187,827 | 4,257,147 | 4,500,133 | 4,836,305 | 5,916,488 |
| Switching | 5,272,931 | 5,781,015 | 4,857,905 | 3,950,919 | 3,897,616 |
| All other | 7,872,456 | 8,887,447 | 8,815,440 | 8,247,590 | 9,632,406 |
| Total | 238,021,260 | 254,982,710 | 231,478,568 | 201,180,111 | 228,946,936 |
| **Railway Operating Expenses:** | | | | | |
| Maintenance of way and structures | 38,107,287 | 39,233,215 | 37,772,609 | 33,314,918 | 44,931,431 |
| Maintenance of equipment | 44,941,984 | 45,070,232 | 36,963,419 | 35,725,718 | 51,029,360 |
| Traffic | 5,085,731 | 4,856,384 | 4,643,072 | 4,022,296 | 3,592,877 |
| Transportation | 103,069,696 | 109,827,088 | 96,469,711 | 88,671,807 | 78,764,472 |
| Miscellaneous | 3,160,729 | 3,324,018 | 3,212,970 | 3,289,054 | 2,802,024 |
| General | 7,746,400 | 7,965,650 | 7,073,387 | 6,799,470 | 5,739,253 |
| Total | 202,111,827 | 210,276,587 | 186,135,168 | 171,823,263 | 186,859,417 |
| Net Revenue from Railway Operations | 35,909,433 | 44,706,123 | 45,343,400 | 29,356,848 | 42,087,519 |
| **Taxes and Rents:** | | | | | |
| Federal income taxes (Note D) | 2,887,000 | 4,444,000 | 3,165,000 | *3,459,813* | *991,000* |
| Other taxes | 16,737,000 | 16,821,000 | 18,007,000 | 14,461,813 | 13,058,000 |
| Equipment rents—net charge | 2,847,204 | 5,548,644 | 4,844,578 | 2,733,040 | 1,116,152 |
| Joint facility rents—net charge | 2,498,943 | 2,378,064 | 2,514,646 | 2,275,210 | 2,322,037 |
| Total | 24,970,147 | 29,191,708 | 28,531,224 | 16,010,250 | 15,505,189 |
| Net Railway Operating Income | 10,939,286 | 15,514,415 | 16,812,176 | 13,346,598 | 26,582,330 |
| **Other Income, Less Deductions** | 2,136,133 | 1,184,423 | 1,537,468 | 1,709,605 | 2,227,077 |
| Income Available for Fixed Charges | 13,075,419 | 16,698,838 | 18,349,644 | 15,056,203 | 28,809,407 |
| **Fixed Charges:** | | | | | |
| Rent for leased roads and equipment | 708 | 614,826 | 616,277 | 615,804 | 1,108,656 |
| Interest on funded debt—fixed | 4,081,249 | 3,154,667 | 2,899,249 | 2,882,981 | 2,896,740 |
| Interest on unfunded debt | 19,814 | 36,237 | 18,927 | 11,050 | 11,296 |
| Amortization of discount on funded debt | 74,704 | 48,424 | 26,065 | 14,333 | 10,973 |
| Total | 4,176,475 | 3,854,154 | 3,560,518 | 3,524,168 | 4,027,665 |
| Income after Fixed Charges | 8,898,944 | 12,844,684 | 14,789,126 | 11,532,035 | 24,781,742 |
| **Contingent Charges:** | | | | | |
| Interest on general mortgage income bonds | 4,100,125 | 4,386,262 | 4,586,100 | 4,832,174 | 4,867,412 |
| Interest on modified Terre Haute bonds | 321,837 | .......... | .......... | .......... | .......... |
| Rent for leased road and equipment (contingent interest on Chicago, Terre Haute and Southeastern Railway Company bonds) | .......... | 328,932 | 328,932 | 328,932 | .......... |
| Total | 4,421,962 | 4,715,194 | 4,915,032 | 5,161,106 | 4,867,412 |
| Net Income | $ 4,476,982 | $ 8,129,490 | $ 9,874,094 | $ 6,370,929 | $ 19,914,330 |
| **Disposition of Net Income** | | | | | |
| Appropriated for additions and betterments fund | .......... | $ 2,500,000 | $ 2,500,000 | $ 2,500,000 | $ 5,144,238 |
| Appropriated for sinking funds | 723,982 | 717,141 | 718,821 | 694,861 | 692,181 |
| Transferred to unappropriated surplus | 3,753,000 | 4,912,349 | 6,655,273 | 3,176,068 | 14,077,911 |
| Total | $ 4,476,982 | $ 8,129,490 | $ 9,874,094 | $ 6,370,929 | $ 19,914,330 |

*Italics* denote credits.
See notes to the financial statements.

## COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1949 AND DECEMBER 31, 1948

| Assets | December 31, 1949 | December 31, 1948 | Net Change During Year + Increase − Decrease | |
|---|---|---|---|---|
| **Investments:** | | | | |
| Road and equipment property—Note A: | | | | |
| Road | $601,204,800.56 | $594,826,697.61 | + | $ 6,378,102.95 |
| Equipment | 267,147,912.56 | 251,810,426.04 | + | 15,337,486.52 |
| General expenditures | 40,795,462.21 | 40,880,185.74 | − | 84,723.53 |
| Improvements on leased property | 631,121.91 | 728,568.91 | − | 97,447.00 |
| Total | 909,779,297.24 | 888,245,878.30 | + | 21,533,418.94 |
| Less: | | | | |
| Acquisition adjustment | *167,656,386.00* | *168,212,722.47* | − | *556,336.47* |
| Donations and grants | *1,114,400.37* | *627,958.86* | + | *486,441.51* |
| Investment in Transportation Property | 741,008,510.87 | 719,405,196.97 | + | 21,603,313.90 |
| Accrued depreciation—road property | *70,924,796.39* | *67,397,764.77* | + | *3,527,031.62* |
| Accrued depreciation—equipment | *121,623,987.54* | *119,256,489.89* | + | *2,367,497.65* |
| Accrued amortization of defense projects—road property | *2,210,366.04* | *2,150,645.83* | + | *59,720.21* |
| Accrued amortization of defense projects—equipment | *20,383,995.48* | *20,018,215.92* | + | *365,779.56* |
| Investment in Transportation Property Less Recorded Depreciation and Amortization | 525,865,365.42 | 510,582,080.56 | + | 15,283,284.86 |
| Capital, sinking, and other reserve funds—Note B | 8,260,575.96 | 12,155,234.16 | − | 3,894,658.20 |
| Miscellaneous physical property (less accrued depreciation at December 31, 1949—$1,974,607.76; at December 31, 1948—$2,317,335.78) | 6,614,604.28 | 7,062,341.80 | − | 447,737.52 |
| Investments in affiliated companies—Note C: | | | | |
| Stocks (less reserve for adjustment of investment—$64,458.94) | 4,894,917.36 | 4,894,917.36 | .. | ............ |
| Bonds, unsecured notes and investment advances | 9,574,384.20 | 9,296,596.37 | + | 277,787.83 |
| Other investments: | | | | |
| Stocks | 7,785.00 | 7,679.00 | + | 106.00 |
| Bonds, ($12,960,000.00 United States Treasury 2% Bonds, due September 15, 1952/50)—at cost, less amortized premium | 13,182,362.31 | 13,264,465.35 | − | 82,103.04 |
| Note and advance | 500.00 | 6,817.00 | − | 6,317.00 |
| Total Investments | 568,400,494.53 | 557,270,131.60 | + | 11,130,362.93 |
| **Current Assets:** | | | | |
| Cash | 24,502,546.99 | 25,561,126.30 | − | 1,058,579.31 |
| Temporary cash investments (United States Government obligations)—at cost | 15,869,000.00 | 21,402,000.00 | − | 5,533,000.00 |
| Special deposits (cash and United States Government obligations reserved for payment of specific current liabilities) | 3,895,377.28 | 4,253,580.79 | − | 358,203.51 |
| Note receivable | ............... | 169,368.00 | − | 169,368.00 |
| Net balance receivable from agents and conductors | 3,939,408.15 | 3,701,540.59 | + | 237,867.56 |
| Miscellaneous accounts receivable | 4,994,770.35 | 6,872,127.62 | − | 1,877,357.27 |
| Material and supplies inventories—at cost | 22,820,062.85 | 27,230,405.98 | − | 4,410,343.13 |
| Interest and dividends receivable | 451,511.76 | 261,953.84 | + | 189,557.92 |
| Accrued accounts receivable | 4,007,856.77 | 4,281,121.08 | − | 273,264.31 |
| Claims for refund of federal taxes on income—Note D | 8,335,200.90 | 7,945,416.61 | + | 389,784.29 |
| Other current assets | 178,301.00 | 307,128.09 | − | 128,827.09 |
| Total Current Assets | 88,994,036.05 | 101,985,768.90 | − | 12,991,732.85 |
| **Deferred Assets:** | | | | |
| Working fund advances | 805,597.41 | 686,466.75 | + | 119,130.66 |
| Other deferred assets | 2,487,096.16 | 962,109.01 | + | 1,524,987.15 |
| Total Deferred Assets | 3,292,693.57 | 1,648,575.76 | + | 1,644,117.81 |
| **Unadjusted Debits:** | | | | |
| Prepayments | 268,336.19 | 83,514.14 | + | 184,822.05 |
| Discount on funded debt | 736,554.04 | 645,088.38 | + | 91,465.66 |
| Other unadjusted debits | 1,230,048.91 | 1,741,250.13 | − | 511,201.22 |
| Total Unadjusted Debits | 2,234,939.14 | 2,469,852.65 | − | 234,913.51 |
| | $662,922,163.29 | $663,374,328.91 | − | $ 452,165.62 |

*Italics* denote deductions.
See notes to the financial statements.

COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1949 AND DECEMBER 31, 1948

| Liabilities | December 31, 1949 | December 31, 1948 | Net Change During Year + Increase − Decrease | |
|---|---|---|---|---|
| **Capital Stock:** | | | | |
| Common stock—no par value (stated value—$100.00 per share): | | | | |
| Authorized (including 514,221 shares reserved for conversion of General Mortgage Bonds, Series B)—2,637,450 shares | | | | |
| Issued and outstanding—2,123,214 shares | $212,321,400.00 | $212,321,400.00 | .. | ............ |
| Preferred stock—par value $100.00 per share (5% participating—Note E): | | | | |
| Authorized—1,150,000 shares | | | | |
| Issued and outstanding—1,121,740 shares | 112,174,000.00 | 112,174,000.00 | .. | ............ |
| Total Capital Stock | 324,495,400.00 | 324,495,400.00 | .. | ............ |
| **Long-Term Debt (after Deducting Bonds Held by The Company):** | | | | |
| Chicago, Milwaukee, St. Paul and Pacific Railroad Company: | | | | |
| First Mortgage 4% Bonds, Series A, due January 1, 1994 | 57,265,100.00 | 57,909,100.00 | − | $ 644,000.00 |
| General Mortgage 4½% Income Bonds, Series A, due January 1, 2019 | 52,277,500.00 | 53,969,500.00 | − | 1,692,000.00 |
| General Mortgage 4½% Convertible Income Bonds, Series B, due January 1, 2044 | 37,590,100.00 | 42,169,100.00 | − | 4,579,000.00 |
| The Bedford Belt Railway Company First Mortgage Bonds, due January 1, 1994 | 246,000.00 | 250,000.00 | − | 4,000.00 |
| The Southern Indiana Railway Company First Mortgage Bonds, due January 1, 1994 | 7,287,000.00 | 7,287,000.00 | .. | ............ |
| Chicago, Terre Haute and Southeastern Railway Company: | | | | |
| First and Refunding Mortgage Bonds, due January 1, 1994 | 8,056,000.00 | 8,056,000.00 | .. | ............ |
| Income Mortgage Bonds, due January 1, 1994 | 6,018,800.00 | 6,335,800.00 | − | 317,000.00 |
| Equipment obligations (maturities due in 1950—$7,372,816.49 against which special reserve funds in the amount of $936,000.00 are available) | 60,119,115.65 | 49,497,783.62 | + | 10,621,332.03 |
| Total Long-Term Debt | 228,859,615.65 | 225,474,283.62 | + | 3,385,332.03 |
| **Current Liabilities:** | | | | |
| Traffic and car-service balances—net payable | 5,044,527.59 | 5,072,313.69 | − | 27,786.10 |
| Audited accounts and wages payable | 12,479,663.50 | 16,347,091.39 | − | 3,867,427.89 |
| Miscellaneous accounts payable | 3,878,313.99 | 4,360,392.28 | − | 482,078.29 |
| Interest matured unpaid | 1,911,217.58 | 1,931,941.13 | − | 20,723.55 |
| Dividends matured unpaid | 393,579.50 | 406,279.50 | − | 12,700.00 |
| Unmatured interest accrued | 4,622,275.38 | 4,844,783.96 | − | 222,508.58 |
| Accrued accounts payable | 3,227,484.88 | 4,998,991.70 | − | 1,771,506.82 |
| Taxes accrued (including for federal taxes on income— at December 31, 1949—$3,221,464.48; at December 31, 1948—$5,278,442.64) | 11,047,203.89 | 12,588,949.43 | − | 1,541,745.54 |
| Other current liabilities | 2,237,223.69 | 2,751,592.79 | − | 514,369.10 |
| Total Current Liabilities | 44,841,490.00 | 53,302,335.87 | − | 8,460,845.87 |
| **Deferred Liabilities** | 882,390.44 | 953,596.35 | − | 71,205.91 |
| **Unadjusted Credits:** | | | | |
| Premium on funded debt | 3,467.81 | 6,471.00 | − | 3,003.19 |
| Accrued depreciation on leased property | 236,740.90 | 279,345.16 | − | 42,604.26 |
| Reserve for loss and damage and freight overcharge claims | 2,324,077.07 | 1,175,927.39 | + | 1,148,149.68 |
| Other unadjusted credits | 1,868,522.16 | 2,092,530.13 | − | 224,007.97 |
| Total Unadjusted Credits | 4,432,807.94 | 3,554,273.68 | + | 878,534.26 |
| **Earned Surplus (Since January 1, 1944)—Note E:** | | | | |
| Appropriated surplus | 19,545,578.43 | 19,538,372.18 | + | 7,206.25 |
| Unappropriated surplus | 39,864,880.83 | 36,056,067.21 | + | 3,808,813.62 |
| Total Earned Surplus | 59,410,459.26 | 55,594,439.39 | + | 3,816,019.87 |
| | $662,922,163.29 | $663,374,328.91 | − | $ 452,165.62 |

See notes to the financial statements.

## COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1949 AND DECEMBER 31, 1948

| Assets | December 31, 1949 | December 31, 1948 | | Net Change During Year + Increase − Decrease |
|---|---|---|---|---|
| **Investments:** | | | | |
| Road and equipment property—Note A: | | | | |
| Road | $601,204,800.56 | $594,826,697.61 | + | $ 6,378,102.95 |
| Equipment | 267,147,912.56 | 251,810,426.04 | + | 15,337,486.52 |
| General expenditures | 40,795,462.21 | 40,880,185.74 | − | 84,723.53 |
| Improvements on leased property | 631,121.91 | 728,568.91 | − | 97,447.00 |
| Total | 909,779,297.24 | 888,245,878.30 | + | 21,533,418.94 |
| Less: | | | | |
| Acquisition adjustment | *167,656,386.00* | *168,212,722.47* | − | *556,336.47* |
| Donations and grants | *1,114,400.37* | *627,958.86* | + | *486,441.51* |
| Investment in Transportation Property | 741,008,510.87 | 719,405,196.97 | + | 21,603,313.90 |
| Accrued depreciation—road property | *70,924,796.39* | *67,397,764.77* | + | *3,527,031.62* |
| Accrued depreciation—equipment | *121,623,987.54* | *119,256,489.89* | + | *2,367,497.65* |
| Accrued amortization of defense projects—road property | *2,210,366.04* | *2,150,645.83* | + | *59,720.21* |
| Accrued amortization of defense projects—equipment | *20,383,995.48* | *20,018,215.92* | + | *365,779.56* |
| Investment in Transportation Property Less Recorded Depreciation and Amortization | 525,865,365.42 | 510,582,080.56 | + | 15,283,284.86 |
| Capital, sinking, and other reserve funds—Note B | 8,260,575.96 | 12,155,234.16 | − | 3,894,658.20 |
| Miscellaneous physical property (less accrued depreciation at December 31, 1949—$1,974,607.76; at December 31, 1948—$2,317,335.78) | 6,614,604.28 | 7,062,341.80 | − | 447,737.52 |
| Investments in affiliated companies—Note C: | | | | |
| Stocks (less reserve for adjustment of investment—$64,458.94) | 4,894,917.36 | 4,894,917.36 | .. | ............ |
| Bonds, unsecured notes and investment advances | 9,574,384.20 | 9,296,596.37 | + | 277,787.83 |
| Other investments: | | | | |
| Stocks | 7,785.00 | 7,679.00 | + | 106.00 |
| Bonds, ($12,960,000.00 United States Treasury 2% Bonds, due September 15, 1952/50)—at cost, less amortized premium | 13,182,362.31 | 13,264,465.35 | − | 82,103.04 |
| Note and advance | 500.00 | 6,817.00 | − | 6,317.00 |
| Total Investments | 568,400,494.53 | 557,270,131.60 | + | 11,130,362.93 |
| **Current Assets:** | | | | |
| Cash | 24,502,546.99 | 25,561,126.30 | − | 1,058,579.31 |
| Temporary cash investments (United States Government obligations)—at cost | 15,869,000.00 | 21,402,000.00 | − | 5,533,000.00 |
| Special deposits (cash and United States Government obligations reserved for payment of specific current liabilities) | 3,895,377.28 | 4,253,580.79 | − | 358,203.51 |
| Note receivable | ............... | 169,368.00 | − | 169,368.00 |
| Net balance receivable from agents and conductors | 3,939,408.15 | 3,701,540.59 | + | 237,867.56 |
| Miscellaneous accounts receivable | 4,994,770.35 | 6,872,127.62 | − | 1,877,357.27 |
| Material and supplies inventories—at cost | 22,820,062.85 | 27,230,405.98 | − | 4,410,343.13 |
| Interest and dividends receivable | 451,511.76 | 261,953.84 | + | 189,557.92 |
| Accrued accounts receivable | 4,007,856.77 | 4,281,121.08 | − | 273,264.31 |
| Claims for refund of federal taxes on income—Note D | 8,335,200.90 | 7,945,416.61 | + | 389,784.29 |
| Other current assets | 178,301.00 | 307,128.09 | − | 128,827.09 |
| Total Current Assets | 88,994,036.05 | 101,985,768.90 | − | 12,991,732.85 |
| **Deferred Assets:** | | | | |
| Working fund advances | 805,597.41 | 686,466.75 | + | 119,130.66 |
| Other deferred assets | 2,487,096.16 | 962,109.01 | + | 1,524,987.15 |
| Total Deferred Assets | 3,292,693.57 | 1,648,575.76 | + | 1,644,117.81 |
| **Unadjusted Debits:** | | | | |
| Prepayments | 268,336.19 | 83,514.14 | + | 184,822.05 |
| Discount on funded debt | 736,554.04 | 645,088.38 | + | 91,465.66 |
| Other unadjusted debits | 1,230,048.91 | 1,741,250.13 | − | 511,201.22 |
| Total Unadjusted Debits | 2,234,939.14 | 2,469,852.65 | − | 234,913.51 |
| | $662,922,163.29 | $663,374,328.91 | − | $ 452,165.62 |

*Italics* denote deductions.
See notes to the financial statements.

## COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1949 AND DECEMBER 31, 1948

| Liabilities | December 31, 1949 | December 31, 1948 | Net Change During Year + Increase − Decrease | |
|---|---|---|---|---|
| **Capital Stock:** | | | | |
| Common stock—no par value (stated value—$100.00 per share): | | | | |
| Authorized (including 514,221 shares reserved for conversion of General Mortgage Bonds, Series B)—2,637,450 shares | | | | |
| Issued and outstanding—2,123,214 shares | $212,321,400.00 | $212,321,400.00 | .. | ........... |
| Preferred stock—par value $100.00 per share (5% participating—Note E): | | | | |
| Authorized—1,150,000 shares | | | | |
| Issued and outstanding—1,121,740 shares | 112,174,000.00 | 112,174,000.00 | .. | ........... |
| Total Capital Stock | 324,495,400.00 | 324,495,400.00 | .. | ........... |
| **Long-Term Debt (after deducting Bonds held by the Company):** | | | | |
| Chicago, Milwaukee, St. Paul and Pacific Railroad Company: | | | | |
| First Mortgage 4% Bonds, Series A, due January 1, 1994 | 57,265,100.00 | 57,909,100.00 | − | $ 644,000.00 |
| General Mortgage 4½% Income Bonds, Series A, due January 1, 2019 | 52,277,500.00 | 53,969,500.00 | − | 1,692,000.00 |
| General Mortgage 4½% Convertible Income Bonds, Series B, due January 1, 2044 | 37,590,100.00 | 42,169,100.00 | − | 4,579,000.00 |
| The Bedford Belt Railway Company First Mortgage Bonds, due January 1, 1994 | 246,000.00 | 250,000.00 | − | 4,000.00 |
| The Southern Indiana Railway Company First Mortgage Bonds, due January 1, 1994 | 7,287,000.00 | 7,287,000.00 | .. | ........... |
| Chicago, Terre Haute and Southeastern Railway Company: | | | | |
| First and Refunding Mortgage Bonds, due January 1, 1994 | 8,056,000.00 | 8,056,000.00 | .. | ........... |
| Income Mortgage Bonds, due January 1, 1994 | 6,018,800.00 | 6,335,800.00 | − | 317,000.00 |
| Equipment obligations (maturities due in 1950—$7,372,816.49 against which special reserve funds in the amount of $936,000.00 are available) | 60,119,115.65 | 49,497,783.62 | + | 10,621,332.03 |
| Total Long-Term Debt | 228,859,615.65 | 225,474,283.62 | + | 3,385,332.03 |
| **Current Liabilities:** | | | | |
| Traffic and car-service balances—net payable | 5,044,527.59 | 5,072,313.69 | − | 27,786.10 |
| Audited accounts and wages payable | 12,479,663.50 | 16,347,091.39 | − | 3,867,427.89 |
| Miscellaneous accounts payable | 3,878,313.99 | 4,360,392.28 | − | 482,078.29 |
| Interest matured unpaid | 1,911,217.58 | 1,931,941.13 | − | 20,723.55 |
| Dividends matured unpaid | 393,579.50 | 406,279.50 | − | 12,700.00 |
| Unmatured interest accrued | 4,622,275.38 | 4,844,783.96 | − | 222,508.58 |
| Accrued accounts payable | 3,227,484.88 | 4,998,991.70 | − | 1,771,506.82 |
| Taxes accrued (including for federal taxes on income—at December 31, 1949—$3,221,464.48; at December 31, 1948—$5,278,442.64) | 11,047,203.89 | 12,588,949.43 | − | 1,541,745.54 |
| Other current liabilities | 2,237,223.69 | 2,751,592.79 | − | 514,369.10 |
| Total Current Liabilities | 44,841,490.00 | 53,302,335.87 | − | 8,460,845.87 |
| **Deferred Liabilities** | 882,390.44 | 953,596.35 | − | 71,205.91 |
| **Unadjusted Credits:** | | | | |
| Premium on funded debt | 3,467.81 | 6,471.00 | − | 3,003.19 |
| Accrued depreciation on leased property | 236,740.90 | 279,345.16 | − | 42,604.26 |
| Reserve for loss and damage and freight overcharge claims | 2,324,077.07 | 1,175,927.39 | + | 1,148,149.68 |
| Other unadjusted credits | 1,868,522.16 | 2,092,530.13 | − | 224,007.97 |
| Total Unadjusted Credits | 4,432,807.94 | 3,554,273.68 | + | 878,534.26 |
| **Earned Surplus (since January 1, 1944)—Note E:** | | | | |
| Appropriated surplus | 19,545,578.43 | 19,538,372.18 | + | 7,206.25 |
| Unappropriated surplus | 39,864,880.83 | 36,056,067.21 | + | 3,808,813.62 |
| Total Earned Surplus | 59,410,459.26 | 55,594,439.39 | + | 3,816,019.87 |
| | $662,922,163.29 | $663,374,328.91 | − | $ 452,165.62 |

See notes to the financial statements.

## EARNED SURPLUS FOR THE YEARS 1949 AND 1948

| Item | Year 1949 | Year 1948 |
|---|---|---|
| Balance at January 1 | $55,594,439.39 | $50,209,508.61 |
| Additions: | | |
| Net income for the year | 4,476,981.74 | 8,129,489.86 |
| Discount on purchase of bonds issued or assumed by the Company: | | |
| On First Mortgage Bonds acquired | 8,195.00 | .............. |
| On General Mortgage Bonds acquired | 3,159,630.00 | 1,606,882.25 |
| On Chicago, Terre Haute and Southeastern Railway Company Bonds acquired | 96,468.75 | .............. |
| Profits, less losses derived from sales or retirements of land and nonoperating properties | 518,924.93 | 44,030.97 |
| Miscellaneous credits, less charges | 46,079.45 | 103,431.45 |
| | 63,900,719.26 | 60,093,343.14 |
| Deductions: | | |
| Dividends paid on Preferred Stock— | | |
| March 15, 1949—$4.00 per share; April 15, 1948—$4.00 per share | 4,486,960.00 | 4,486,960.00 |
| Premium on First Mortgage Bonds acquired for the treasury or for retirement | 3,300.00 | 11,943.75 |
| | 4,490,260.00 | 4,498,903.75 |
| Balance at December 31 | $59,410,459.26 | $55,594,439.39 |
| The status of earned surplus at December 31, was as follows: | | |
| Appropriated: | | |
| For additions and betterments | $18,820,728.18 | $18,820,728.18 |
| For sinking fund—First Mortgage Bonds | 181,455.25 | 174,218.75 |
| For sinking fund—General Mortgage Bonds | 543,395.00 | 543,425.25 |
| Total Appropriated Surplus | 19,545,578.43 | 19,538,372.18 |
| Unappropriated | 39,864,880.83 | 36,056,067.21 |
| Total | $59,410,459.26 | $55,594,439.39 |

## AVAILABLE NET INCOME AND APPLICATION THEREOF FOR THE YEARS 1949 AND 1948

| Item | Year 1949 | Year 1948 |
|---|---|---|
| Income available for fixed charges | $13,075,419.01 | $16,698,837.35 |
| Fixed Charges: | | |
| Rent for leased roads and equipment | 708.00 | 614,826.17 |
| Interest on funded debt: | | |
| On First Mortgage 4% Bonds, Series A | 2,300,761.78 | 2,332,427.10 |
| On modified Terre Haute Bonds | 598,197.73 | .............. |
| On equipment obligations | 1,182,289.71 | 822,239.86 |
| Interest on unfunded debt | 19,814.04 | 36,236.60 |
| Amortization of discount on funded debt | 74,703.72 | 48,424.09 |
| Total Fixed Charges | 4,176,474.98 | 3,854,153.82 |
| Income after Fixed Charges | 8,898,944.03 | 12,844,683.53 |
| Add: Charges to operating expenses representing the service value of non-depreciable roadway property retired and not replaced | 224,930.96 | 228,942.84 |
| Available Net Income | 9,123,874.99 | 13,073,626.37 |
| Application of Available Net Income: | | |
| Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A | 180,587.75 | 173,747.75 |
| Contingent interest on General Mortgage 4½% Income Bonds, Series A | 2,368,807.57 | 2,450,141.70 |
| Contingent interest on modified Terre Haute bonds (obligations of Chicago, Terre Haute and Southeastern Railway Company, The Bedford Belt Railway Company, and The Southern Indiana Railway Company) assumed by Chicago, Milwaukee, St. Paul and Pacific Railroad Company | 321,837.00 | 328,932.00 |
| Appropriated for additions and betterments fund (optional amount) | .............. | 2,500,000.00 |
| Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B | 1,731,317.72 | 1,936,119.97 |
| Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B | 543,393.50 | 543,393.50 |
| | 5,145,943.54 | 7,932,334.92 |
| Remaining Available Net Income | 3,977,931.45 | 5,141,291.45 |
| Deduct: Charges to operating expenses representing the service value of non-depreciable roadway property retired and not replaced | 224,930.96 | 228,942.84 |
| Remainder Transferred to Earned Surplus—Unappropriated | $ 3,753,000.49 | $ 4,912,348.61 |

See notes to the financial statements.

# *Notes to the Financial Statements*

*Note A—Investment in Transportation Property:*

The investment in road and equipment property ($909,779, 297.24) is stated at estimated original cost as determined by the Interstate Commerce Commission as of June 30, 1918, plus subsequent additions and betterments at cost, less retirements since that date. The credit balance in the acquisition adjustment account represents the excess of the aggregate of Company assets over amounts ascribed to capital stocks, bonds and other liabilities of the Company as of the date of reorganization, January 1, 1944, together with subsequent adjustments thereto.

The provisions for depreciation of equipment and road property have been made on a group basis at composite rates. Provisions for depreciation of road property classified as depreciable by the Interstate Commerce Commission were begun as of January 1, 1942, and as of January 1, 1944, past accrued depreciation was recorded at 30% of original cost. Charges for depreciation, amortization, and property retirement included in railway operating expenses for the year ended December 31, 1949, aggregated $13,943,848.46.

*Note B—Capital, Sinking, and Other Reserve Funds:*

Capital, sinking, and other reserve funds consisted of cash deposits and United States Government obligations which, under the provisions of the mortgage indentures, are restricted for use in payment of certain equipment obligations (including maturities of principal aggregating $936,000.00 due in 1950), other debt retirement and acquisition of equipment or roadway facilities.

*Note C—Investments in Affiliated Companies:*

Investments in affiliated companies include the capital stock of Milwaukee Land Company, The Milwaukee Motor Transportation Co., and Republic Coal Co., which are wholly-owned subsidiaries. The carrying amount of the investment in capital stock of these subsidiaries was $650,000.00 at December 31, 1949, and the equity in underlying net assets as recorded on their books aggregated approximately $4,330,000.00 at that date. The remaining investments are carried at cost less a valuation reserve, and represent interests in various terminal and switching companies, etc. owned jointly with other transportation companies. With the exception of stocks carried at $351,362.00 and certain directors' qualifying shares, all investments in stocks of affiliated companies are pledged as collateral to the First Mortgage.

*Note D—Federal Taxes on Income:*

Federal income and excess profits tax returns of the Company for the years 1943 to 1947, inclusive, are currently being examined by agents of the Bureau of Internal Revenue. Although the findings of the Bureau in connection with this examination have not been issued, proposals for tentative adjustments of taxes for those years have been brought to the Company's attention.

Certain of the proposed adjustments suggested by the revenue agents have been reflected in the financial statements, which include a claim for net refunds of prior year federal taxes on income (arising principally from carry-back of unused excess profits credits) in the amount of $8,335,200.90. The Company understands that the major portion of the remaining tentative adjustments which were formerly being considered by the agents and which would have resulted in substantial income tax deficiencies are not likely to be included in the agents' report relating to the examination in progress and no provision has been made for additional deficiencies in the financial statements.

The provision for federal income taxes for the year 1949 ($2,887,000.00) reflected in the income statement represents the estimated liability for taxes on income for the year of $3,221,464.48 less adjustments of provision for income taxes relating to prior years of $334,464.48.

*Note E—Dividends:*

Dividend privileges of preferred shares are designated as being noncumulative; however, no dividends may be paid on common shares unless the full $5.00 preferred dividend shall have been paid or set apart for payment on each share of preferred stock during each of the three immediately preceding years. During the year 1947 dividends on preferred stock were paid at the rate of $2.50 per share and during 1948 and 1949 such dividends were at the rate of $4.00 per share for each year out of available net income for the preceding year in each case.

*Note F—Contingent Liabilities with Respect to Securities of Other Companies:*

The Company, jointly with other railroad companies, has various contingent liabilities, assumed by agreement and/or otherwise, in respect of the principal of obligations of affiliated companies. The details of these contingent liabilities as of December 31, 1949, are set forth on Page 16.

*Note G—U. S. Government Reparation Claims:*

The Department of Justice has filed with the Interstate Commerce Commission a series of complaints against the principal railroads, including this Company, in which a reparation is sought on certain shipments of government freight, most of which moved during World War II, and as to which it is claimed the charges were excessive and unreasonable. This Company, together with the other railroads involved, have joined in defense of their rates as charged. Pending decision by the Commission the amount of reparation liability, if any, cannot be determined, and no provision therefor has been made in the financial statements. A similar complaint filed by the Reconstruction Finance Corporation has been tried and a decision was rendered by the Interstate Commerce Commission in favor of the railroads.

## CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES AS OF DECEMBER 31, 1949

| Items | Principal Amount Outstanding Dec. 31, 1949 |
|---|---|
| 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 Notes, 1.75% to 2.05%, due semi-annually July 1, 1950 to July 1, 1954 | 3,450,000 |
| | $57,250,000 |
| 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 Item 3. | |
| 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 |
| 3. Conditional Sale Agreement, 2.48%, due quarterly to June 1, 1956 | 633,100 |
| 4. Conditional Sale Agreement, 2.48%, due quarterly to November 1, 1956 | 1,622,880 |
| 5. Equipment Trust Certificates, 2⅜%, due annually May 1, 1950 to May 1, 1959 | 2,050,000 |
| 6. Equipment Trust Certificates, 2⅜%, due annually September 15, 1950 to September 15, 1964 | 2,970,000 |
| | $16,400,980 |
| The Railroad Company 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 of and interest on the 4% Bonds. The Railroad Company and other proprietors are obligated under an agreement, in the event of default by the Indiana Harbor Belt R. R. Co., to loan to the Belt Railroad, in proportion to their stock holdings, to the extent necessary, the principal of and interest on Items 1 and 2. The Railroad Company and other proprietors severally guarantee, in proportion to their stock holdings, the payment by the Belt Railroad of the principal of and interest on deferred installments of purchase price of 26 Diesel switching locomotives as provided in Conditional Sale Agreements, Items 3 and 4, and the payment by the Belt Railroad of the principal of and dividends on Equipment Trust Certificates for the purchase of 21 Diesel switching locomotives and 25 hopper cars, Item 5, and for the purchase of 37 Diesel switching locomotives, Item 6. | |
| Kansas City Terminal Railway Company: | |
| 1. First Mortgage Serial Bonds, due October 1, 1950 to October 1, 1974 | $45,884,000 |
| 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 | $ 1,761,000 |
| 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 | $13,537,000 |
| 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. | |

## INVESTMENT IN ROAD AND EQUIPMENT DURING YEAR

| Account | Gross Expenditures | Net Charges |
|---|---|---|
| Engineering | $ 147,320.12 | $ 105,350.69 |
| Land for transportation purposes | 274,918.29 | 224,242.02 |
| Other right-of-way expenditures | *22,035.94* | *22,582.74* |
| Grading | 248,890.13 | 213,338.30 |
| Tunnels and subways | 31,987.50 | 31,987.50 |
| Bridges, trestles, and culverts | 1,114,603.20 | 868,988.58 |
| Ties | 106,587.45 | 22,207.74 |
| Rails | 719,125.61 | 620,116.90 |
| Other track material | 1,348,849.39 | 1,267,132.86 |
| Ballast | 20,407.26 | *20,223.55* |
| Track laying and surfacing | 233,361.34 | 159,285.40 |
| Fences, snowsheds, and signs | 1,760.51 | *1,335.77* |
| Station and office buildings | 652,659.39 | 453,125.22 |
| Roadway buildings | 9,659.43 | 5,236.89 |
| Water stations | 136,408.49 | 83,931.17 |
| Fuel stations | 43,708.51 | *4,048.10* |
| Shops and enginehouses | 1,412,681.12 | 1,363,189.11 |
| Storage warehouses | *3,986.18* | *5,460.18* |
| Wharves and docks | 55,171.99 | 841.99 |
| Telegraph and telephone lines | 71,383.61 | 62,427.32 |
| Signals and interlockers | 348,979.89 | 274,183.44 |
| Power plants | 12,763.25 | 10,633.75 |
| Power-transmission systems | 42,096.63 | 30,321.39 |
| Miscellaneous structures | 6,327.27 | *4,263.95* |
| Roadway machines | 405,426.99 | 300,949.45 |
| Roadway small tools | 9,870.08 | 9,870.08 |
| Public improvements—Construction | 143,319.06 | 124,112.82 |
| Other expenditures—Road | ................... | *147.55* |
| Shop machinery | 184,365.47 | *9,902.77* |
| Power-plant machinery | 212,225.07 | 196,129.42 |
| Total Expenditures for Road | 7,968,834.93 | 6,359,637.43 |
| Steam locomotives | 36,238.62 | *2,665,324.13* |
| Other locomotives | 10,043,501.94 | 10,043,501.94 |
| Freight-train cars | 16,502,840.92 | 13,930,086.58 |
| Passenger-train cars | 1,451,792.01 | *1,545,608.37* |
| Floating equipment | 1,397.95 | 1,397.95 |
| Work equipment | 170,666.51 | 108,087.04 |
| Miscellaneous equipment | 115,025.52 | 79,285.19 |
| Total Expenditures for Equipment | 28,321,463.47 | 19,951,426.20 |
| General Expenditures | 703.95 | *84,723.53* |
| Grand Total | $36,291,002.35 | $26,226,340.10 |

Note: The net change in Investment in Road and Equipment Property, per Balance Sheet ($21,533,418.94), includes the charges for Additions and Betterments, less credits for property retired, above, ($26,226,340.10), and certain adjustments of original cost of Road and Equipment Property of the reorganized company to conform to the original cost of such property as finally determined by the Bureau of Valuation, Interstate Commerce Commission ($17,806.85), less the net decrease in the amount of unapplied material and supplies for use in construction of new equipment ($4,710,728.01).

## INVESTMENT IN MISCELLANEOUS PHYSICAL PROPERTY DURING YEAR

| Account | Gross Expenditures | Net Charges |
|---|---|---|
| Non-operating property | $ 167,854.17 | *$ 807,657.37* |
| Track material loaned | 4,221.91 | *6,128.69* |
| Total | $ 172,076.08 | *$ 813,786.06* |

*Italics* denote credits.

SECURITIES OWNED, DECEMBER 31, 1949

| Description | | Number of Shares | Par Value | Book Value |
|---|---|---|---|---|
| Stocks: | | | | |
| Affiliated companies: | | | | |
| Chicago, Terre Haute & Southeastern Ry. Co. | | 40,656.37 | $ 4,065,637.00 | $ 1.00 |
| 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 |
| 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 | | | 9,245.00 | 7,785.00 |
| Bonds: | | | | |
| Nonaffiliated companies: | | | | |
| United States Treasury 2% bonds due Sept. 15, 1952/50 (Book value—cost less amortized premium) | | | 12,960,000.00 | 13,182,362.31 |
| Notes: | | | | |
| Affiliated companies: | | | | |
| Kansas City Terminal Ry. Co. | A | | 49,487.81 | 49,487.81 |
| Milwaukee Land Co. | A | | 2,652,000.00 | 2,652,000.00 |
| Total | | | $ 24,911,334.17 | $ 20,851,011.42 |

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 June 14, 1948, 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, 1949

| Description | Date of Issue | Date of Maturity | Amount Originally Issued or Assumed | Amount as of Dec. 31, 1949 | 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 | $ 57,416,100.00 | $ 151,000.00 | $ 57,265,100.00 | 4 | J.& J. | $ 2,300,761.78 |
| General mortgage income bonds, Series A | Jan. 1, 1944 | Jan. 1, 2019 | 57,256,600.00 | 53,192,500.00 | 915,000.00 | 52,277,500.00 | 4½ | April | 2,368,807.57 |
| General mortgage convertible income bonds, Series B | Jan. 1, 1944 | Jan. 1, 2044 | 51,422,100.00 | 51,366,700.00 | 13,776,600.00 | 37,590,100.00 | 4½ | April | 1,731,317.72 |
| The Bedford Belt Ry. Co. first mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 350,000.00 | 346,000.00 | * 100,000.00 | 246,000.00 | 4¼ | J.A.& J. | 10,510.00 |
| The Southern Indiana Ry. Co. first mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 7,287,000.00 | 7,287,000.00 | ............. | 7,287,000.00 | 4¼ | J.A.& J. | 309,697.50 |
| Chicago, Terre Haute and Southeastern Ry. Co.: | | | | | | | | | |
| First and refunding mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 9,571,000.00 | 9,571,000.00 | ** 1,515,000.00 | 8,056,000.00 | 4¼ | J.A.& J. | 342,380.00 |
| Income mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 6,335,800.00 | 6,335,800.00 | 317,000.00 | 6,018,800.00 | 4¼ | J.A.& J. | 257,447.23 |
| Equipment obligations (See details below) | | | 93,528,250.00 | 60,119,115.65 | ............. | 60,119,115.65 | | | 1,182,289.71 |
| Total long-term debt | | | $285,265,850.00 | $245,634,215.65 | $ 16,774,600.00 | $228,859,615.65 | | | $ 8,503,211.51 |

*Pledged under Chicago, Terre Haute and Southeastern Railway Company First and refunding mortgage.
**Pledged under Chicago, Milwaukee, St. Paul and Pacific Railroad Company First mortgage.

## EQUIPMENT OBLIGATIONS, DECEMBER 31, 1949

| Description | Date of Lease or Agreement | Date of Final Maturity | Original Cost of Equipment | Amount Originally Issued | Amount Outstanding Dec. 31, 1949 | Principal Payable During 1950 | Interest: Rate Per Cent | Interest: Payable | Interest: Accrued During Year |
|---|---|---|---|---|---|---|---|---|---|
| EQUIPMENT TRUST CERTIFICATES: | | | | | | | | | |
| Series P | Jan. 1, 1937 | Jan. 1, 1952 | $ 4,185,316.20 | $ 3,180,000.00 | $ 636,000.00 | $ 212,000.00 | 3½ | J. & J. | $ 22,260.00 |
| Series Q | Mar. 1, 1937 | Mar. 1, 1952 | 3,561,722.09 | 2,655,000.00 | 531,000.00 | 177,000.00 | 3¼ | M. & S. | 18,216.25 |
| Series R | Aug. 1, 1937 | Aug. 1, 1952 | 2,564,053.90 | 1,920,000.00 | 384,000.00 | 128,000.00 | 3¾ | F. & A. | 17,200.00 |
| Series S | Apr. 1, 1938 | Apr. 1, 1953 | 3,220,834.35 | 2,235,000.00 | 596,000.00 | 149,000.00 | 3¾ | A. & O. | 23,746.89 |
| Series T | Apr. 1, 1939 | Apr. 1, 1954 | 2,770,164.86 | 1,920,000.00 | 640,000.00 | 128,000.00 | 3 | A. & O. | 20,160.00 |
| Series U | Dec. 1, 1939 | Dec. 1, 1949 | 6,095,937.79 | 4,922,000.00 | ............. | ............. | 2½ | J. & D. | 8,020.83 |
| Series V | Apr. 1, 1941 | Apr. 1, 1951 | 4,358,045.34 | 3,120,000.00 | 468,000.00 | 312,000.00 | 2⅛ | A. & O. | 13,260.00 |
| Series X | Mar. 1, 1944 | Mar. 1, 1954 | 9,700,062.91 | 7,260,000.00 | 3,267,000.00 | 726,000.00 | 1⅞ | M. & S. | 66,928.74 |
| Series Y | Apr. 1, 1945 | Apr. 1, 1955 | 2,800,092.41 | 2,100,000.00 | 1,155,000.00 | 210,000.00 | 1¾ | A. & O. | 22,050.00 |
| Series Z | July 1, 1947 | July 1, 1957 | 8,190,966.80 | 6,000,000.00 | 4,800,000.00 | 600,000.00 | 1⅞ | J. & J. | 92,811.00 |
| Series AA | Oct. 1, 1947 | Oct. 1, 1957 | 3,065,949.00 | 2,240,000.00 | 1,792,000.00 | 224,000.00 | 1⅞ | A. & O. | 35,700.00 |
| Series BB | Apr. 1, 1948 | Apr. 1, 1958 | 3,530,422.00 | 2,640,000.00 | 2,244,000.00 | 264,000.00 | 2⅛ | A. & O. | 50,490.00 |
| Series CC | Feb. 1, 1948 | Feb. 1, 1958 | 6,798,971.00 | 5,040,000.00 | 4,284,000.00 | 504,000.00 | 2¼ | F. & A. | 100,170.00 |
| Series DD | June 1, 1948 | June 1, 1958 | 9,514,365.00 | 7,120,000.00 | 6,052,000.00 | 712,000.00 | 2 | J. & D. | 130,533.34 |
| Series EE | July 1, 1948 | July 1, 1958 | 5,361,470.78 | 3,820,000.00 | 3,438,000.00 | 382,000.00 | 2 | J. & J. | 70,670.00 |
| Series FF | Oct. 1, 1948 | Oct. 1, 1958 | 8,936,780.55 | 6,600,000.00 | 5,940,000.00 | 660,000.00 | 2¼ | A. & O. | 141,075.00 |
| Series GG | Jan. 1, 1949 | Jan. 1, 1959 | 6,094,320.64 | 4,540,000.00 | 4,313,000.00 | 454,000.00 | 2⅛ | J. & J. | 88,972.52 |
| Series HH | Apr. 1, 1949 | Apr. 1, 1964 | 8,112,741.52 | 6,060,000.00 | 5,858,000.00 | 404,000.00 | 2⅜ | A. & O. | 99,163.99 |
| Series JJ | Sept. 1, 1949 | Sept. 1, 1964 | 7,515,000.00 | 5,640,000.00 | 5,640,000.00 | 376,000.00 | 2⅛ | M. & S. | 33,976.30 |
| Series KK | Oct. 1, 1949 | Oct. 1, 1964 | 6,026,630.00 | 4,500,000.00 | 4,500,000.00 | 300,000.00 | 2¼ | A. & O. | 18,843.75 |
| EQUIPMENT LEASE AGREEMENT: | | | | | | | | | |
| General American Transportation Corporation | Apr. 27, 1940 | Aug. 1, 1955 | 129,500.00 | 129,500.00 | 55,575.81 | 9,189.40 | 3 | Monthly | 1,812.84 |
| CONDITIONAL SALE AGREEMENTS: | | | | | | | | | |
| 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 | ............. | ............. | 1.6 | | 28,341.47 |
| Fairbanks, Morse & Co. | June 25, 1945 | Nov. 1, 1954 | 790,430.00 | 592,500.00 | ............. | ............. | 1.6 | Quarterly | 5,211.04 |
| The Baldwin Locomotive Works | July 25, 1945 | Nov. 1, 1953 | 317,412.00 | 237,000.00 | ............. | ............. | 1.6 | Feb. | 2,009.44 |
| American Locomotive Company | Aug. 10, 1945 | Nov. 1, 1953 | 476,394.00 | 355,500.00 | ............. | ............. | 1.6 | May Aug. | 3,014.17 |
| Paul B. Robb and Edward J. Friedrich | Sept. 5, 1945 | May 1, 1954 | 1,187,788.40 | 900,000.00 | ............. | ............. | 1.6 | Nov. | 8,074.05 |
| 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 | 1,518,992.45 | 193,865.43 | 1.55 | | 24,657.46 |
| American Locomotive Company | Aug. 1, 1946 | July 1, 1957 | 2,190,542.00 | 1,640,500.00 | 1,240,061.96 | 159,109.90 | 1.55 | Quarterly | 20,134.49 |
| The Northern Trust Company of Chicago, Assignee of the Seller: | | | | | | | | | |
| Fairbanks, Morse & Co. | June 10, 1947 | Oct. 1, 1957 | 791,220.00 | 592,000.00 | 482,176.28 | 56,450.96 | 1.85 | Jan. Apr. | 9,306.24 |
| American Locomotive Company | Sept. 10, 1947 | Jan. 1, 1958 | 192,177.00 | 135,700.00 | 113,723.66 | 12,880.32 | 1.85 | July Oct. | 2,191.96 |
| General Motors Corporation (Electro-Motive Division) | Sept. 10, 1947 | Jan. 1, 1958 | 287,659.50 | 203,550.00 | 170,585.49 | 19,320.48 | 1.85 | | 3,287.94 |
| Total equipment obligations | | | $125,766,165.04 | $ 93,528,250.00 | $ 60,119,115.65 | $ 7,372,816.49 | | | $ 1,182,289.71 |

### Payments Maturing in Years Ending:

| | | | | | |
|---|---|---|---|---|---|
| December 31, 1950 | $7,372,816.49 | December 31, 1955 | $5,470,331.81 | December 31, 1960 | $1,080,000.00 |
| December 31, 1951 | 7,224,250.55 | December 31, 1956 | 5,366,341.01 | December 31, 1961 | 1,080,000.00 |
| December 31, 1952 | 7,075,809.63 | December 31, 1957 | 5,150,493.02 | December 31, 1962 | 1,080,000.00 |
| December 31, 1953 | 6,566,495.68 | December 31, 1958 | 3,325,266.00 | December 31, 1963 | 1,080,000.00 |
| December 31, 1954 | 6,062,311.46 | December 31, 1959 | 1,307,000.00 | December 31, 1964 | 878,000.00 |
| | | | | Total | $60,119,115.65 |

## MILES OF ROAD BY STATES, DECEMBER 31, 1949

| 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 | 448.12 | 120.65 | 2.40 | .14 | | 132.31 | 703.62 |
| Indiana | 156.57 | 40.02 | | | | | 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 | 764.52 | 379.57 | 5.03 | 22.70 | | 193.58 | 1,365.40 |
| Missouri | 130.02 | | 9.44 | | | 15.10 | 154.56 |
| Montana | 747.86 | 473.33 | | 29.99 | | | 1,251.18 |
| Nebraska | | | | | | 5.62 | 5.62 |
| North Dakota | 102.50 | 263.29 | | 1.10 | | | 366.89 |
| South Dakota | 1,039.43 | 695.24 | | | | | 1,734.67 |
| Washington | 314.69 | 490.01 | 26.88 | 50.02 | | 201.11 | 1,082.71 |
| Wisconsin | 1,039.37 | 499.34 | | 16.34 | | 32.98 | 1,588.03 |
| Total | 6,113.37 | 3,729.88 | 43.80 | 120.58 | .10 | 663.37 | 10,671.10 |

#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, 1949

| Items | Owned Solely | Owned Jointly | Leased | Trackage Rights | Total |
|---|---|---|---|---|---|
| Miles of Road (First Main Track): | | | | | |
| Operated | *9,843.25 | 164.38 | .10 | 663.37 | 10,671.10 |
| Not operated | 12.20 | | | | 12.20 |
| Additional Main Tracks: | | | | | |
| Operated | 900.11 | 14.17 | .41 | 276.10 | 1,190.79 |
| Not operated | 15.32 | .70 | | | 16.02 |
| Yard Tracks and Sidings: | | | | | |
| Operated | *3,341.47 | 261.30 | 2.19 | 504.36 | 4,109.32 |
| Not operated | 6.11 | 35.03 | | | 41.14 |
| Total operated | 14,084.83 | 439.85 | 2.70 | 1,443.83 | 15,971.21 |
| Total not operated | 33.63 | 35.73 | | | 69.36 |
| Grand Total | 14,118.46 | 475.58 | 2.70 | 1,443.83 | 16,040.57 |

*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.

## DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES FOR THE YEARS ENDED DECEMBER 31, 1949 AND 1948

### RAILWAY OPERATING REVENUES

| | 1949 | 1948 | Increase | Decrease |
|---|---|---|---|---|
| **Transportation** | | | | |
| Freight | $195,728,630.22 | $208,721,238.78 | | $ 12,992,608.56 |
| Passenger | 19,420,606.37 | 21,650,583.73 | | 2,229,977.36 |
| Baggage | 52,006.86 | 53,331.61 | | 1,324.75 |
| Sleeping car | 565,513.80 | 655,068.01 | | 89,554.21 |
| Parlor and chair car | 239,445.20 | 242,648.88 | | 3,203.68 |
| Mail | 6,538,810.00 | 5,685,277.82 | $ 853,532.18 | |
| Express | 3,187,826.96 | 4,257,146.87 | | 1,069,319.91 |
| Other passenger-train | 127,282.64 | 125,472.29 | 1,810.35 | |
| Milk | 146,180.63 | 232,688.98 | | 86,508.35 |
| Switching | 5,272,929.81 | 5,781,015.71 | | 508,085.90 |
| Total transportation revenue | 231,279,232.49 | 247,404,472.68 | | 16,125,240.19 |
| **Incidental** | | | | |
| Dining and buffet | 2,011,892.52 | 2,119,796.92 | | 107,904.40 |
| Hotel and restaurant | 25,211.56 | 30,134.47 | | 4,922.91 |
| Station, train, and boat privileges | 43,125.48 | 47,533.30 | | 4,407.82 |
| Parcel room | 288.80 | 374.35 | | 85.55 |
| Storage—Freight | 54,353.84 | 63,890.57 | | 9,536.73 |
| Storage—Baggage | 8,718.37 | 8,914.10 | | 195.73 |
| Demurrage | 699,446.93 | 1,109,744.74 | | 410,297.81 |
| Telegraph and telephone | 137,356.28 | 168,080.69 | | 30,724.41 |
| Rents of buildings and other property | 292,552.44 | 423,327.05 | | 130,774.61 |
| Miscellaneous | 1,028,404.11 | 978,384.89 | 50,019.22 | |
| Total incidental operating revenue | 4,301,350.33 | 4,950,181.08 | | 648,830.75 |
| **Joint Facility** | | | | |
| Joint facility—Credit | 2,452,104.21 | 2,640,258.26 | | 188,154.05 |
| Joint facility—Debit | *11,427.26* | *12,202.06* | | *774.80* |
| Total joint facility operating revenue | 2,440,676.95 | 2,628,056.20 | | 187,379.25 |
| Total railway operating revenues | $238,021,259.77 | $254,982,709.96 | | $ 16,961,450.19 |

*Italics* denote debits.

### RAILWAY OPERATING EXPENSES

| | 1949 | 1948 | Increase | Decrease |
|---|---|---|---|---|
| **Maintenance of Way and Structures** | | | | |
| Superintendence | $ 2,631,577.43 | $ 2,534,772.10 | $ 96,805.33 | |
| Roadway maintenance | 3,097,298.93 | 3,380,148.06 | | $ 282,849.13 |
| Tunnels and subways | 25,143.69 | 35,931.47 | | 10,787.78 |
| Bridges, trestles, and culverts | 1,886,669.24 | 1,602,716 30 | 283,952.94 | |
| Ties | 2,653,885.54 | 3,575,329.48 | | 921,443.94 |
| Rails | 1,380,773.38 | 1,165,771.79 | 215,001.59 | |
| Other track material | 1,957,647.27 | 1,705,653.98 | 251,993.29 | |
| Ballast | 307,106.84 | 558,713.01 | | 251,606.17 |
| Track laying and surfacing | 7,260,243.22 | 8,982,464.75 | | 1,722,221.53 |
| Fences, snowsheds, and signs | 522,284.34 | 332,803.96 | 189,480.38 | |
| Station and office buildings | 1,414,788.08 | 1,373,493.76 | 41,294.32 | |
| Roadway buildings | 124,302.51 | 142,967.98 | | 18,665.47 |
| Water stations | 282,633.07 | 243,946.60 | 38,686.47 | |
| Fuel stations | 246,216.42 | 179,847.62 | 66,368.80 | |
| Shops and enginehouses | 1,247,807.16 | 1,204,682.17 | 43,124.99 | |
| Storage warehouses | 26.43 | 1,302.81 | | 1,276.38 |

RAILWAY OPERATING REVENUES AND EXPENSES—CONTINUED

RAILWAY OPERATING EXPENSES—CONTINUED

| | 1949 | 1948 | INCREASE | DECREASE |
|---|---|---|---|---|
| MAINTENANCE OF WAY AND STRUCTURES | | | | |
| Wharves and docks | $ 22,844.98 | $ 18,909.61 | $ 3,935.37 | |
| Telegraph and telephone lines | 663,452.98 | 661,804.30 | 1,648.68 | |
| Signals and interlockers | 1,290,827.05 | 1,135,667.17 | 155,159.88 | |
| Power plants | 42,562.26 | 71,484.81 | | $ 28,922.55 |
| Power-transmission systems | 229,632.13 | 214,640.13 | 14,992.00 | |
| Miscellaneous structures | 8,308.86 | 12,437.00 | | 4,128.14 |
| Road property—Depreciation | 4,183,290.40 | 4,003,738.70 | 179,551.70 | |
| Retirements—Road | 321,496.58 | 343,710.67 | | 22,214.09 |
| Roadway machines | 608,043.64 | 684,842.12 | | 76,798.48 |
| Dismantling retired road property | 201,213.62 | 183,154.58 | 18,059.04 | |
| Road—Amortization of defense projects | 59,441.48 | 59,087.64 | 353.84 | |
| Small tools and supplies | 656,316.25 | 629,956.64 | 26,359.61 | |
| Removing snow, ice, and sand | 1,075,642.11 | 703,385.87 | 372,256.24 | |
| Public improvements—Maintenance | 611,385.71 | 689,670.04 | | 78,284.33 |
| Injuries to persons | 210,457.22 | 226,373.39 | | 15,916.17 |
| Insurance | 35,329.41 | 36,873.78 | | 1,544.37 |
| Stationery and printing | 55,303.48 | 58,637.50 | | 3,334.02 |
| Other expenses | 45,074.84 | 58,318.38 | | 13,243.54 |
| Right-of-way expenses | 30,054.20 | 31,112.96 | | 1,058.76 |
| Maintaining joint tracks, yards, and other facilities—Debit | 3,431,911.93 | 2,912,447.99 | 519,463.94 | |
| Maintaining joint tracks, yards, and other facilities—Credit | *713,706.23* | *523,584.34* | *190,121.89* | |
| Total maintenance of way and structures | 38,107,286.45 | 39,233,214.78 | | 1,125,928.33 |
| MAINTENANCE OF EQUIPMENT | | | | |
| Superintendence | 1,557,569.38 | 1,442,280.84 | 115,288.54 | |
| Shop machinery | 1,086,298.07 | 1,215,131.12 | | 128,833.05 |
| Power-plant machinery | 218,606.87 | 181,999.51 | 36,607.36 | |
| Shop and power-plant machinery—Depreciation | 283,262.77 | 279,993.52 | 3,269.25 | |
| Dismantling retired shop and power-plant machinery | 2,269.15 | 13,012.54 | | 10,743.39 |
| Steam locomotives—Repairs | 10,130,739.07 | 11,591,205.59 | | 1,460,466.52 |
| Other locomotives—Repairs | 5,093,079.72 | 3,982,251.63 | 1,110,828.09 | |
| Freight-train cars—Repairs | 10,031,110.47 | 11,455,746.66 | | 1,424,636.19 |
| Passenger-train cars—Repairs | 5,602,652.76 | 5,046,205.88 | 556,446.88 | |
| Floating equipment—Repairs | 52,766.06 | 103,164.06 | | 50,398.00 |
| Work equipment—Repairs | 782,622.45 | 700,262.64 | 82,359.81 | |
| Miscellaneous equipment—Repairs | 145,090.29 | 167,263.91 | | 22,173.62 |
| Dismantling retired equipment | 69,673.53 | 120,249.06 | | 50,575.53 |
| Retirements—Equipment | *14,643.77* | *30,853.87* | | *16,210.10* |
| Equipment—Depreciation | 8,733,428.32 | 7,731,453.93 | 1,001,974.39 | |
| Equipment—Amortization of defense projects | 377,572.68 | 377,945.86 | | 373.18 |
| Injuries to persons | 296,081.70 | 192,421.94 | 103,659.76 | |
| Insurance | 71,724.01 | 63,091.19 | 8,632.82 | |
| Stationery and printing | 43,289.68 | 53,754.08 | | 10,464.40 |
| Other expenses | 139,475.84 | 150,792.10 | | 11,316.26 |
| Joint maintenance of equipment expenses—Debit | 268,726.66 | 261,943.74 | 6,782.92 | |
| Joint maintenance of equipment expenses—Credit | *29,411.81* | *29,083.68* | *328.13* | |
| Total maintenance of equipment | 44,941,983.90 | 45,070,232.25 | | 128,248.35 |
| TRAFFIC | | | | |
| Superintendence | 1,206,632.66 | 1,183,163.03 | 23,469.63 | |
| Outside agencies | 2,553,165.12 | 2,387,177.60 | 165,987.52 | |
| Advertising | 821,825.81 | 842,264.93 | | 20,439.12 |
| Traffic associations | 174,092.74 | 155,089.99 | 19,002.75 | |
| Industrial and immigration bureaus | 91,839.52 | 86,361.61 | 5,477.91 | |
| Insurance | 730.23 | 689.57 | 40.66 | |
| Stationery and printing | 237,146.80 | 201,338.82 | 35,807.98 | |
| Other expenses | 298.00 | 298.00 | | |
| Total traffic expenses | $ 5,085,730.88 | $ 4,856,383.55 | $ 229,347.33 | |

*Italics* denote credits.

RAILWAY OPERATING REVENUES AND EXPENSES—CONCLUDED
RAILWAY OPERATING EXPENSES—CONCLUDED

| | 1949 | 1948 | INCREASE | DECREASE |
|---|---|---|---|---|
| **TRANSPORTATION** | | | | |
| Superintendence | $ 2,360,519.55 | $ 2,293,872.07 | $ 66,647.48 | |
| Dispatching trains | 1,037,457.12 | 1,000,414.83 | 37,042.29 | |
| Station employees | 14,360,687.91 | 15,619,825.40 | | $ 1,259,137.49 |
| Weighing, inspection, and demurrage bureaus | 294,105.16 | 268,977.35 | 25,127.81 | |
| Station supplies and expenses | 936,356.54 | 931,739.58 | 4,616.96 | |
| Yardmasters and yard clerks | 2,909,222.30 | 2,874,082.43 | 35,139.87 | |
| Yard conductors and brakemen | 8,144,495.17 | 8,543,631.22 | | 399,136.05 |
| Yard switch and signal tenders | 585,338.09 | 564,913.29 | 20,424.80 | |
| Yard enginemen | 3,062,128.60 | 3,974,285.58 | | 912,156.98 |
| Yard motormen | 2,442,502.73 | 2,010,548.99 | 431,953.74 | |
| Yard switching fuel | 2,212,793.84 | 2,774,154.02 | | 561,360.18 |
| Yard switching power purchased | 30,189.54 | 22,154.19 | 8,035.35 | |
| Water for yard locomotives | 189,271.16 | 214,468.18 | | 25,197.02 |
| Lubricants for yard locomotives | 90,934.48 | 97,571.67 | | 6,637.19 |
| Other supplies for yard locomotives | 71,214.46 | 85,648.63 | | 14,434.17 |
| Enginehouse expenses—Yard | 1,651,397.67 | 1,763,546.13 | | 112,148.46 |
| Yard supplies and expenses | 183,980.52 | 174,861.38 | 9,119.14 | |
| Operating joint yards and terminals—Debit | 3,976,132.94 | 4,011,447.90 | | 35,314.96 |
| Operating joint yards and terminals—Credit | *396,825.97* | *374,340.78* | *22,485.19* | |
| Train enginemen | 7,074,218.00 | 8,137,930.37 | | 1,063,712.37 |
| Train motormen | 3,403,661.50 | 2,885,875.79 | 517,785.71 | |
| Train fuel | 13,302,013.24 | 15,645,584.05 | | 2,343,570.81 |
| Train power purchased | 1,190,588.59 | 1,186,165.00 | 4,423.59 | |
| Water for train locomotives | 712,416.93 | 777,994.83 | | 65,577.90 |
| Lubricants for train locomotives | 533,111.55 | 540,928.03 | | 7,816.48 |
| Other supplies for train locomotives | 230,072.53 | 236,723.45 | | 6,650.92 |
| Enginehouse expenses—Train | 3,290,226.24 | 3,342,919.23 | | 52,692.99 |
| Trainmen | 12,728,819.47 | 13,052,415.94 | | 323,596.47 |
| Train supplies and expenses | 6,898,878.08 | 7,279,011.49 | | 380,133.41 |
| Operating sleeping cars | 482,293.45 | 493,087.15 | | 10,793.70 |
| Signal and interlocker operation | 768,182.79 | 709,065.82 | 59,116.97 | |
| Crossing protection | 946,984.89 | 871,126.37 | 75,858.52 | |
| Drawbridge operation | 171,237.50 | 161,426.91 | 9,810.59 | |
| Telegraph and telephone operation | 625,595.93 | 623,764.47 | 1,831.46 | |
| Operating floating equipment | 264,749.88 | 332,690.04 | | 67,940.16 |
| Stationery and printing | 336,668.84 | 368,130.56 | | 31,461.72 |
| Other expenses | 148,100.46 | 154,023.06 | | 5,922.60 |
| Operating joint tracks and facilities—Debit | 1,091,102.95 | 1,118,750.16 | | 27,647.21 |
| Operating joint tracks and facilities—Credit | *539,601.18* | *505,637.81* | *33,963.37* | |
| Insurance | 38,358.41 | 42,247.67 | | 3,889.26 |
| Clearing wrecks | 151,385.69 | 193,713.29 | | 42,327.60 |
| Damage to property | 170,707.23 | 128,798.61 | 41,908.62 | |
| Damage to live stock on right-of-way | 104,516.35 | 119,167.19 | | 14,650.84 |
| Loss and damage—Freight | 3,021,270.59 | 3,745,172.45 | | 723,901.86 |
| Loss and damage—Baggage | 7,223.42 | 10,465.89 | | 3,242.47 |
| Injuries to persons | 1,775,011.24 | 1,323,745.77 | 451,265.47 | |
| Total transportation expenses | 103,069,696.38 | 109,827,087.84 | | 6,757,391.46 |
| **MISCELLANEOUS OPERATIONS** | | | | |
| Dining and buffet service | 2,982,143.76 | 3,137,935.12 | | 155,791.36 |
| Hotels and restaurants | 27,856.25 | 44,888.29 | | 17,032.04 |
| Operating joint miscellaneous facilities—Debit | 150,729.34 | 141,195.12 | 9,534.22 | |
| Total miscellaneous operations | 3,160,729.35 | 3,324,018.53 | | 163,289.18 |
| **GENERAL** | | | | |
| Salaries and expenses of general officers | 699,410.09 | 687,207.29 | 12,202.80 | |
| Salaries and expenses of clerks and attendants | 5,278,870.60 | 5,405,690.80 | | 126,820.20 |
| General office supplies and expenses | 328,142.09 | 303,007.29 | 25,134.80 | |
| Law expenses | 518,691.54 | 488,067.35 | 30,624.19 | |
| Insurance | 2,086.42 | 1,863.39 | 223.03 | |
| Pensions and gratuities | 185,804.28 | 145,328.04 | 40,476.24 | |
| Stationery and printing | 243,629.25 | 251,099.01 | | 7,469.76 |
| Valuation expenses | 37,556.94 | 38,250.09 | | 693.15 |
| Other expenses | 264,006.49 | 481,548.29 | | 217,541.80 |
| General joint facilities—Debit | 199,634.94 | 168,952.99 | 30,681.95 | |
| General joint facilities—Credit | *11,432.58* | *5,364.87* | *6,067.71* | |
| Total general expenses | 7,746,400.06 | 7,965,649.67 | | 219,249.61 |
| Grand total railway operating expenses | $202,111,827.02 | $210,276,586.62 | | $ 8,164,759.60 |

*Italics* denote credits.

## NET RAILWAY OPERATING INCOME ITEMS—1949, 1948 AND 1947 SHOWING PERCENTAGES OF RAILWAY OPERATING REVENUES

| Items | 1949 | | 1948 | | 1947 | |
|---|---|---|---|---|---|---|
| | Amount | Per Cent Ry. Opr. Revs. | Amount | Per Cent Ry. Opr. Revs. | Amount | Per Cent Ry. Opr. Revs. |
| **Railway Operating Revenues:** | | | | | | |
| Freight | $195,728,630 | 82.23 | $208,721,239 | 81.86 | $187,064,309 | 80.81 |
| Passenger | 19,420,606 | 8.16 | 21,650,584 | 8.49 | 21,327,973 | 9.21 |
| Mail | 6,538,810 | 2.75 | 5,685,278 | 2.23 | 4,912,808 | 2.12 |
| Express | 3,187,827 | 1.34 | 4,257,147 | 1.67 | 4,500,133 | 1.94 |
| Switching | 5,272,930 | 2.21 | 5,781,015 | 2.27 | 4,857,905 | 2.10 |
| All other transportation | 1,130,430 | .47 | 1,309,210 | .51 | 1,384,773 | .60 |
| Incidental | 4,301,350 | 1.81 | 4,950,181 | 1.94 | 5,314,308 | 2.30 |
| Joint facility—Net Cr. | 2,440,677 | 1.03 | 2,628,056 | 1.03 | 2,116,359 | .92 |
| Total | 238,021,260 | 100.00 | 254,982,710 | 100.00 | 231,478,568 | 100.00 |
| **Railway Operating Expenses:** | | | | | | |
| *Maintenance of way and structures | 38,107,287 | 16.01 | 39,233,215 | 15.39 | 37,772,609 | 16.32 |
| #Maintenance of equipment | 44,941,984 | 18.88 | 45,070,232 | 17.68 | 36,963,419 | 15.97 |
| Traffic expenses | 5,085,731 | 2.14 | 4,856,384 | 1.91 | 4,643,072 | 2.00 |
| Transportation expenses | 103,069,696 | 43.30 | 109,827,088 | 43.07 | 96,469,711 | 41.67 |
| Miscellaneous operations | 3,160,729 | 1.33 | 3,324,018 | 1.30 | 3,212,970 | 1.39 |
| General expenses | 7,746,400 | 3.25 | 7,965,650 | 3.12 | 7,073,387 | 3.06 |
| Total | 202,111,827 | 84.91 | 210,276,587 | 82.47 | 186,135,168 | 80.41 |
| **Net Revenue From Railway Operations** | 35,909,433 | 15.09 | 44,706,123 | 17.53 | 45,343,400 | 19.59 |
| **Railway Tax Accruals:** | | | | | | |
| Federal income | 2,887,000 | 1.21 | 4,444,000 | 1.75 | 3,165,000 | 1.37 |
| Property, payroll and other | 16,737,000 | 7.03 | 16,821,000 | 6.60 | 18,007,000 | 7.78 |
| Total | 19,624,000 | 8.24 | 21,265,000 | 8.35 | 21,172,000 | 9.15 |
| **Equipment Rents—Net Dr.** | 2,847,204 | 1.20 | 5,548,644 | 2.17 | 4,844,578 | 2.09 |
| **Joint Facility Rents—Net Dr.** | 2,498,943 | 1.05 | 2,378,064 | .93 | 2,514,646 | 1.09 |
| **Net Railway Operating Income** | $ 10,939,286 | 4.60 | $ 15,514,415 | 6.08 | $ 16,812,176 | 7.26 |
| *Includes for depreciation, amortization and retirement charges—Road | $ 4,564,228 | 1.92 | $ 4,406,538 | 1.73 | $ 4,671,423 | 2.02 |
| #Includes for depreciation, amortization and retirement charges—Equipment | $ 9,379,620 | 3.94 | $ 8,358,539 | 3.28 | $ 7,675,362 | 3.32 |

## RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1949

| 1949 | Railway Operating Revenues | Railway Operating Expenses | Net Revenue from Railway Operations | Railway Tax Accruals | Railway Operating Income | Equipment Rents-Net Dr. | Joint Facility Rents-Net Dr. | Net Railway Operating Income |
|---|---|---|---|---|---|---|---|---|
| January | $ 18,461,137.39 | $ 17,934,456.43 | $ 526,680.96 | $ 1,433,000.00 | *$ 906,319.04* | $ 229,861.60 | $ 186,067.79 | *$ 1,322,248.43* |
| February | 17,985,997.90 | 16,717,359.88 | 1,268,638.02 | 1,336,000.00 | *67,361.98* | 298,282.75 | 233,149.56 | *598,794.29* |
| March | 20,464,036.25 | 17,222,261.92 | 3,241,774.33 | 1,404,000.00 | 1,837,774.33 | 200,197.29 | 209,786.84 | 1,427,790.20 |
| April | 18,215,210.31 | 16,479,684.51 | 1,735,525.80 | 1,375,000.00 | 360,525.80 | 79,557.78 | 204,284.94 | 76,683.08 |
| May | 18,569,069.37 | 17,060,236.14 | 1,508,833.23 | 1,389,000.00 | 119,833.23 | 122,124.50 | 225,318.02 | *227,609.29* |
| June | 20,866,809 58 | 17,216,108.78 | 3,650,700 80 | 1,417,000.00 | 2,233,700.80 | 240,856.21 | 195,116.71 | 1,797,727.88 |
| July | 20,057,507.96 | 17,219,851.67 | 2,837,656.29 | 1,442,000.00 | 1,395,656.29 | 280,742.00 | 185,588.20 | 929,326.09 |
| August | 23,478,302.64 | 17,856,117.11 | 5,622,185.53 | 2,073,000.00 | 3,549,185.53 | 498,351.29 | 159,768.58 | 2,891,065.66 |
| September | 21,073,218.55 | 15,985,738.00 | 5,087,480.55 | 2,338,000.00 | 2,749,480.55 | 360,444.69 | 223,537.64 | 2,165,498.22 |
| October | 20,620,945.69 | 16,048,901.65 | 4,572,044.04 | 2,179,000.00 | 2,393,044.04 | 214,065.36 | 259,446.47 | 1,919,532.21 |
| November | 19,838,651.87 | 15,872,852.38 | 3,965,799.49 | 2,039,000.00 | 1,926,799.49 | 193,755.97 | 204,459.95 | 1,528,583.57 |
| December | 18,390,372.26 | 16,498,258.55 | 1,892,113.71 | 1,199,000.00 | 693,113.71 | 128,964.47 | 212,417.83 | 351,731.41 |
| Total | $238,021,259.77 | $202,111,827.02 | $35,909,432.75 | $19,624,000.00 | $16,285,432.75 | $2,847,203.91 | $2,498,942.53 | $10,939,286.31 |

*Italics* denote reverse items.

## REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE—TEN YEARS, 1940-1949

| Year | Tons Carried | Ton Miles | Average Haul—Miles | Freight Revenue: Total | Per Ton | Per Ton Mile (Cents) |
|---|---|---|---|---|---|---|
| 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 |
| 1948 | 53,251,082 | 16,345,256,294 | 306.95 | 208,945,932 | 3.92 | 1.278 |
| 1949 | 46,245,916 | 14,774,758,916 | 319.48 | 195,932,011 | 4.24 | 1.326 |

## REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE—TEN YEARS, 1940-1949

| Year | Passengers Carried | Passenger Miles | Average Distance Traveled—Miles | Passenger Revenue: Total | Per Passenger | Per Passenger Mile (Cents) |
|---|---|---|---|---|---|---|
| **Other Than Commutation** | | | | | | |
| 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 |
| 1948 | 4,561,964 | 874,835,023 | 191.77 | 20,587,449 | 4.51 | 2.353 |
| 1949 | 4,030,290 | 782,128,618 | 194.06 | 18,273,709 | 4.53 | 2.336 |
| **Commutation** | | | | | | |
| 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 |
| 1948 | 4,370,610 | 98,416,709 | 22.52 | 1,063,756 | .24 | 1.081 |
| 1949 | 4,071,987 | 92,315,906 | 22.67 | 1,154,033 | .28 | 1.250 |
| **Total** | | | | | | |
| 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 |
| 1948 | 8,932,574 | 973,251,732 | 108.96 | 21,651,205 | 2.42 | 2.225 |
| 1949 | 8,102,277 | 874,444,524 | 107.93 | 19,427,742 | 2.40 | 2.222 |

TRANSPORTATION STATISTICS—AGGREGATES, 1949-1945

| ITEMS | 1949 | 1948 | 1947 | 1946 | 1945 |
|---|---|---|---|---|---|
| RAIL LINE | | | | | |
| Average miles of road operated | 10,670.64 | 10,670.92 | 10,712.71 | 10,732.88 | 10,727.20 |
| TRAIN-MILES | | | | | |
| Freight....—Including light | 15,862,254 | 17,459,731 | 18,130,371 | 16,906,158 | 18,028,655 |
| Passenger..—With locomotives—Including light | 11,201,124 | 11,672,367 | 11,348,310 | 12,812,855 | 13,487,317 |
| Passenger..—Motor car | 888,067 | 839,617 | 678,490 | 701,165 | 714,158 |
| TRAIN-HOURS | | | | | |
| Freight....—Total including train switching | 984,159 | 1,125,763 | 1,172,981 | 1,082,853 | 1,142,706 |
| Passenger..—Total including train switching | 313,664 | 327,313 | 322,513 | 366,362 | 387,838 |
| LOCOMOTIVE-MILES | | | | | |
| Freight....—Road—Principal, helper and light | 17,172,691 | 19,084,395 | 19,920,362 | 18,697,827 | 20,237,472 |
| Passenger..—Road—Principal, helper and light | 11,472,217 | 11,954,218 | 11,645,105 | 13,351,620 | 14,211,936 |
| Freight....—Train switching at way stations | 1,389,074 | 1,561,853 | 1,625,418 | 1,539,275 | 1,588,883 |
| Passenger..—Train switching | ........... | ........... | ........... | ........... | 666 |
| Freight....—Yard switching | 8,907,201 | 9,897,549 | 10,039,360 | 9,038,133 | 8,867,446 |
| Passenger..—Yard switching | 636,864 | 633,684 | 635,520 | 671,500 | 670,188 |
| —Total locomotive-miles | 39,578,047 | 43,131,699 | 43,865,765 | 43,298,355 | 45,576,591 |
| CAR-MILES | | | | | |
| Freight....—Loaded eastbound | 287,917,733 | 302,460,455 | 325,594,164 | 309,770,270 | 316,124,173 |
| Freight....—Loaded westbound | 244,445,253 | 269,634,050 | 274,059,728 | 262,334,652 | 312,885,819 |
| Freight....—Loaded total | 532,362,986 | 572,094,505 | 599,653,892 | 572,104,922 | 629,009,992 |
| Freight....—Empty eastbound | 127,342,552 | 128,391,578 | 118,082,809 | 110,061,280 | 152,208,734 |
| Freight....—Empty westbound | 175,038,939 | 169,114,603 | 180,284,762 | 168,471,496 | 150,074,811 |
| Freight....—Empty total | 302,381,491 | 297,506,181 | 298,367,571 | 278,532,776 | 302,283,545 |
| Freight....—Total freight cars | 834,744,477 | 869,600,686 | 898,021,463 | 850,637,698 | 931,293,537 |
| Freight....—Caboose | 15,445,430 | 17,010,758 | 17,717,334 | 16,579,924 | 17,852,187 |
| Freight....—Pass. train cars in freight trains (incl. below) | 4,279,797 | 3,529,022 | 4,149,816 | 3,961,991 | 3,937,027 |
| Passenger..—Coaches | 29,106,770 | 29,809,731 | 29,104,546 | 31,106,956 | 37,764,739 |
| Passenger..—Combination passenger and head-end | 2,365,374 | 2,724,202 | 2,900,740 | 2,884,705 | 3,006,570 |
| Passenger..—Head-end (mail, express and baggage) | 37,113,628 | 36,857,400 | 36,361,141 | 37,276,255 | 38,500,795 |
| Passenger..—Sleeping, parlor, dining, lounge, etc. | 32,619,357 | 35,055,527 | 33,377,458 | 46,549,787 | 49,541,645 |
| Passenger..—Total passenger-train cars | 101,205,129 | 104,446,860 | 101,743,885 | 117,817,703 | 128,813,749 |
| Passenger..—Freight-train cars in pass. trains (incl. above) | 580,341 | 615,573 | 611,245 | 742,587 | 911,181 |
| Frt. & Pass.—Business cars | 228,166 | 209,532 | 158,719 | 185,257 | 191,022 |
| TON-MILES—THOUSANDS | | | | | |
| Frt. Train..—Gross—Locomotives only | 4,584,296 | 4,931,396 | 5,196,035 | 4,940,159 | 5,444,289 |
| Frt. Train..—Gross—Trailing (cars and contents) | 36,223,224 | 38,802,268 | 40,205,794 | 37,684,958 | 41,973,780 |
| Freight....—Gross—In passenger trains | 22,148 | 23,273 | 22,700 | 25,696 | 30,438 |
| Frt. Train..—Net—Revenue and non-revenue | 16,087,945 | 17,886,816 | 18,607,090 | 17,452,695 | 19,966,924 |
| Freight....—Net—Revenue and non-revenue in pass. trains | 20,037 | 23,601 | 23,041 | 22,055 | 22,480 |
| Pass. Train.—Gross—Locomotives only | 2,937,983 | 3,127,089 | 3,045,447 | 3,374,640 | 3,572,921 |
| Pass. Train.—Gross—Trailing (cars and contents) | 6,711,513 | 7,028,366 | 6,783,790 | 8,143,007 | 8,950,653 |
| Passenger..—Gross—In freight trains | 243,633 | 199,892 | 231,728 | 231,095 | 223,633 |
| REVENUE TRAFFIC AND REVENUE | | | | | |
| Freight....—Tons carried | 46,245,916 | 53,251,082 | 55,204,073 | 50,242,184 | 52,326,187 |
| Freight....—Ton-miles (including water transfer) (thousands) | 14,774,759 | 16,345,256 | 16,958,236 | 15,744,422 | 18,182,059 |
| Freight....—Revenue—Freight only (Account 101) | $195,932,011 | $208,945,932 | $187,294,773 | $152,088,843 | $168,770,268 |
| Freight....—Train revenue (freight, pass., mail, express, etc.) | $195,868,358 | $208,953,508 | $187,362,240 | $152,186,727 | $168,898,342 |
| Passenger..—Number carried | 8,102,277 | 8,932,574 | 9,191,544 | 9,705,413 | 11,343,310 |
| Passenger..—Number of passenger-miles (thousands) | 874,445 | 973,252 | 1,029,495 | 1,587,364 | 2,171,853 |
| Passenger..—Revenue—Passenger only (Account 102) | $ 19,427,742 | $ 21,651,205 | $ 21,331,288 | $ 28,307,993 | $ 37,101,219 |
| Passenger..—Car revenue (pass., mail, express, etc.) | $ 30,325,932 | $ 32,926,803 | $ 32,132,874 | $ 38,365,969 | $ 48,413,401 |
| Passenger..—Train revenue (pass., mail, express, freight, etc.) | $ 30,348,461 | $ 32,919,227 | $ 32,065,407 | $ 38,268,085 | $ 48,285,327 |
| OPERATION BY CLASSES OF POWER | | | | | |
| Yard......—Switching-hours—Steam | 850,971 | 1,127,647 | 1,177,775 | 1,022,185 | 1,089,434 |
| Yard......—Switching-hours—Diesel | 716,800 | 605,658 | 578,563 | 577,165 | 481,951 |
| Yard......—Switching-hours—Electric | 22,276 | 21,901 | 22,809 | 18,922 | 18,221 |
| Road Frt...—Gross ton-miles—Trailing—Steam (thousands) | 22,758,261 | 28,582,299 | 30,196,364 | 27,637,569 | 32,571,005 |
| Road Frt...—Gross ton-miles—Trailing—Diesel (thousands) | 10,525,207 | 7,064,928 | 6,944,710 | 7,054,874 | 5,374,213 |
| Road Frt...—Gross ton-miles—Trailing—Electric (thousands) | 3,183,389 | 3,354,933 | 3,296,448 | 3,223,610 | 4,252,195 |
| Road Pass..—Car-miles—Steam | 41,966,851 | 50,498,490 | 54,425,701 | 81,567,665 | 98,897,068 |
| Road Pass..—Car-miles—Diesel (including gas motor cars) | 49,743,758 | 45,826,014 | 38,031,744 | 19,708,664 | 11,360,914 |
| Road Pass..—Car-miles—Electric | 5,982,628 | 5,382,895 | 5,874,820 | 13,478,971 | 15,677,035 |
| HIGHWAY OPERATION | | | | | |
| Freight....—Tons carried | 90,837 | 99,261 | 103,870 | 120,588 | 177,180 |
| Freight....—Ton-miles (thousands) | 3,132 | 3,366 | 3,614 | 4,401 | 8,667 |
| Passenger..—Number of rail passengers carried | 36,326 | 34,303 | 42,224 | 57,405 | 88,908 |
| Passenger..—Number of all passengers carried | 59,015 | 61,504 | 72,389 | 93,037 | 132,348 |
| Passenger..—Number of passenger miles | 1,056,168 | 1,044,688 | 1,215,451 | 1,535,444 | 2,139,072 |

TRANSPORTATION STATISTICS—RAIL LINE—AVERAGES, 1949-1945

| Items | 1949 | 1948 | 1947 | 1946 | 1945 |
|---|---|---|---|---|---|
| **Per Mile of Road** | | | | | |
| Freight—Train-miles | 1,487 | 1,636 | 1,692 | 1,575 | 1,681 |
| Freight—Train-miles—Per day | 4.1 | 4.5 | 4.6 | 4.3 | 4.6 |
| Freight—Loaded car-miles (total) | 49,890 | 53,612 | 55,976 | 53,304 | 58,637 |
| Freight—Gross ton-miles—trailing (total) | 3,396,738 | 3,638,444 | 3,755,212 | 3,515,563 | 3,915,674 |
| Freight—Net ton-miles (revenue) | 1,384,618 | 1,531,757 | 1,583,001 | 1,466,934 | 1,694,949 |
| Freight—Revenue—Freight only (Account 101) | $ 18,362 | $ 19,581 | $ 17,483 | $ 14,170 | $ 15,733 |
| Passenger—Train-miles | 1,133 | 1,173 | 1,123 | 1,259 | 1,324 |
| Passenger—Train-miles—Per day | 3.1 | 3.2 | 3.1 | 3.4 | 3.6 |
| Passenger—Car-miles | 9,484 | 9,788 | 9,497 | 10,977 | 12,008 |
| Passenger—Car revenue (passenger, mail, express, etc.) | $ 2,842 | $ 3,086 | $ 3,000 | $ 3,575 | $ 4,513 |
| Passenger—Number of passenger-miles (revenue) | 81,949 | 91,206 | 96,100 | 147,897 | 202,462 |
| Passenger—Revenue—Passenger only (Account 102) | $ 1,821 | $ 2,029 | $ 1,991 | $ 2,638 | $ 3,459 |
| Frt. & Pass.—Maintenance of way expenses | $ 3,571 | $ 3,677 | $ 3,526 | $ 3,104 | $ 4,189 |
| Frt. & Pass.—Taxes, other than federal and payroll | $ 864 | $ 844 | $ 731 | $ 681 | $ 622 |
| Frt. & Pass.—Yard switching locomotive-miles | 894 | 987 | 996 | 905 | 889 |
| Frt. & Pass.—Train switching miles at way stations | 130 | 146 | 152 | 143 | 148 |
| Frt. & Pass.—Total railway operating revenue | $ 22,330 | $ 23,918 | $ 21,620 | $ 18,726 | $ 21,317 |
| **Per Train-mile** | | | | | |
| Freight—Locomotive-miles | 1.08 | 1.09 | 1.10 | 1.11 | 1.12 |
| Freight—Loaded freight car-miles (in freight trains) | 33.5 | 32.7 | 33.0 | 33.8 | 34.9 |
| Freight—Empty freight car-miles (in freight trains) | 19.1 | 17.0 | 16.5 | 16.5 | 16.8 |
| Freight—Total car-miles (incl. pass. cars & cab. in frt. trains) | 53.8 | 50.9 | 50.7 | 51.5 | 52.8 |
| Freight—Gross ton-miles (trailing) (in freight trains) | 2,284 | 2,222 | 2,218 | 2,229 | 2,328 |
| Freight—Net ton-miles (rev. & non-rev.) (in freight trains) | 1,014 | 1,024 | 1,026 | 1,032 | 1,108 |
| Freight—Net ton-miles (revenue) | 931 | 936 | 935 | 931 | 1,009 |
| Freight—Train revenue (freight, pass., mail, express, etc.) | $ 12.35 | $ 11.97 | $ 10.33 | $ 9.00 | $ 9.37 |
| Passenger—Locomotive-miles | 1.02 | 1.02 | 1.03 | 1.04 | 1.05 |
| Passenger—Car-miles (incl. frt. cars & cab. in passenger trains) | 8.1 | 8.1 | 8.2 | 8.5 | 8.9 |
| Passenger—Number of passenger-miles (revenue) | 72.3 | 77.8 | 85.6 | 117.5 | 152.9 |
| Passenger—Train revenue (pass., mail, express, freight, etc.) | $ 2.51 | $ 2.63 | $ 2.67 | $ 2.83 | $ 3.40 |
| **Per Train-hour** | | | | | |
| Freight—Train-miles (average speed) | 16.1 | 15.5 | 15.5 | 15.6 | 15.8 |
| Freight—Gross ton-miles—trailing | 37,054 | 34,645 | 34,474 | 35,015 | 36,928 |
| Freight—Net ton-miles (revenue and non-revenue) | 16,347 | 15,889 | 15,863 | 16,117 | 17,473 |
| Passenger—Train-miles (average speed) | 38.5 | 38.2 | 37.3 | 36.9 | 36.6 |
| **Per Car-mile (Freight Loaded)** | | | | | |
| Freight—Ton-miles (revenue and non-revenue) | 30.3 | 31.3 | 31.1 | 30.5 | 31.8 |
| Freight—Revenue—Freight only (Account 101) | $ .37 | $ .37 | $ .31 | $ .27 | $ .27 |
| Freight—Yard & train swg. loco.-miles (per 100 car-miles) | 1.9 | 2.0 | 1.9 | 1.9 | 1.7 |
| Passenger—Number of passenger-miles | 16.4 | 17.2 | 18.4 | 22.4 | 26.9 |
| Passenger—Car revenue—(passenger, mail, express, etc.) | $ .30 | $ .32 | $ .32 | $ .33 | $ .38 |
| Passenger—Yard & train swg. loco.-miles (per 100 car-miles) | .7 | .6 | .7 | .6 | .5 |
| **Per Freight Car-day on Line** | | | | | |
| Car-miles—Loaded and empty—Serviceable | 37.9 | 38.6 | 40.1 | 40.1 | 47.0 |
| Net ton-miles—Revenue and non-revenue | 717 | 780 | 818 | 809 | 988 |
| **Per Ton of Freight** | | | | | |
| Average haul | 319.5 | 306.9 | 307.2 | 313.4 | 347.5 |
| Revenue—Freight only (Account 101) | $ 4.24 | $ 3.92 | $ 3.39 | $ 3.03 | $ 3.23 |
| **Per Passenger (Excl. Commutation)** | | | | | |
| Average distance traveled | 194.1 | 191.8 | 184.9 | 253.2 | 275.5 |
| Revenue—Passenger only (Account 102) | $ 4.53 | $ 4.51 | $ 4.02 | $ 4.63 | $ 4.78 |
| **Per Traffic Unit Mile** | | | | | |
| Revenue per ton-mile | $ .01326 | $ .01278 | $ .01104 | $ .00966 | $ .00928 |
| Revenue per passenger-mile (excluding commutation) | $ .02336 | $ .02353 | $ .02175 | $ .01827 | $ .01736 |
| **Percent Operation by Classes of Power** | | | | | |
| Yard—Steam (Base-Switching hours) | 53.5 | 64.2 | 66.2 | 63.2 | 68.5 |
| Yard—Diesel (Base-Switching hours) | 45.1 | 34.5 | 32.5 | 35.7 | 30.3 |
| Yard—Electric (Base-Switching hours) | 1.4 | 1.3 | 1.3 | 1.2 | 1.2 |
| Road Frt.—Steam (Base-Gross ton-miles—trailing) | 62.4 | 73.3 | 74.7 | 72.9 | 77.2 |
| Road Frt.—Diesel (Base-Gross ton-miles—trailing) | 28.9 | 18.1 | 17.2 | 18.6 | 12.7 |
| Road Frt.—Electric (Base-Gross ton-miles—trailing) | 8.7 | 8.6 | 8.1 | 8.5 | 10.1 |
| Road Pass.—Steam (Base-Car-miles) | 43.0 | 49.6 | 55.3 | 71.1 | 78.5 |
| Road Pass.—Diesel (Base-Car-miles) (including gas motor cars) | 50.9 | 45.1 | 38.7 | 17.2 | 9.0 |
| Road Pass.—Electric (Base-Car-miles) | 6.1 | 5.3 | 6.0 | 11.7 | 12.5 |

## REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1949 AND 1948

| Commodities | 1949 | | 1948 | | Increase + or Decrease − | | |
|---|---|---|---|---|---|---|---|
| | Tons Carried | Percent of Total | Tons Carried | Percent of Total | | Tons | Percent |
| **Products of Agriculture:** | | | | | | | |
| Wheat | 2,191,418 | 4.7 | 2,356,233 | 4.4 | − | 164,815 | 7.0 |
| Corn | 1,580,802 | 3.4 | 1,347,708 | 2.5 | + | 233,094 | 17.3 |
| Barley and rye | 940,489 | 2.0 | 884,339 | 1.7 | + | 56,150 | 6.3 |
| Oats | 486,000 | 1.1 | 554,085 | 1.1 | − | 68,085 | 12.3 |
| Flour, meal and mill products | 1,369,112 | 3.0 | 1,546,639 | 2.9 | − | 177,527 | 11.5 |
| Citrus fruits | 67,231 | .1 | 101,301 | .2 | − | 34,070 | 33.6 |
| Other fruits, fresh and frozen | 147,819 | .3 | 151,556 | .3 | − | 3,737 | 2.5 |
| Potatoes, other than sweet | 275,483 | .6 | 313,398 | .6 | − | 37,915 | 12.1 |
| Other vegetables, fresh and frozen | 130,407 | .3 | 129,987 | .2 | + | 420 | .3 |
| Sugar beets | 142,881 | .3 | 125,623 | .2 | + | 17,258 | 13.7 |
| Other products of agriculture | 1,389,870 | 3.0 | 1,523,018 | 2.9 | − | 133,148 | 8.7 |
| Total | 8,721,512 | 18.8 | 9,033,887 | 17.0 | − | 312,375 | 3.5 |
| **Animals and Products:** | | | | | | | |
| Cattle, calves, sheep and goats | 426,246 | .9 | 399,835 | .7 | + | 26,411 | 6.6 |
| Swine | 215,301 | .5 | 205,922 | .4 | + | 9,379 | 4.6 |
| Fresh meats | 569,312 | 1.2 | 591,692 | 1.1 | − | 22,380 | 3.8 |
| Poultry, eggs, butter and cheese | 135,352 | .3 | 188,873 | .4 | − | 53,521 | 28.3 |
| Wool, hides and leather | 161,023 | .4 | 151,208 | .3 | + | 9,815 | 6.5 |
| Other animals and products | 326,314 | .7 | 317,040 | .6 | + | 9,274 | 2.9 |
| Total | 1,833,548 | 4.0 | 1,854,570 | 3.5 | − | 21,022 | 1.1 |
| **Products of Mines:** | | | | | | | |
| Bituminous coal | 8,179,572 | 17.7 | 11,188,998 | 21.0 | − | 3,009,426 | 26.9 |
| Coke | 439,550 | 1.0 | 483,484 | .9 | − | 43,934 | 9.1 |
| Ores and concentrates | 176,117 | .4 | 205,068 | .4 | − | 28,951 | 14.1 |
| Gravel and sand | 1,677,052 | 3.6 | 1,963,505 | 3.7 | − | 286,453 | 14.6 |
| Stone, broken, ground or crushed | 1,084,754 | 2.3 | 957,036 | 1.8 | + | 127,718 | 13.3 |
| Stone, rough and finished | 234,228 | .5 | 239,309 | .5 | − | 5,081 | 2.1 |
| Asphalt | 211,577 | .5 | 231,153 | .4 | − | 19,576 | 8.5 |
| Salt | 172,960 | .4 | 160,566 | .3 | + | 12,394 | 7.7 |
| Other products of mines | 1,176,993 | 2.5 | 1,118,888 | 2.1 | + | 58,105 | 5.2 |
| Total | 13,352,803 | 28.9 | 16,548,007 | 31.1 | − | 3,195,204 | 19.3 |
| **Products of Forests:** | | | | | | | |
| Logs, posts, poles and cordwood | 2,697,557 | 5.8 | 3,020,737 | 5.7 | − | 323,180 | 10.7 |
| Pulpwood | 480,095 | 1.0 | 772,368 | 1.5 | − | 292,273 | 37.8 |
| Lumber and mill products | 1,995,960 | 4.3 | 2,506,313 | 4.7 | − | 510,353 | 20.4 |
| Veneer and built-up wood | 240,848 | .5 | 225,455 | .4 | + | 15,393 | 6.8 |
| Other products of forests | 205,232 | .5 | 277,629 | .5 | − | 72,397 | 26.1 |
| Total | 5,619,692 | 12.1 | 6,802,502 | 12.8 | − | 1,182,810 | 17.4 |
| **Manufactures and Miscellaneous:** | | | | | | | |
| Refined petroleum and products | 1,843,098 | 4.0 | 2,132,180 | 4.0 | − | 289,082 | 13.6 |
| Sugar, table sirups and molasses | 316,410 | .7 | 297,551 | .6 | + | 18,859 | 6.3 |
| Iron and steel products | 2,839,928 | 6.2 | 3,250,200 | 6.1 | − | 410,272 | 12.6 |
| Machinery and boilers | 262,570 | .6 | 321,210 | .6 | − | 58,640 | 18.3 |
| Cement | 1,026,718 | 2.2 | 1,003,106 | 1.9 | + | 23,612 | 2.4 |
| Brick, building tile and artificial stone | 269,044 | .6 | 323,119 | .6 | − | 54,075 | 16.7 |
| Lime and plaster | 128,445 | .3 | 158,845 | .3 | − | 30,400 | 19.1 |
| Agricultural implements, tractors and parts | 472,813 | 1.0 | 491,540 | .9 | − | 18,727 | 3.8 |
| Autos, trucks, parts and tires | 660,758 | 1.4 | 600,126 | 1.1 | + | 60,632 | 10.1 |
| Beverages | 1,215,255 | 2.6 | 1,157,027 | 2.2 | + | 58,228 | 5.0 |
| Ice | 88,474 | .2 | 85,359 | .2 | + | 3,115 | 3.6 |
| Fertilizers | 380,510 | .8 | 405,848 | .8 | − | 25,338 | 6.2 |
| Paper and paper products | 755,507 | 1.6 | 897,319 | 1.7 | − | 141,812 | 15.8 |
| Canned food products | 734,519 | 1.6 | 798,152 | 1.5 | − | 63,633 | 8.0 |
| Scrap iron and scrap steel | 487,794 | 1.1 | 823,241 | 1.5 | − | 335,447 | 40.7 |
| Building paper, roofing and woodwork | 335,209 | .7 | 394,536 | .7 | − | 59,327 | 15.0 |
| Other manufactures and miscellaneous | 4,357,166 | 9.4 | 5,099,241 | 9.5 | − | 742,075 | 14.6 |
| Total | 16,174,218 | 35.0 | 18,238,600 | 34.2 | − | 2,064,382 | 11.3 |
| Grand Total, Carload Traffic | 45,701,773 | 98.8 | 52,477,566 | 98.6 | − | 6,775,793 | 12.9 |
| All L. C. L. Freight | 544,143 | 1.2 | 773,516 | 1.4 | − | 229,373 | 29.7 |
| Grand Total, Carload and L. C. L. Traffic | 46,245,916 | 100.0 | 53,251,082 | 100.0 | − | 7,005,166 | 13.2 |

NUMBER OF EMPLOYEES AND COMPENSATION 1928–1949 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 |
| 1948 | 38,268 | 138,490,345 | 3,619 | 306,992 | 138,797,337 | 126,678,245 | 12,119,092 |
| 1949 | 35,131 | 133,117,567 | 3,789 | 330,744 | 133,448,311 | 123,623,335 | 9,824,976 |

*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—1949

| 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 | 8,321 | $ 31,223,465 | $3,752 | $ 98,046 | $ 31,321,511 |
| Iowa | 3,987 | 14,565,154 | 3,653 | 32,889 | 14,598,043 |
| Wisconsin | 9,249 | 35,074,750 | 3,792 | 80,559 | 35,155,309 |
| Minnesota | 4,194 | 15,537,821 | 3,705 | 24,811 | 15,562,632 |
| Michigan | 236 | 804,504 | 3,409 | 4,814 | 809,318 |
| Missouri | 553 | 2,115,004 | 3,825 | 8,891 | 2,123,895 |
| Indiana | 824 | 3,251,025 | 3,945 | 11,086 | 3,262,111 |
| South Dakota | 2,219 | 8,133,778 | 3,666 | 11,490 | 8,145,268 |
| North Dakota | 260 | 868,919 | 3,342 | 2,137 | 871,056 |
| Montana | 2,290 | 9,336,388 | 4,077 | 22,177 | 9,358,565 |
| Idaho | 248 | 885,084 | 3,569 | 341 | 885,425 |
| Washington | 2,591 | 10,589,863 | 4,087 | 14,918 | 10,604,781 |
| New York | 35 | 176,836 | 5,052 | 4,777 | 181,613 |
| All other | 124 | 554,976 | 4,476 | 13,808 | 568,784 |
| Total | 35,131 | $133,117,567 | $3,789 | $330,744 | $133,448,311 |

## EQUIPMENT OWNED END OF YEARS 1948–1949

### LOCOMOTIVES

| Kind | Year | Number by Services as Assigned | | | | | Tractive Power (Pounds) | | Weight (Tons) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Excl. of Tender | | On Drivers |
| | | Frt. | Passenger | Yard | Other # | Total | Total | Av. Per Loco. | Total | Av. Per Loco. | Average Per Loco. |
| Steam | 1948 | 529 | 142 | 324 | 6 | 1,001 | 47,660,773 | 47,613 | 131,941 | 131.81 | 97.80 |
| | 1949 | 505 | 126 | 271 | 8 | 910 | 43,285,010 | 47,566 | 120,345 | 132.25 | 97.65 |
| Electric | 1948 | 32 | 13 | 4 | ....... | 49 | 6,355,250 | 129,699 | 15,950 | 325.51 | 259.40 |
| | 1949 | 30 | 13 | 6 | ....... | 49 | 6,355,250 | 129,699 | 15,950 | 325.51 | 259.40 |
| Diesel-electric | 1948 | 29 | 26 | 92 | 1 | 148 | 10,913,373 | 73,739 | 24,354 | 164.55 | 147.48 |
| | 1949 | 52 | 21 | 110 | 2 | 185 | 14,888,588 | 80,479 | 32,304 | 174.62 | 160.97 |
| Total | 1948 | 590 | 181 | 420 | 7 | 1,198 | 64,929,396 | 54,198 | 172,245 | 143.78 | 110.55 |
| | 1949 | 587 | 160 | 387 | 10 | 1,144 | 64,528,848 | 56,406 | 168,599 | 147.38 | 114.83 |

#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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1948 | 24,596 | 4,026 | 2,458 | 9,534 | 4,046 | 988 | 800 | 3,755 | 5,149 | 779 | 56,131 |
| 1949 | 25,686 | 4,018 | 2,372 | 11,482 | 4,296 | 988 | 800 | 3,746 | 5,326 | 808 | 59,522 |

### 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 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1948 | 415 | 102 | 36 | 17 | 60 | 6 | 3 | 407 | 57 | 11 | 1,114 |
| 1949 | 386 | 87 | 30 | 13 | 48 | 3 | 3 | 446 | 59 | 11 | 1,086 |

### RAIL MOTOR CARS

| Year | 275 H. P. Gas-Electric | | | 400 H. P. Gas-Electric Mail and Express | 1000 H. P. Diesel Electric Baggage | Total |
|---|---|---|---|---|---|---|
| | Passenger Mail and Express | Passenger and Baggage | Mail and Express | | | |
| 1948 | 3 | 2 | 9 | 1 | 2 | 17 |
| 1949 | 3 | 2 | 9 | 1 | 2 | 17 |

### FLOATING EQUIPMENT

| Year | Tugboats | Car Barges | Total |
|---|---|---|---|
| 1948 | 1 | 4 | 5 |
| 1949 | 1 | 4 | 5 |

### HIGHWAY VEHICLES

| Year | Revenue Service | | | | | Nonrevenue Service | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Buses | Trucks | Tractors | Semi-Trailers | Trailers | Passenger Automobiles | Buses | Trucks | Tractors | Semi-Trailers | Trailers | Misc. Equip. |
| 1948 | 4 | 1 | 5 | 2 | 10 | 216 | 9 | 175 | 11 | 2 | 13 | 10 |
| 1949 | 4 | 1 | 6 | 2 | 10 | 209 | 8 | 192 | 6 | 2 | 15 | 4 |

### 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 |
|---|---|---|---|---|---|---|---|---|---|
| 1948 | 12 | 20 | 1 | 2,010 | 277 | 240 | 190 | 479 | 3,229 |
| 1949 | 12 | 20 | 1 | 2,016 | 263 | 240 | 188 | 483 | 3,223 |

## MILWAUKEE LAND COMPANY INCOME ACCOUNT FOR THE YEARS 1949 AND 1948

| INCOME | 1949 | 1948 | INCREASE | DECREASE |
|---|---|---|---|---|
| TOWNSITE DIVISION: | | | | |
| SALES: | | | | |
| Real estate sales | $ 12,697.00 | $ 740.00 | $ 11,957.00 | |
| Book value of lots and acreage sold | *3,276.79* | *481.29* | *2,795.50* | |
| Spokane, Wash.—Industrial tract | 14,525.37 | | 14,525.37 | |
| Book value of Spokane property sold | *5,770.99* | | *5,770.99* | |
| GROSS PROFIT FROM SALES | 18,174.59 | 258.71 | 17,915.88 | |
| OTHER INCOME: | | | | |
| Rents | 1,593.90 | 3,074.89 | | $ 1,480.99 |
| Interest and discount | 65.46 | | 65.46 | |
| Miscellaneous income | 168.75 | 45.00 | 123.75 | |
| TOTAL OTHER INCOME | 1,828.11 | 3,119.89 | | 1,291.78 |
| TOTAL INCOME—TOWNSITE DIVISION | 20,002.70 | 3,378.60 | 16,624.10 | |
| TIMBER DIVISION: | | | | |
| SALES: | | | | |
| Stumpage sales | 581,866.55 | 1,094,862.88 | | 512,996.33 |
| Acreage sales | 7,050.00 | 1,259.45 | 5,790.55 | |
| Sale of timber | 42,074.26 | 78,177.34 | | 36,103.08 |
| Cost of land and timber sold | *66,279.90* | *192,824.21* | | *126,544.31* |
| GROSS PROFIT FROM SALES | 564,710.91 | 981,475.46 | | 416,764.55 |
| OTHER INCOME: | | | | |
| Rents | 4,323.10 | 3,912.53 | 410.57 | |
| Trespass | 1,669.34 | 4,677.59 | | 3,008.25 |
| Coal mine royalties | 1,084.44 | 907.87 | 176.57 | |
| Oil lease royalties | 6,510.09 | 5,001.14 | 1,508.95 | |
| Other royalties | 200.83 | 879.63 | | 678.80 |
| Interest on securities owned | 49,774.42 | 46,139.38 | 3,635.04 | |
| Interest on notes receivable | 3,538.19 | 4,221.51 | | 683.32 |
| Interest on miscellaneous bills and other accounts | 12,412.02 | 18,861.83 | | 6,449.81 |
| TOTAL OTHER INCOME | 79,512.43 | 84,601.48 | | 5,089.05 |
| TOTAL INCOME—TIMBER DIVISION | 644,223.34 | 1,066,076.94 | | 421,853.60 |
| TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS | 664,226.04 | 1,069,455.54 | | 405,229.50 |
| EXPENSES | | | | |
| TOWNSITE DIVISION: | | | | |
| Salaries | 2,912.41 | 2,436.92 | 475.49 | |
| Salaries and expenses—Real estate department | 1,099.45 | 977.45 | 122.00 | |
| General office supplies and expenses | 104.35 | 41.20 | 63.15 | |
| Spokane East Side Syndicate Addition expense | 280.63 | | 280.63 | |
| Taxes accrued | 1,226.72 | 1,007.91 | 218.81 | |
| Interest on note payable | 64,043.76 | 64,043.76 | | |
| Miscellaneous expenses | 38.00 | 13.02 | 24.98 | |
| TOTAL EXPENSES—TOWNSITE DIVISION | 69,705.32 | 68,520.26 | 1,185.06 | |
| TIMBER DIVISION: | | | | |
| Fire protection | 18,464.56 | 13,652.30 | 4,812.26 | |
| Office expense | 21,498.34 | 21,132.35 | 365.99 | |
| Officers salaries | 15,863.96 | 14,670.56 | 1,193.40 | |
| Real estate expense | 20,706.20 | 19,584.74 | 1,121.46 | |
| Timber cutting contracts expense | 32,146.40 | 39,163.23 | | 7,016.83 |
| Taxes accrued | 184,529.35 | 296,501.60 | | 111,972.25 |
| Interest on note payable | 95,076.24 | 95,076.24 | | |
| Pension account | 4,800.00 | 3,600.00 | 1,200.00 | |
| Depreciation on automobiles, furniture and fixtures | 2,064.52 | *486.99* | 2,551.51 | |
| South Olympic Tree Farm Co. expense | 289.24 | 371.88 | | 82.64 |
| Amortization of premium paid on U. S. savings bonds | 13,124.96 | 24,332.38 | | 11,207.42 |
| TOTAL EXPENSES—TIMBER DIVISION | 408,563.77 | 527,598.29 | | 119,034.52 |
| TOTAL EXPENSES—TOWNSITE AND TIMBER DIVISIONS | 478,269.09 | 596,118.55 | | 117,849.46 |
| NET INCOME | $ 185,956.95 | $ 473,336.99 | | $ 287,380.04 |

## MILWAUKEE LAND COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1949 AND 1948

| | 1949 | 1948 | INCREASE | DECREASE |
|---|---|---|---|---|
| CREDITS: | | | | |
| Credit balance transferred from income | $ 185,956.95 | $ 473,336.99 | | $ 287,380.04 |
| Miscellaneous credits | | 17,897.84 | | 17,897.84 |
| | 185,956.95 | 491,234.83 | | 305,277.88 |
| DEBITS: | | | | |
| Debit balance at beginning of year | 2,687,990.78 | 3,179,225.61 | | 491,234.83 |
| Debit balance, December 31, carried to General Balance Sheet | *$2,502,033.83* | *$2,687,990.78* | | *$ 185,956.95* |

*Italics* denote reverse items.

## MILWAUKEE LAND COMPANY—GENERAL BALANCE SHEET
## DECEMBER 31, 1949 AND DECEMBER 31, 1948

| ASSET SIDE | 1949 | 1948 | INCREASE | DECREASE |
|---|---|---|---|---|
| CURRENT ASSETS: | | | | |
| Cash | $ 529,067.36 | $ 737,411.90 | | $ 208,344.54 |
| Notes receivable | 58,540.14 | 62,540.14 | | 4,000.00 |
| Interest accrued on notes receivable | 6,199.23 | 2,807.43 | $ 3,391.80 | |
| Interest accrued on timber sales contracts | 6,878.94 | 11,353.46 | | 4,474.52 |
| Interest accrued on securities owned | 22,478.10 | 2,081.96 | 20,396.14 | |
| Purchase contracts—Town lots and acreage | 9,390.00 | 7,000.00 | 2,390 00 | |
| Contracts uncompleted—Farm land sales | 5,250.00 | | 5,250.00 | |
| Audited bills | 29,906.07 | 215,031.91 | | 185,125.84 |
| TOTAL CURRENT ASSETS | 667,709.84 | 1,038,226.80 | | 370,516.96 |
| INVESTMENT SECURITIES: | | | | |
| Ozette Timber Company—Capital stock | 138,065.19 | 138,065.19 | | |
| Rainier Forest Association Inc.—Capital stock | 1,600.00 | 1,600.00 | | |
| 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 | 3,505,640.60 | 2,537,750.00 | 967,890.60 | |
| Reserve for adjustment of investment in securities | *3,044.60* | *27,669.64* | | *24,625.04* |
| TOTAL INVESTMENT SECURITIES | 3,642,756.19 | 2,650,240.55 | 992,515.64 | |
| DEFERRED ASSETS: | | | | |
| Rent accrued | 4.00 | 4.00 | | |
| Rayonier, Inc. timber sale contracts | 401,907.59 | 559,341.53 | | 157,433.94 |
| St. Regis Paper Co. timber sale contract | | 50,000.00 | | 50,000.00 |
| Crown Zellerbach Corp. timber sale contract | | 52,178.32 | | 52,178.32 |
| TOTAL DEFERRED ASSETS | 401,911.59 | 661,523.85 | | 259,612.26 |
| CAPITAL ASSETS: | | | | |
| Land and timber | 2,008,903.00 | 2,073,020.97 | | 64,117.97 |
| Real estate—Town lots and acreage | 49,041.20 | 52,317.99 | | 3,276.79 |
| St. Joe, Idaho, powersite lands | 48,308.02 | 48,308.02 | | |
| Spokane, Wash.—Industrial tract | 24,499.56 | 30,270.55 | | 5,770.99 |
| Reforestation lands purchased—Idaho | 22,800.53 | 22,305.64 | 494.89 | |
| Reforestation lands purchased—Washington | 587.67 | 744.49 | | 156.82 |
| Automobiles, less accrued depreciation | 5,750.46 | 6,154.57 | | 404.11 |
| Furniture and fixtures, less accrued depreciation | 72.03 | 346.25 | | 274.22 |
| Government land scrip | 1.00 | 1.00 | | |
| South Olympic Tree Farm improvements | 6,008.31 | 5,485.23 | 523.08 | |
| TOTAL CAPITAL ASSETS | 2,165,971.78 | 2,238,954.71 | | 72,982.93 |
| GRAND TOTAL | $6,878,349.40 | $6,588,945.91 | $ 289,403.49 | |
| LIABILITY SIDE | | | | |
| CURRENT LIABILITIES: | | | | |
| Audited vouchers and payrolls | $ 14,116.24 | $ 4,897.75 | $ 9,218.49 | |
| Employees payroll deductions—Purchase of U. S. savings bonds | | 9.38 | | $ 9.38 |
| Federal Insurance Contributions Act—Employees' tax deductions | 32.37 | 60.48 | | 28.11 |
| Taxes accrued not yet payable | 258,365.61 | 308,372.88 | | 50,007.27 |
| TOTAL CURRENT LIABILITIES | 272,514.22 | 313,340.49 | | 40,826.27 |
| DEFERRED LIABILITIES: | | | | |
| Advances received on coal leases | 5,565.30 | | 5,565.30 | |
| Advances received on cutting contracts | 142,831.62 | 150,491.36 | | 7,659.74 |
| Interest accrued on advances—C. M. St. P & P. R. R. Co. | 54,887.96 | 54,887.96 | | |
| Interest accrued on note payable—C. M. St. P. & P. R. R. Co. | 5,748,212.26 | 5,589,092.26 | 159,120.00 | |
| TOTAL DEFERRED LIABILITIES | 5,951,497.14 | 5,794,471.58 | 157,025.56 | |
| UNADJUSTED CREDITS: | | | | |
| Suspense accounts | 4,350.87 | 11,515.44 | | 7,164.57 |
| Advances billed on cutting contracts | 21.00 | | 21.00 | |
| Advances billed on coal leases | | 5,609.18 | | 5,609.18 |
| TOTAL UNADJUSTED CREDITS | 4,371.87 | 17,124.62 | | 12,752.75 |
| CAPITAL LIABILITIES: | | | | |
| Capital stock | 500,000.00 | 500,000.00 | | |
| Note 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 | *2,502,033.83* | *2,687,990.78* | | *185,956.95* |
| GRAND TOTAL | $6,878,349.40 | $6,588,945.91 | $ 289,403.49 | |

*Italics* denote reverse items.

OPENING OUR SECOND CENTURY

★ 1950 ★