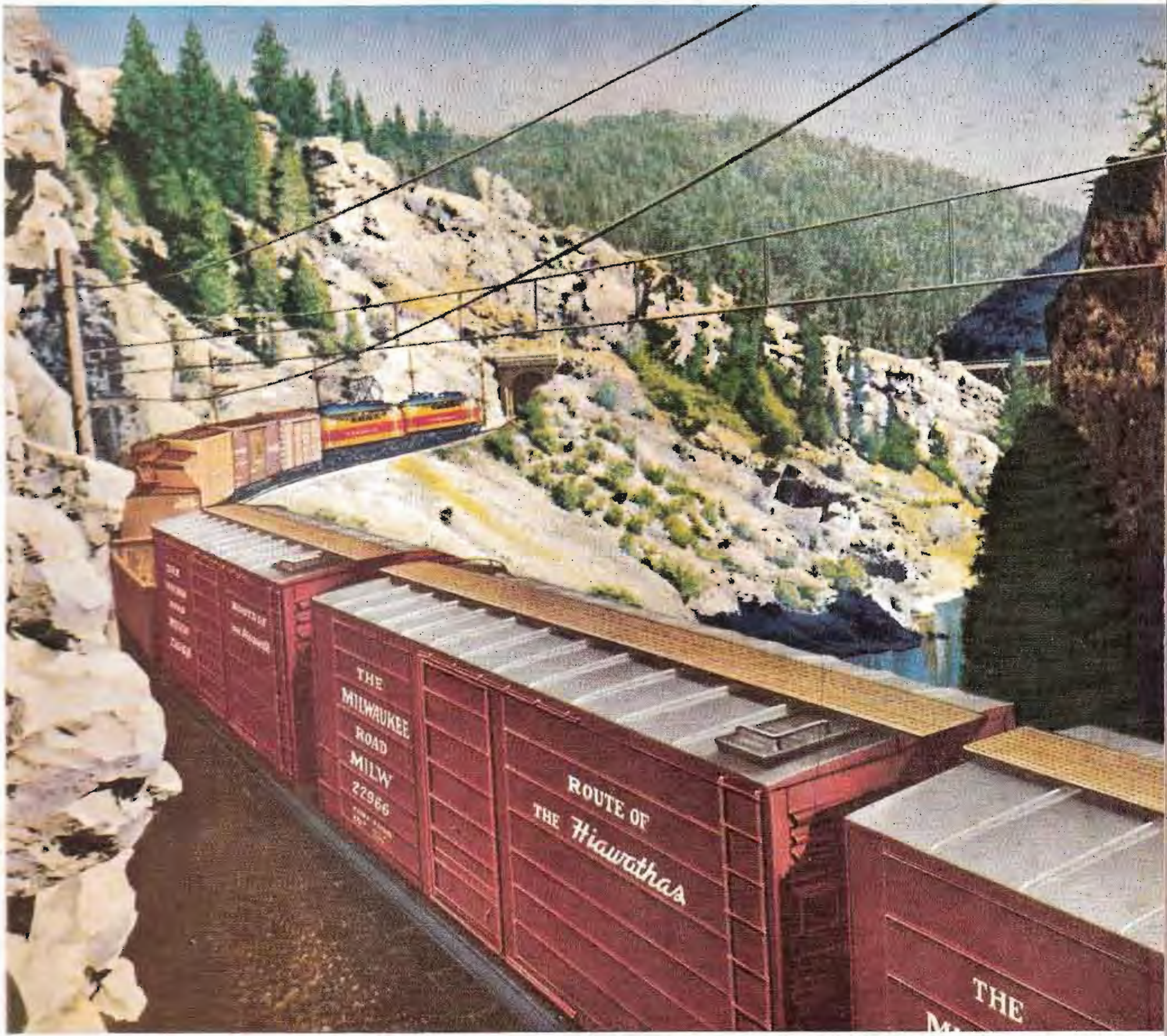


A pair of electrics haul transcontinental freight No. 263 through the Belt Mountains

For release March 31 - per page 15

1951 Annual Report

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

BOARD OF DIRECTORS

Terms Expiring:

1952	1953	1954
Judson Large	John B. Gallagher	John D. Allen
Robert J. Marony	Joshua Green	James M. Barker
William L. O'Brien	Arnold B. Keller	Leo T. Crowley
Philip W. Pillsbury	Walter T. Mahoney	Walter J. Cummings
John W. Severs	Louis Quarles	William J. Froelich
John P. Wagner	William J. Sinek	John P. Kiley
		Elmer Rich

EXECUTIVE COMMITTEE

John D. Allen, *Chairman*

Leo T. Crowley
John B. Gallagher
William J. Froelich
Arnold B. Keller
John P. Kiley
Elmer Rich
William J. Sinek

FINANCE COMMITTEE

Walter J. Cummings, *Chairman*

John D. Allen
James M. Barker
Leo T. Crowley
William J. Froelich*
John B. Gallagher*
Elmer Rich
Louis Quarles*

*Alternate Members

OFFICERS

L. T. Crowley	Chairman of the Board	Chicago
J. P. Kiley	President	Chicago
J. W. Severs	Vice President—Finance and Accounting	Chicago
M. L. Bluhm	Vice President and General Counsel	Chicago
L. F. Donald	Vice President—Operation	Chicago
P. H. Draver	Vice President—Traffic	Chicago
J. B. Murray	Vice President	New York
L. H. Dugan	Vice President	Seattle
C. L. Taylor	General Solicitor	Chicago
R. S. Stephenson	Comptroller	Chicago
T. W. Burtness	Secretary	Chicago
F. H. Jeffrey	Treasurer	Chicago

STOCK TRANSFER OFFICES

52 Wall Street, New York 5, New York
Room 732 Union Station, Chicago 6, Illinois

REGISTRARS

The National City Bank of New York, New York, New York
Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois

ANNUAL MEETING

May 13, 1952, in Room 220 Union Station, Chicago, Illinois

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.

RESULTS OF OPERATION

	1951	1950
Railway operating revenues	$265,400,542	$255,421,649
Railway operating expenses	219,455,141	199,650,956
Net revenue from railway operations	45,945,401	55,770,693
Railway tax accruals	24,499,000	28,101,000
Equipment rents—net debit	3,638,198	3,235,712
Joint facility rents—net debit	2,482,197	2,493,937
Net railway operating income	15,326,006	21,940,044
Other income—net	3,154,083	1,603,954
Income available for fixed charges	18,480,089	23,543,998
Total fixed charges	4,309,683	4,218,431
Times fixed charges earned	4.29	5.58
Income after fixed charges	14,170,406	19,325,567
Total other deductions (contingent charges)	4,101,416	4,154,374
Net income	10,068,990	15,171,193
Appropriations of income for sinking funds	738,493	731,269
Remainder transferred to earned surplus—unappropriated	$ 9,330,497	$ 14,439,924
Earnings per share—Preferred	$ 8.32	$ 12.87
Earnings per share—Common	$ 1.75	$ 4.16

The company's charter provides that, so long as General Mortgage Bonds remain outstanding, no dividends shall be declared or paid on the shares of common stock unless and until there shall be deposited with the Trustee under the General Mortgage, in a sinking fund for the retirement of such bonds, an amount equal to 50% of such dividend.

DIVIDENDS DECLARED

At a meeting of the Board of Directors on February 13, 1952, a dividend of $5.00 per share on the Series A Preferred Stock of the Company was declared out of 1951 earnings, payable March 20, 1952, to holders of record at the close of business February 29, 1952.

At a meeting of the Board of Directors on March 12, 1952, a dividend of $1.00 per share was declared on the Common Stock, payable April 25, 1952, to holders of record at the close of business March 31, 1952. This required the deposit of 50% of the dividend payable, or $1,061,607, with the Trustee under the General Mortgage, in a sinking fund for the retirement in equal parts of Series A and Series B Bonds.

AMENDMENTS TO CHARTER

At the annual meeting on May 9, 1951, the shareholders adopted two amendments to the Company's charter. The first increased the number of directors from fifteen to nineteen, and the second provided, except in certain specified cases, for the election of one-third of the directors each year, such directors to hold office for a period of three years.

OPERATING REVENUES

Operating revenues totaled $265,400,542 in 1951, an increase of $9,978,893, or 3.91%, compared with 1950.

Freight increased	$7,660,184 or	3.65%
Passenger increased	2,174,603	12.40%
Mail decreased	*1,519,261*	*14.26%*
Express increased	53,643	1.80%
All Other increased	1,609,724	11.24%

The decrease in mail revenue was due to the fact that retroactive mail pay of $3,094,588, applicable to the period prior to 1950, was included in the revenues for 1950.

Revenue per Unit of Traffic

Year	Per ton mile (cents)	Per passenger mile (cents)
1951	1.302	2.263
1950	1.292	2.230
1949	1.326	2.222
1948	1.278	2.225
1947	1.104	2.072
1946	0.966	1.783
1945	0.928	1.708
1944	0.935	1.734
1943	0.955	1.750
1942	0.922	1.808
1941	0.916	1.709

See pages 32 and 33 for detailed traffic statistics.

TRAFFIC VOLUME

Revenue ton miles increased over 1950 in each of the first six months, but in July and each month thereafter the volume decreased as compared with the same month in 1950. The total for the year, 16,732,323,827, was an increase of 2.91% over 1950.

Passenger miles for 1951 totaled 871,918,613, an increase of 10.77% over 1950. This was due to increased military movements.

OPERATING EXPENSES

Operating expenses totaled $219,455,141, an increase of $19,804,185, or 9.92%. They were 82.7% of the revenues in 1951, compared with 78.2% in 1950.

Maintenance of Way and Structures	increased	$3,370,500	or 10.08%
Maintenance of Equipment	increased	6,263,657	13.64%
Transportation	increased	7,936,030	7.59%
All other operating expenses	increased	2,233,998	14.15%

Expenses include accruals of $1,853,628 for anticipated additional wage payments to conductors, engineers and firemen.

Analysis of Increases and Decreases In Total Railway Operating Expenses 1951 Compared With 1950

ITEMS	Maintenance of Way and Structures	Maintenance of Equipment	Trans- portation	All Other	Total
Labor:					
General wage increases	+ $1,981,699	+ $2,344,953	+ $8,875,865	+ $1,101,914	+ $14,304,431
Straight time worked	— 236,630	+ 713,073	— 1,448,811	+ 166,232	— 806,136
Overtime worked	+ 155,978	— 19,331	+ 102,657	— 50,736	+ 188,568
Total Labor	+ 1,901,047	+ 3,038,695	+ 7,529,711	+ 1,217,410	+ 13,686,863
*Fuel:					
Price	....	....	— 202,115	....	— 202,115
Consumption	....	....	— 1,121,745	....	— 1,121,745
Total Fuel	....	....	— 1,323,860	....	— *1,323,860
Electric Power	....	....	— 19,441	....	— 19,441
Material—Other than fuel:					
Price	+ 224,391	+ 1,567,427	+ 341,295	+ 106,822	+ 2,239,935
Quantity	+ 363,336	+ 721,972	+ 545,679	+ 258,708	+ 1,889,695
Total Material other than Fuel	+ 587,727	+ 2,289,399	+ 886,974	+ 365,530	+ 4,129,630
Voucher payments for contract work	+ 269,350	+ 21,398	— 2,121	....	+ 288,627
TOTAL LABOR, MATERIAL AND VOUCHERS FOR CONTRACT WORK	+ 2,758,124	+ 5,349,492	+ 7,071,263	+ 1,582,940	+ 16,761,819
Depreciation—Road and equipment	+ 70,271	+ 1,010,050	....	....	+ 1,080,321
Amortization of defense projects	— 12,447	— 272,164	....	....	— 284,611
Retirements—Road	— 263,070	....	....	....	— 263,070
TOTAL DEPRECIATION, AMORTIZATION AND RETIREMENTS	— 205,246	+ 737,886	....	....	+ 532,640
Miscellaneous including casualties	+ 817,622	+ 176,279	+ 864,767	+ 651,058	+ 2,509,726
TOTAL RAILWAY OPERATING EXPENSES	+ $3,370,500	+ $6,263,657	+ $7,936,030	+ $2,233,998	+ $19,804,185

* Due to increased dieselization.

THIS IS WHERE OUR MONEY CAME FROM IN 1951

Hauling freight	$217,584,220
Carrying passengers	19,713,460
Other passenger train revenue, including dining and buffet car service	3,485,146
Transporting mail and express	12,171,478
Switching	6,175,262
Other operating revenues	6,270,976
Total operating revenues	$265,400,542
Other income—net	3,154,083
TOTAL	$268,554,625

AND THIS IS WHERE IT WENT

Materials, contract work, depreciation, etc.	$ 84,994,849	
Property and income taxes	16,724,418	
Rental of equipment and joint facilities	6,120,395	$107,839,662
Wages and salaries of employes included in operating expenses	134,460,292	
Payroll taxes for benefit of employes	7,774,582	142,234,874
Interest paid security holders		8,411,099
Payments into sinking funds required by mortgages		738,493
Dividend on preferred stock	5,608,700	
Dividend on common stock, including payment into Contingent Sinking Fund	3,184,821	8,793,521
Remainder for improvements to property and other corporate purposes		536,976
TOTAL		$268,554,625

FREIGHT RATES AND PASSENGER FARES

In the 1950 Annual Report we called attention to the petition which the Class I railroads filed with the Interstate Commerce Commission, requesting an increase in freight rates of 6%, subject to certain maxima. In response to that petition, and pending further hearings, the Interstate Commerce Commission granted a 2% interim increase in freight rates within Western territory, effective April 4, 1951.

Because of further increases resulting from the cost of living adjustments included in the wage settlements, the railroads filed a supplemental petition requesting a total increase of 15%, including the interim increase granted in April, 1951.

After extended hearings, the Commission authorized a total increase within

Western territory of 6%, subject to certain maxima, to become generally effective August 28, 1951, although the increase on grain and grain products did not become effective until September 12, 1951.

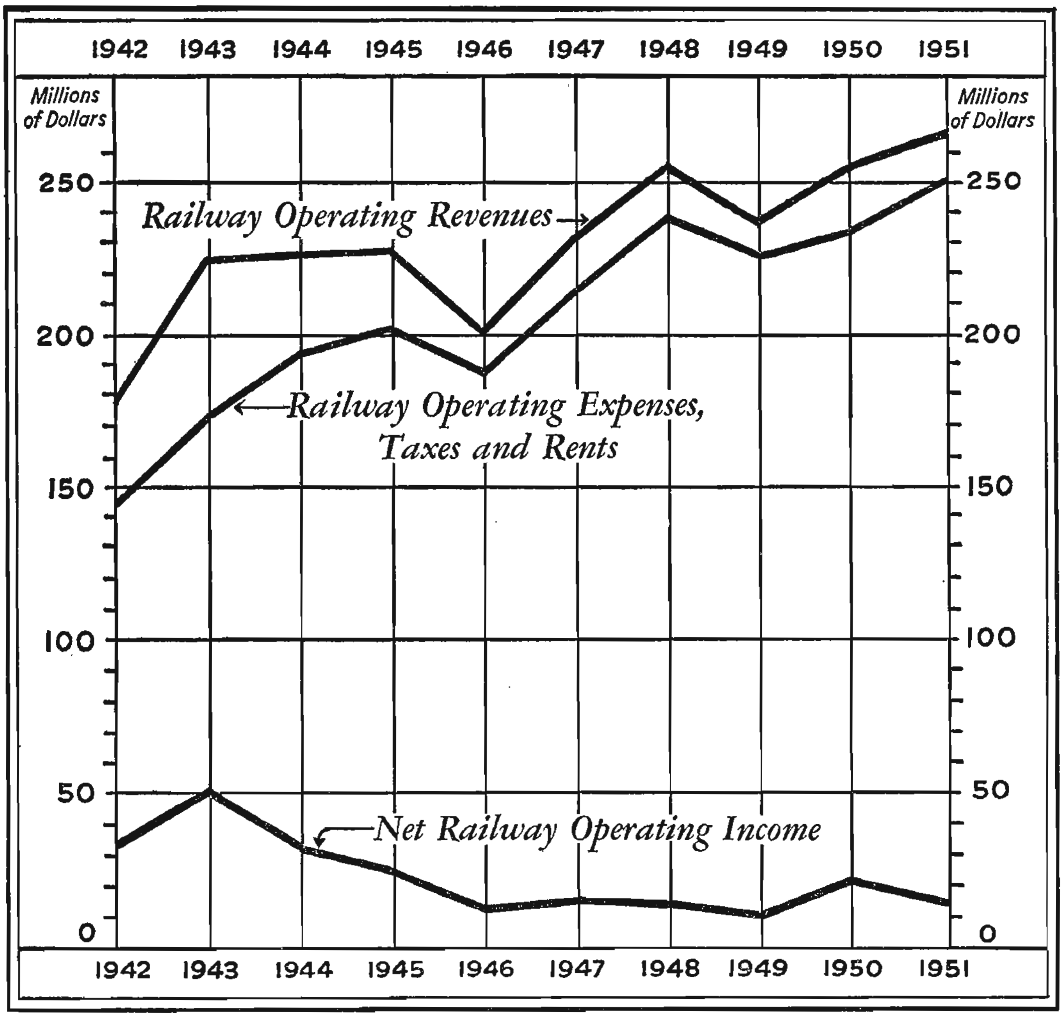
The decision of the Commission was entirely unsatisfactory to the railroads because the increase fell far short of meeting the increases in wages and material costs and, on October 19, 1951, the railroads filed a petition with the Commission for a further hearing, renewing their request for a total increase of 15%. Hearings on this petition commenced on January 14, 1952, and were completed February 29th. An early favorable decision is earnestly hoped for.

Although petitions for corresponding increases have been filed with the State Commissions, substantial conformity with the interstate rates has been authorized only in Illinois, Indiana, Iowa, Michigan, Nebraska and Washington. The 2% interim increase has been granted in Wisconsin, but no action has been taken upon the subsequent increase.

On September 13, 1951, the Illinois Commerce Commission, following a joint hearing with the Interstate Commerce Commission, authorized an increase in suburban fares in the Chicago area by an average of 18%. This will increase suburban revenues about $200,000 per year, which will still fall far short of making our commutation service compensatory.

SOURCES OF REVENUE

Services and Classes of Traffic	Revenue	Percentages of Grand Total
FREIGHT SERVICE		
Freight Traffic		
Manufactured articles	$ 96,788,687	36.5%
Wheat, grain, products of agriculture	38,132,235	14.4
Coal, ore, products of mines	29,763,386	11.2
Lumber, products of forests	26,909,097	10.1
Livestock, products of animals	13,816,465	5.2
L.C.L. traffic	6,389,537	2.4
Forwarder traffic	5,559,509	2.1
Total Freight Traffic	217,358,916	81.9
Other Freight Service		
Switching	6,175,262	2.3
Joint facility—Net Cr.	2,308,208	.9
Demurrage	1,819,061	.7
All other	1,377,425	.5
Total Other Freight Service	11,679,956	4.4
Total Freight Service	$229,038,872	86.3
PASSENGER SERVICE		
Passenger Traffic		
Passengers in coaches	$ 11,971,658	4.5
Passengers in parlor and sleeping cars	7,712,676	2.9
Total Passenger Traffic	19,684,334	7.4
Other Passenger Service		
Mail	9,011,411	3.4
Express	2,999,640	1.1
Dining and buffet	2,264,503	.9
All other	2,401,782	.9
Total Other Passenger Service	16,677,336	6.3
Total Passenger Service	$ 36,361,670	13.7
Freight, Passenger & Other Services	$265,400,542	100.0



WAGE AND LABOR RELATIONS

During 1951, the average number of executives, officials, staff assistants and employes was 33,846, compared with 33,668 in 1950.

Their total salaries and wages and the payroll tax paid for their benefit by the Company amounted to $151,034,945, representing 57% of operating revenues.

At the beginning of 1951 the demands of the four operating unions (Order of Railway Conductors, Brotherhood of Railroad Trainmen, Brotherhood of Locomotive Firemen and Enginemen and the Brotherhood of Locomotive Engineers), which presumably had been disposed of by the Memorandum of Agreement, signed December 21, 1950 at the White House, were still unsettled, inasmuch as the organizations after signing the agreement later rejected it.

The railroads did reach an agreement with the trainmen on May 25, 1951. This was based upon the White House agreement, and provided for an increase, retroactive to October 1, 1950, of 23 cents per hour for yardmen and 5 cents an hour to employes in road service; effective January 1, 1951, an increase of 2 cents an hour to yardmen and 5 cents an hour to employes in road service; and, effective March 1, 1951, 2 cents per hour to employes in yard service and 2½ cents to those in road service.

There was also included in the agreement a provision for an automatic quarterly adjustment of one cent per hour for each point increase in the U. S. Bureau of Labor Statistics Consumers' Price Index. The wage adjustments may be up or down, according to the trend in the cost of living, but may not go below the basic wage rates. The changes to date have all been upward, totaling 11 cents, including 4 cents which was effective January 1, 1952.

Negotiations were continued throughout the year with the conductors, firemen and engineers, and an Emergency Board was appointed by the President to hear the firemen's dispute.

When this Board convened the representatives of the firemen made an opening statement and expressed the feeling that the Board was not an impartial one, and that they would not reappear at further meetings of the Board. The carriers presented their side of the dispute and hearings were concluded on December 17, 1951. On January 26, 1952 the Board made its report and recommendation, which was based on the terms of the White House agreement of December, 1950, but it has been rejected by the firemen.

The representatives of the engineers requested the National Mediation Board to arrange for the appointment of an Emergency Board to hear their dispute, but such a Board has not yet been appointed.

Negotiations with the conductors are generally in abeyance.

On January 10, 1951, the Congress amended the Railway Labor Act so as to permit the establishment of a union shop and check-off of union dues. On or about February 5, representatives of the non-operating unions served notices indicating their desire to negotiate union shop agreements. Because of failure to secure agreements with the great majority of railroads, an Emergency Board was appointed by the President on November 15 to investigate and report on the dispute. At hearings in Washington, December 11 through December 17, the unions presented their evidence, and the hearings were resumed on January 8, 1952 for presentation of the railroad evidence.

The Emergency Board, in its report of February 14, 1952, recommended that the railroads grant the union shop and dues checkoff to the seventeen unions representing non-operating employes. This would compel them to belong to the union of their craft, and the employer would deduct union dues from wages and turn them over to the unions. As of the date of this report decision had not been made by the Western railroads whether to accept or reject the report of the Emergency Board.

The operating unions also served notices of their desire to negotiate union shop agreements on individual roads, but did not seek to negotiate on a National basis.

PAYROLLS AND AVERAGE COMPENSATION

Year	Total Payrolls	Company Contributions— Retirement and Unemployment Taxes	Total	Average Per Employe	Straight Time Rate	
					Average Per Hour	% Inc. Over 1939
1942	$ 74,673,850	$ 4,388,638	$ 79,062,488	$2,378	$ .828	14.2
1943	90,305,409	5,182,267	95,487,676	2,699	.836	15.3
1944	104,576,956	6,606,037	111,182,993	2,908	.916	26.3
1945	106,425,149	6,326,545	112,751,694	2,922	.919	26.8
1946	116,746,703	7,085,974	123,832,677	3,329	1.111	53.2
1947	124,724,548	10,095,938	134,820,486	3,552	1.166	60.8
1948	138,490,345	7,707,579	146,197,924	3,820	1.297	78.9
1949	133,117,567	7,421,152	140,538,719	4,000	1.442	98.9
1950	128,201,025	7,234,363	135,435,388	4,023	1.625	124.1
1951	143,260,363	7,774,582	151,034,945	4,463	1.754	141.9

LONG TERM DEBT OUTSTANDING

Long term debt outstanding in the hands of the public as of December 31, 1951 amounted to $229,456,056 compared with $222,689,413 as of December 31, 1950, a net increase of $6,766,643.

Increases:		
Equipment Obligations covering purchase of equipment		$15,518,000
Decreases:		
Purchased in the open market, surrendered to Mortgage Trustee for cancellation and cancelled during the year—		
First Mortgage 4% Bonds, Series A	$470,900	
Less: Bonds held in Treasury at December 31, 1950, surrendered for cancellation and cancelled during the year	78,700	$ 392,200
The Bedford Belt Ry. Co. First Mortgage Bonds		1,000
Purchased in the open market during the year and held in Treasury—		
First Mortgage 4% Bonds, Series A		224,600
General Mortgage 4½% Income Bonds, Series A		1,800
General Mortgage 4½% Convertible Income Bonds, Series B		10,400
Payments of Equipment Trust Certificates		7,915,000
Payments of Conditional Sale Agreements covering purchase of equipment		206,357
Total Decrease		$ 8,751,357
Net Increase		$ 6,766,643

Bonds in the Treasury as of December 31, 1950, totaling $4,124,100, were delivered or sold to the mortgage trustees for sinking fund purposes and cancelled during 1951.

REDUCTION OF MORTGAGE BONDS

In 1951, mortgage bonds in the principal amount of $630,000 were acquired and cancelled or are held in the Treasury.

The following table shows that in the period December 1, 1945 to December 31, 1951, mortgage bonds in the principal amount of $28,920,300 were acquired and cancelled or are held in the Treasury, resulting in a reduction in annual interest requirements of $1,281,356:

ITEM	Cancelled Through Sinking Funds	Surrendered to Trustees for Cancellation	Held in Treasury	Total	Decrease in Annual Interest
Chicago, Milwaukee, St. Paul & Pacific R.R. Co.					
First Mortgage 4% Bonds, Series A	$ 1,157,800	$ 2,280,100	$ 224,600	$ 3,662,500	$ 146,500
General Mortgage 4½% Income Bonds, Series A	7,973,100	610,000	5,300	8,588,400	386,478
General Mortgage 4½% Convertible Income Bonds, Series B	3,869,600	....	12,101,800	15,971,400	718,713
The Bedford Belt Ry. Co.					
First Mortgage 4¼% Bonds	....	16,000	....	16,000	680
The Southern Indiana Ry. Co.					
First Mortgage 4¼% Bonds	....	8,000	....	8,000	340
Chicago, Terre Haute & Southeastern Ry. Co.					
Income Mortgage 4¼% Bonds	....	....	674,000	674,000	28,645
Totals	$13,000,500	$ 2,914,100	$13,005,700	$28,920,300	$1,281,356

Note: Excluded from the above are C.M.St.P.&P.R.R.Co. General Mortgage 4½% Convertible Income Bonds in the principal amount of $55,400 issued in Reorganization but which were not required for exchange of old securities and were surrendered to Mortgage Trustee for cancellation in December 1949.

INCOME AND OTHER TAXES

Tax accruals for 1951 totaled $24,499,000, made up as follows:

Federal Income	$ 7,263,000
Payroll	7,774,582
Property and Other	9,461,418
Total	$24,499,000

The Revenue Act of 1950 raised the corporate income tax rate from 38% to 42%, for 1950, and to 47% for 1951. The Revenue Act of 1951 again increased the rate, retroactive to April 1, 1951, to 52%. This is an increase of 37% in less than two years.

The Act made permanent the provisions of the Internal Revenue Code for exclusion from gross income of gains resulting from the acquisition by a corporation of its bonds at less than par; and provided for allocations of back mail pay (accrued in 1950) to the years in which the service was rendered, without interest on deficiencies.

EXCESS PROFITS TAX

The Excess Profits Tax Act of 1950, amended in a number of respects in 1951, still recognizes the regulated status of railroads and exempts from the Excess Profits Tax the profits of such corporations which are limited, through rate regulation imposed by governmental bodies constituted for that purpose, to a reasonable rate of return on their invested capital. A 6% rate of return after income taxes is exempt from the excess profits tax, and the Milwaukee Road will not be subject to this tax at the present level of its earnings.

ACCELERATED AMORTIZATION

Current railroad practice had been to apply accelerated amortization to facilities acquired for emergency purposes, writing them off through operating expenses on a 60-month basis. Under an order of the Interstate Commerce Commission dated December 21, 1951, these facilities are to be depreciated at normal rates unless it can be shown that they will not be used in transportation service after the termination of the emergency. However, this action will not affect amortization accounting for tax purposes.

TAX REFUND CLAIMS

There has been further delay in adjusting the Company's claims for refund of Federal Income taxes. During the year the Bureau of Internal Revenue made two changes in the Revenue Agents assigned to the review of our case. However, we have been informed that a report on the review of our returns for the years 1942 through 1947 is nearing completion.

EQUIPMENT OBLIGATIONS

In 1951, equipment obligations of $15,518,000 were issued. Payments on matured obligations amounted to $8,121,357, resulting in a net increase of $7,396,643 for the year.

At the end of 1951, equipment obligations outstanding totaled $68,309,157, with an average interest rate of 2.34%. During the five-year period 1947 to 1951, the Milwaukee Road issued $83,308,250 of equipment obligations. See page 25 for detailed statement of these outstanding obligations.

These obligations are principally in the form of Equipment Trust Certificates which mature serially and are paid from funds provided through charges made against income for equipment depreciation and amortization.

DIESEL OPERATION

At the close of the year 76% of freight operation, 86% of passenger operation, and 74% of yard switching was performed by Diesel-electric and electric locomotives.

Diesel-electric locomotives acquired during 1951 are shown on page 14 of this report.

Following are the Diesel-electric locomotives on order as of the date of this report, and the estimated delivery dates in 1952:

Number	H.P.	Type	Delivery
4	1000	Switch	October
11	1200	Switch	2 in March, 8 in April, and 1 in October
1	1200	Road Switcher	October
15	1500	Road Switcher	6 in May, 5 in June, 1 in July and 3 in October
2	4500	Passenger	October

Based upon the 1951 volume of business, with the acquisition of the locomotives on order, 80% of freight operation, 90% of passenger operation, and 80% of yard switching will be performed by Diesel-electric and electric locomotives.

UNPROFITABLE PASSENGER SERVICE

Further progress has been made in eliminating unprofitable passenger service. During the year a total of 1,367,290 train miles were discontinued, including 49,600 miles for which contract bus service was substituted at a fraction of the cost of the train service. This makes a total of 2,705,098 train miles discontinued during the past three years, and it is estimated that the annual out-of-pocket cost of operating was $3,783,000. At the close of the year, applications were pending or studies were being made in connection with the proposed discontinuance of fourteen additional trains operating approximately 483,800 train miles annually.

MAIL PAY CASE

The annual report for 1950 made reference to an agreement between the railroads and the Postmaster General, approved by the Interstate Commerce Commission, providing for a settlement in respect of additional compensation due the railroads for transporting the mails during the period February 19, 1947 to December 31, 1950. Under this agreement the Milwaukee Road received $4,258,600, which was reflected in the mail revenue for 1950.

In its report and order of November 13, 1951, the Interstate Commerce Commission approved a new basis of mail pay, effective January 1, 1951, which resulted in an increase in the mail revenue for your company of approximately $1,921,400, or 26% over the level of rates in effect in 1950. This increase is reflected in the mail revenue for 1951.

EXPRESS RATES

On January 12, 1951, the Railway Express Agency petitioned the Interstate Commerce Commission for authority to increase its rates and charges and make other modifications in its rate structure. A supplemental petition was filed March 9 asking the Commission to grant an interim increase of 25 cents per shipment, with certain exceptions.

The Commission, on April 13, granted an interim increase of 20 cents per shipment on all less carload shipments, with certain exceptions, and on October 23 the Commission authorized a general increase in express rates and charges which superseded the interim increase of 20 cents per shipment granted in April.

These increases, which became effective on November 15, 1951, it is expected will result in additional express revenue of approximately $395,000 per annum.

LEGISLATION

There was no legislation of importance to railroads enacted by the Congress during 1951, other than the amendments to the Railroad Retirement Act. The amendments to this Act increased annuities and pensions 15%, survivor benefits 33⅓%, and added to the classes receiving benefits under the Act the surviving spouses and annuitants and pensioners upon reaching age 65.

Other amendments were proposed which would have added to the taxes which the railroads and employes are required to pay. These were defeated and the only increase in the tax is that provided in the earlier enactment which, effective January 1, 1952, increased the amount which the railroad and employe each must pay from 6% to 6¼% of the $300 wage base.

The regular biennial sessions of the Legislatures in the States through which we operate were held during 1951, but no legislation of importance to the railroads or imposing unusual burdens upon them was enacted.

INDUSTRIAL DEVELOPMENT

The function of the Industrial Development and Real Estate Department is the placement of industries on company or privately owned industrial property together with the management of the real estate holdings of the company. During the year 257 new industries were established along the railroad from which additional freight revenue of $4,900,000 annually is expected. There were 9,841 leases of land and buildings in effect as of December 31, 1951 producing rental income of $1,136,008 annually, an increase of $26,526 over the previous year. During the year the department purchased 78 parcels of land at a cost of $46,712 and sold 261 parcels of company property, no longer required for operating or industrial purposes, for $656,522. The department now is in the process of purchasing strategically located acreage at several places along the railroad in anticipation of future industrial needs.

CAPITAL EXPENDITURES—1951

During 1951, charges aggregating $33,872,792 were made to Investment Account for road property and equipment, as follows:

New equipment	$25,448,023	
Improvements to existing equipment	693,954	$26,141,977
Improvements to road property		$ 7,730,815

The principal improvement to road property involved the commencement of work on the construction of additional tracks and conversion of the existing flat switching yard, known as Air Line Yard, Milwaukee, to a modern retarder hump yard. This improvement, estimated to cost $3,000,000, is expected to be completed in the latter part of 1952.

Equipment delivered during the year:

6—4800 H.P. Diesel-electric freight locomotives
8—4500 H.P. Diesel-electric freight locomotives
8—4500 H.P. Diesel-electric passenger locomotives
2—3200 H.P. Diesel-electric transfer locomottives
5—2400 H.P. Diesel-electric transfer locomotives
3—1500 H.P. Diesel-electric freight locomotives
31—1200 H.P. Diesel-electric switching locomotives
20—1000 H.P. Diesel-electric switching locomotives
45—50-ton box cars
600—50-ton R. B. type refrigerator cars
250—70-ton covered hopper cars
30—70-ton gondola cars
50—all-steel cabooses

The source of funds for these capital expenditures was:

Equipment obligations issued for equipment delivered during the year	$18,735,005
Depreciation, amortization and retirement charges	8,345,077
Salvage from road and equipment retired	1,780,586
Donations and grants	46,748
Transfers from unappropriated surplus	4,965,376
Total	$33,872,792

CAPITAL EXPENDITURES—1952

Expenditures for the year 1952, chargeable to investment account, are estimated at $17,157,000. Of this amount improvements to road and existing equipment (including uncompleted projects started in 1951) are estimated at $8,270,000.

New equipment, the delivery of which is anticipated in 1952, is estimated to cost $8,887,000. It is expected this will be financed, up to 75% of its cost, under either equipment trusts or conditional sale agreements, whichever appears to be more desirable at the time of financing. The cash outlay for this equipment is estimated at $2,522,000.

The equipment consists of 33 Diesel-electric locomotives and 10 dome lounge cars. The latter are for use on the Olympian and Twin Cities Hiawathas.

SHAREHOLDERS OF RECORD

According to an analysis made as of November 30, 1951, there were 11,374 holders of preferred and 9,727 holders of common shares. They reside in every State of the Union and in U. S. territories and possessions. The distribution, by major classifications, is as follows:

	Preferred		Common	
	Number of Holders	Shares Held	Number of Holders	Shares Held
Men	4,899	327,444	4,822	561,453
Women	4,427	202,390	3,192	241,376
Joint Accounts	1,138	58,768	981	78,662
Fiduciaries	294	27,784	180	44,478
Institutions and Foundations	83	8,552	67	30,289
Stock Brokers and Security Dealers	405	412,719	341	1,002,066
Nominees	123	83,963	105	159,484
Others	5	120	39	5,406
Total	11,374	1,121,740	9,727	2,123,214

CONCLUSION

The property and equipment are in an excellent state of repair. If the railroads are granted the freight rate increase which they have requested, and if the current level of traffic continues and operating costs do not rise appreciably, we have every reason to believe that our earnings in 1952 will be more satisfactory than those of 1951.

LEO T. CROWLEY
Chairman of the Board

J. P. KILEY
President

By order of the Board of Directors
March 31, 1952

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have examined the financial statements of Chicago, Milwaukee, St. Paul and Pacific Railroad Company as of December 31, 1951, or 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 H to the financial statements relative to the status of federal taxes on income and certain claims for reparation on 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, 1951, 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, 1951, in conformity with the provisions of the First Mortgage and General Mortgage indentures.

ERNST & ERNST
Certified Public Accountants.

Chicago, Illinois,
March 7, 1952.

STATEMENT OF INCOME FOR THE YEARS 1951-1947

	1951	1950	1949	1948	1947
RAILWAY OPERATING REVENUES:					
Freight	$217,584,220	$209,924,036	$195,728,630	$208,721,239	$187,064,309
Passenger	19,713,460	17,538,857	19,420,606	21,650,584	21,327,973
Mail—Note G	9,136,878	10,656,139	6,538,810	5,685,278	4,912,808
Express	3,034,600	2,980,957	3,187,827	4,257,147	4,500,133
Switching	6,175,262	5,997,655	5,272,931	5,781,015	4,857,905
All other	9,756,122	8,324,005	7,872,456	8,887,447	8,815,440
TOTAL	265,400,542	255,421,649	238,021,260	254,982,710	231,478,568
RAILWAY OPERATING EXPENSES:					
Maintenance of way and structures	36,798,659	33,428,159	38,107,287	39,233,215	37,772,609
Maintenance of equipment	52,168,510	45,904,853	44,941,984	45,070,232	36,963,419
Traffic	5,595,241	5,034,361	5,085,731	4,856,384	4,643,072
Transportation	112,463,652	104,527,622	103,069,696	109,827,088	96,469,711
Miscellaneous operations	3,543,110	3,152,269	3,160,729	3,324,018	3,212,970
General	8,885,969	7,603,692	7,746,400	7,965,650	7,073,387
TOTAL	219,455,141	199,650,956	202,111,827	210,276,587	186,135,168
NET REVENUE FROM RAILWAY OPERATIONS	45,945,401	55,770,693	35,909,433	44,706,123	45,343,400
TAXES AND RENTS:					
Federal taxes on income—Note D	7,263,000	11,538,000	2,887,000	4,444,000	3,165,000
Other taxes	17,236,000	16,563,000	16,737,000	16,821,000	18,007,000
Equipment rents—net charge	3,638,198	3,235,712	2,847,204	5,548,644	4,844,578
Joint facility rents—net charge	2,482,197	2,493,937	2,498,943	2,378,064	2,514,646
TOTAL	30,619,395	33,830,649	24,970,147	29,191,708	28,531,224
NET RAILWAY OPERATING INCOME	15,326,006	21,940,044	10,939,286	15,514,415	16,812,176
OTHER INCOME, LESS DEDUCTIONS—NOTE C	3,154,083	1,603,954	2,136,133	1,184,423	1,537,468
INCOME AVAILABLE FOR FIXED CHARGES	18,480,089	23,543,998	13,075,419	16,698,838	18,349,644
FIXED CHARGES:					
Rent for leased roads and equipment	708	708	708	614,826	616,277
Interest on funded debt—fixed	4,225,734	4,116,466	4,081,249	3,154,667	2,899,249
Interest on unfunded debt	2,256	22,475	19,814	36,237	18,927
Amortization of discount on funded debt	80,985	78,782	74,704	48,424	26,065
TOTAL	4,309,683	4,218,431	4,176,475	3,854,154	3,560,518
INCOME AFTER FIXED CHARGES	14,170,406	19,325,567	8,898,944	12,844,684	14,789,126
CONTINGENT CHARGES:					
Interest on general mortgage income bonds	3,782,968	3,836,767	4,100,125	4,386,262	4,586,100
Interest on modified Terre Haute bonds	318,448	317,607	321,837	....	....
Rent for leased road and equipment (contingent interest on Chicago, Terre Haute and Southeastern Railway Company bonds)	....	....	....	328,932	328,932
TOTAL	4,101,416	4,154,374	4,421,962	4,715,194	4,915,032
NET INCOME	$ 10,068,990	$ 15,171,193	$ 4,476,982	$ 8,129,490	$ 9,874,094
DISPOSITION OF NET INCOME					
Appropriated for additions and betterments fund	....	....	....	$ 2,500,000	$ 2,500,000
Appropriated for sinking funds	$ 738,493	$ 731,269	$ 723,982	717,141	718,821
Transferred to unappropriated surplus	9,330,497	14,439,924	3,753,000	4,912,349	6,655,273
TOTAL TRANSFERRED TO EARNED SURPLUS	$ 10,068,990	$ 15,171,193	$ 4,476,982	$ 8,129,490	$ 9,874,094

See notes to the financial statements.

COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1951 AND DECEMBER 31, 1950

ASSETS	DECEMBER 31, 1951	DECEMBER 31, 1950	NET CHANGE DURING YEAR + INCREASE — DECREASE
INVESTMENTS:			
Road and equipment property—Note A:			
Road	$610,326,710.27	$604,695,628.20	+ $ 5,631,082.07
Equipment	294,595,183.36	279,230,289.68	+ 15,364,893.68
General expenditures	40,480,503.42	40,553,067.42	— 72,564.00
Improvements on leased property	636,326.94	632,012.17	+ 4,314.77
TOTAL	946,038,723.99	925,110,997.47	+ 20,927,726.52
Less:			
Acquisition adjustment	*165,522,289.02*	*165,604,179.01*	— *81,889.99*
Donations and grants	*1,109,980.05*	*1,123,929.84*	— *13,949.79*
INVESTMENT IN TRANSPORTATION PROPERTY	779,406,454.92	758,382,888.62	+ 21,023,566.30
Accrued depreciation—road property	*77,850,297.00*	*74,206,298.06*	+ *3,643,998.94*
Accrued depreciation—equipment	*130,891,217.38*	*127,748,338.41*	+ *3,142,878.97*
Accrued amortization of defense projects—road property	*2,299,277.85*	*2,263,752.45*	+ *35,525.40*
Accrued amortization of defense projects—equipment	*20,630,936.09*	*20,627,718.80*	+ *3,217.29*
INVESTMENT IN TRANSPORTATION PROPERTY LESS RECORDED DEPRECIATION AND AMORTIZATION	547,734,726.60	533,536,780.90	+ 14,197,945.70
Capital, sinking, and other reserve funds—Note B	3,031,435.69	7,372,152.52	— 4,340,716.83
Miscellaneous physical property (less accrued depreciation at December 31, 1951—$2,090,149.10; at December 31, 1950—$2,045,071.10)	6,743,917.14	6,839,159.53	— 95,242.39
Investments in affiliated companies—Note C:			
Stocks	4,894,917.36	4,894,917.36	....
Unsecured notes and investment advances	9,757,586.43	9,740,674.87	+ 16,911.56
Other investments:			
Stocks	7,792.00	7,787.00	+ 5.00
Other obligations	708,927.68	705,293.50	+ 3,634.18
TOTAL INVESTMENTS	572,879,302.90	563,096,765.68	+ 9,782,537.22
CURRENT ASSETS:			
Cash	32,706,612.18	33,670,066.47	— 963,454.29
Temporary cash investments (United States Government obligations)—at cost	5,489,000.00	17,614,397.79	— 12,125,397.79
Special deposits (cash reserved for payment of specific current liabilities)	2,841,809.93	4,116,394.88	— 1,274,584.95
Net balance receivable from agents and conductors	5,105,936.88	5,605,635.40	— 499,698.52
Miscellaneous accounts receivable	9,614,966.91	10,997,728.29	— 1,382,761.38
Material and supplies inventories—at cost	31,839,187.11	23,876,738.57	+ 7,962,448.54
Interest and dividends receivable	254,423.08	573,411.33	— 318,988.25
Accrued accounts receivable	4,603,335.87	5,085,105.80	— 481,769.93
Claims for refund of federal taxes on income—Note D	8,748,344.12	8,669,324.42	+ 79,019.70
Other current assets	447,674.44	518,738.53	— 71,064.09
TOTAL CURRENT ASSETS	101,651,290.52	110,727,541.48	— 9,076,250.96
DEFERRED ASSETS:			
Working fund advances	578,506.70	602,806.47	— 24,299.77
Other deferred assets	2,255,284.22	1,669,812.19	+ 585,472.03
TOTAL DEFERRED ASSETS	2,833,790.92	2,272,618.66	+ 561,172.26
UNADJUSTED DEBITS:			
Prepayments	266,448.65	242,826.56	+ 23,622.09
Discount on funded debt	705,188.86	710,864.76	— 5,675.90
Other unadjusted debits	1,334,617.61	1,152,071.41	+ 182,546.20
TOTAL UNADJUSTED DEBITS	2,306,255.12	2,105,762.73	+ 200,492.39
	$679,670,639.46	$678,202,688.55	+ $ 1,467,950.91

Italics denote deductions.
See notes to the financial statements.

COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1951 AND DECEMBER 31, 1950

LIABILITIES	DECEMBER 31, 1951	DECEMBER 31, 1950	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	55,852,600.00	56,469,400.00	— $616,800.00
General Mortgage 4½% Income Bonds, Series A, due January 1, 2019	48,668,200.00	48,670,000.00	— 1,800.00
General Mortgage 4½% Convertible Income Bonds, Series B, due January 1, 2044.	35,395,300.00	35,405,700.00	— 10,400.00
The Bedford Belt Railway Company First Mortgage Bonds, due January 1, 1994	234,000.00	235,000.00	— 1,000.00
The Southern Indiana Railway Company First Mortgage Bonds, due January 1, 1994	7,279,000.00	7,279,000.00	....
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	5,661,800.00	5,661,800.00	....
Equipment obligations (maturities due in 1952 — $8,602,858.24 against which special reserve funds in the amount of $936,000.00 are available)	68,309,156.65	60,912,513.43	+ 7,396,643.22
TOTAL LONG-TERM DEBT	229,456,056.65	222,689,413.43	+ 6,766,643.22
CURRENT LIABILITIES:			
Traffic and car-service balances—net payable	6,900,076.55	6,021,113.06	+ 878,963.49
Audited accounts and wages payable	15,120,151.34	15,589,942.40	— 469,791.06
Miscellaneous accounts payable	3,485,324.26	4,286,595.74	— 801,271.48
Interest matured unpaid	1,774,490.69	1,800,173.72	— 25,683.03
Dividends matured unpaid	609,942.56	566,674.57	+ 43,267.99
Unmatured interest accrued	4,386,789.05	4,354,841.74	+ 31,947.31
Accrued accounts payable	5,974,946.69	4,858,476.67	+ 1,116,470.02
Taxes accrued (including for federal taxes on income— at December 31, 1951—$ 7,640,807.93; at December 31, 1950—$11,847,062.40)	14,774,467.41	19,993,313.84	— 5,218,846.43
Other current liabilities	3,207,102.20	3,545,325.54	— 338,223.34
TOTAL CURRENT LIABILITIES	56,233,290.75	61,016,457.28	— 4,783,166.53
DEFERRED LIABILITIES	691,567.35	704,909.94	— 13,342.59
UNADJUSTED CREDITS:			
Premium on funded debt	244.40	1,392.37	— 1,147.97
Accrued depreciation on leased property	266,840.28	251,850.47	+ 14,989.81
Accruals and reserves for claims	3,232,072.03	4,028,445.77	— 796,373.74
Other unadjusted credits	494,572.88	630,166.51	— 135,593.63
TOTAL UNADJUSTED CREDITS	3,993,729.59	4,911,855.12	— 918,125.53
EARNED SURPLUS (SINCE JANUARY 1, 1944)—Note E:			
Appropriated surplus	31,905,231.91	26,931,798.65	+ 4,973,433.26
Unappropriated surplus	32,895,363.21	37,452,854.13	— 4,557,490.92
TOTAL EARNED SURPLUS	64,800,595.12	64,384,652.78	+ 415,942.34
	$679,670,639.46	$678,202,688.55	+ $1,467,950.91

See notes to the financial statements.

EARNED SURPLUS FOR THE YEARS 1951 AND 1950

ITEM	YEAR 1951	YEAR 1950
Balance at January 1	$64,384,652.78	$59,410,459.26
ADDITIONS:		
Net income for the year	10,068,990.70	15,171,193.32
Discount on bonds acquired:		
First Mortgage Bonds	10,551.75	....
General Mortgage Bonds	3,950.00	1,822,842.16
Chicago, Terre Haute and Southeastern Railway Company Income Bonds	....	77,502.50
Profits, less losses derived from sales or retirements of land and nonoperating properties	198,089.08	37,893.39
	74,666,234.31	76,519,890.63
DEDUCTIONS:		
Dividends paid on Preferred Stock—		
March 21, 1951—$5.00 per share;		
March 15, 1950—$3.25 per share; November 20, 1950—$3.75 per share	5,608,695.35	7,852,180.00
Dividends paid on Common Stock—		
April 25, 1951—$2.00 per share; December 9, 1950—$2.00 per share	4,246,426.14	4,246,428.00
Premium on First Mortgage Bonds acquired	2,023.75	26,117.63
Miscellaneous charges, less credits	8,493.95	10,512.22
	9,865,639.19	12,135,237.85
BALANCE AT DECEMBER 31	$64,800,595.12	$64,384,652.78
The status of earned surplus at December 31, was as follows:		
APPROPRIATED:		
For investments in physical properties since January 1, 1944:		
Prior years' appropriations of income for Additions and Betterments Fund	$18,820,728.18	$18,820,728.18
Transfers from unappropriated surplus	12,344,128.74	7,378,752.42
	31,164,856.92	26,199,480.60
For sinking funds (after the current year appropriations, less amounts released upon retirement of bonds):		
First Mortgage Bonds	196,111.25	188,835.50
General Mortgage Bonds	543,893.50	543,425.00
General Mortgage Bonds—Contingent (appropriation due to dividend on Common Stock—$2,123,214.00 in each year)	370.24	57.55
TOTAL APPROPRIATED SURPLUS	31,905,231.91	26,931,798.65
UNAPPROPRIATED	32,895,363.21	37,452,854.13
TOTAL	$64,800,595.12	$64,384,652.78

AVAILABLE NET INCOME AND APPLICATION THEREOF FOR THE YEARS 1951 AND 1950

ITEM	YEAR 1951	YEAR 1950
Income available for fixed charges	$18,480,088.75	$23,543,998.30
FIXED CHARGES:		
Rent for leased roads and equipment	708.00	708.00
Interest on funded debt:		
On First Mortgage 4% Bonds, Series A	2,248,273.10	2,280,020.85
On modified Terre Haute Bonds	583,847.00	589,412.54
On equipment obligations	1,393,613.36	1,247,032.66
Interest on unfunded debt	2,256.29	22,475.48
Amortization of discount on funded debt	80,984.79	78,781.79
TOTAL FIXED CHARGES	4,309,682.54	4,218,431.32
INCOME AFTER FIXED CHARGES	14,170,406.21	19,325,566.98
ADD: Charges to operating expenses representing the service value of non-depreciable roadway property retired and not replaced	190,130.60	454,132.02
AVAILABLE NET INCOME	14,360,536.81	19,779,699.00
APPLICATION OF AVAILABLE NET INCOME:		
Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A	195,099.75	187,875.75
Contingent interest on General Mortgage 4½% Income Bonds, Series A	2,190,084.68	2,248,067.84
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	318,447.00	317,607.00
Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B	1,592,883.83	1,588,698.82
Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B	543,393.50	543,393.50
	4,839,908.76	4,885,642.91
REMAINING AVAILABLE NET INCOME	9,520,628.05	14,894,056.09
DEDUCT: Charges to operating expenses representing the service value of non-depreciable roadway property retired and not replaced	190,130.60	454,132.02
REMAINDER TRANSFERRED TO EARNED SURPLUS—UNAPPROPRIATED	$ 9,330,497.45	$14,439,924.07

See notes to the financial statements.

Notes to Financial Statements

Note A—Investment in Transportation Property:

The investment in road and equipment property ($946,038,723.99) is stated at original cost or 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, after giving effect to subsequent adjustments.

Provisions for depreciation of road and equipment property have been made on a group basis at composite rates and amortization of World War II defense facilities has been accumulated over periods of five years or less. Depreciation of defense facilities acquired in 1950 and 1951 is being provided for at normal rates (See Note D). 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 and property retirement included in railway operating expenses for the year ended December 31, 1951, aggregated $15,403,338.78.

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 1952), other debt retirement, and acquisition of equipment or roadway facilities.

Note C—Investments in Affiliated Companies:

Investments in affiliated companies are carried at cost, and represent capital stocks and notes of and investment advances to wholly-owned subsidiaries and various terminal and switching companies, etc. owned jointly with others. With the exception of advances amounting to $7,063,134.33 and certain stocks carried at $351,363.00 and directors' qualifying shares, these investments are pledged as collateral to the First Mortgage 4% Bonds.

The cost of the investment in capital stocks of the wholly-owned subsidiaries (Milwaukee Land Company, The Milwaukee Motor Transportation Co., and Republic Coal Co.) was $650,000.00 at December 31, 1951, and the equity in underlying net assets as recorded on their books aggregated approximately $4,635,000.00 at that date.

Interest of $1,521,778.72 for the years 1942 through 1948 was received in 1951 on a note receivable from the Milwaukee Land Company, and is included in other income (See Note D). Interest of $4,067,313.54 on this note for certain years prior to 1942 has not been accrued as income or collected by the Company.

Note D—Federal Taxes on Income:

The claims for refund of federal taxes on income of $8,748,344.12 are the result of the carry-back of unused excess profits credits and other retroactive income adjustments applicable to calendar years extending back to 1942.

An examination of the Company's federal income tax returns for the years 1942 to 1947 was completed by agents of the Bureau of Internal Revenue early in 1952, but their report has not yet been rendered. In the course of this examination the agents proposed certain adjustments which have been reflected in the financial statements. Certain other tentative proposals for adjustments which would increase the tax liability of the Company for those years are being resisted by the Company, and no provision therefor has been made in the financial statements.

The provision for federal income taxes for the year 1951 ($7,263,000.00) reflected in the income statement represents the estimated liability of $7,640,807.93 for taxes on income for the year, less $377,807.93 representing adjustments for prior years. Federal taxes on income applicable to the interest of $1,521,778.72 which was received from the Milwaukee Land Company in 1951 were provided for in a prior year in the amount of $599,164.42 (See Note C). In computing the provisions for federal taxes on income for 1951 effect has been given to the deduction of $980,000.00 representing the excess of amortization over normal depreciation applicable to defense facilities acquired in 1950 and 1951. Without the benefit in 1951 of such deduction ($980,000.00) the required provision for 1951 federal taxes on income would have been $497,350.00 greater.

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 in respect of the three immediately preceding years. During the three years ended December 31, 1951, the Company has paid dividends aggregating $5.00 per share on outstanding preferred stock in respect of each of the calendar years 1948, 1949, and 1950.

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, 1951, are set forth in an accompanying schedule.

Note G—Retroactive Adjustment of Mail Revenue:

In October, 1950, the railroads obtained retroactive definitive rates for transportation of United States mail in lieu of temporary rates which had been in effect since February, 1947. As a result, the Company became entitled to additional mail compensation in the amount of $4,258,600.00, which was included in railway operating revenues for 1950. Of this sum, the following portions relate to mail transported in prior years:

1947	$ 825,824.00
1948	1,079,900.00
1949	1,188,864.00
	$3,094,588.00

Note H—United States Government Reparation Claims:

The Company is a defendant, along with the other principal railroads, in a number of so-called "Reparation Cases" now pending before the Interstate Commerce Commission. In these cases, the Federal Government is seeking a reparation on transportation charges relating to the movement of government freight, most of which occurred during World War II. This Company and the other railroads have joined in defense of their rates as charged. Until a decision is obtained, the amount of reparation liability, if any, cannot be determined, and no provision therefor has been made in the financial statements.

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES AS OF DECEMBER 31, 1951

Items	Principal Amount Outstanding Dec. 31, 1951
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, 1.95% to 2.05%, due semi-annually July 1, 1952 to July 1, 1954	2,250,000
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.	$56,050,000
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	438,300
4. Conditional Sale Agreement, 2.48%, due quarterly to November 1, 1956	1,159,200
5. Equipment Trust Certificates, 2⅜%, due annually May 1, 1952 to May 1, 1959	1,640,000
6. Equipment Trust Certificates, 2⅜%, due annually September 15, 1952 to September 15, 1964	2,574,000
7. Equipment Trust Certificates, 2¼%, due annually February 15, 1952 to February 15, 1965	1,680,000
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 or dividends on equipment obligations, Items 3 to 7.	$16,616,500
KANSAS CITY TERMINAL RAILWAY COMPANY:	
1. First Mortgage Serial Bonds, due annually October 1, 1952 to October 1, 1974	$44,704,000
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	$ 1,723,000
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	$13,057,000
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	$ 135,221.63	$ 90,722.42
Land for transportation purposes	17,943.32	*156,392.80*
Other right-of-way expenditures	1,745.41	1,295.98
Grading	603,658.52	470,880.43
Tunnels and subways	19,067.52	19,067.52
Bridges, trestles, and culverts	835,208.25	515,094.03
Ties	195,358.74	148,389.76
Rails	432,328.61	412,354.20
Other track material	1,040,886.73	956,879.24
Ballast	60,076.46	33,273.39
Track laying and surfacing	365,569.39	331,875.35
Fences, snowsheds, and signs	9,796.24	5,327.89
Station and office buildings	609,710.32	432,728.44
Roadway buildings	51,755.17	31,769.55
Water stations	30,133.05	*83,013.40*
Fuel stations	60,268.26	42,687.48
Shops and enginehouses	570,340.08	421,729.18
Storage warehouses	*2,783.51*	*2,783.51*
Wharves and docks	29,948.99	24,300.99
Communication systems	236,910.95	220,734.36
Signals and interlockers	479,310.53	347,591.37
Power plants	25,944.29	25,414.29
Power-transmission systems	113,186.39	104,235.74
Miscellaneous structures	322.02	322.02
Roadway machines	344,989.85	318,372.02
Roadway small tools	*1,620.99*	*1,860.99*
Public improvements—Construction	178,593.16	162,132.22
Shop machinery	308,669.48	42,591.38
Power-plant machinery	43,548.18	33,740.97
Unapplied construction material and supplies	685,937.32	685,937.32
Total Expenditures for Road	7,481,574.36	5,635,396.84
Steam locomotives	*92.81*	*6,356,697.63*
Other locomotives	19,330,052.75	19,115,833.85
Freight-train cars	6,601,585.48	4,775,856.04
Passenger-train cars	*13,860.52*	*504,282.72*
Work equipment	74,234.33	*36,312.35*
Miscellaneous equipment	132,101.33	48,873.04
Unapplied material and supplies—Equipment	17,956.12	17,956.12
Total Expenditures for Equipment	26,141,976.68	17,061,226.35
General Expenditures	17,830.05	*72,564.00*
GRAND TOTAL	$33,641,381.09	$22,624,059.19

Note: The net change in Road and Equipment Property per Balance Sheet ($20,927,726.52) includes the charges for Additions and Betterments, less credits for property retired, above, ($22,624,059.19), less amount of unapplied material and supplies at the beginning of the year used in construction of new equipment during the year ($1,696,332.67).

INVESTMENT IN MISCELLANEOUS PHYSICAL PROPERTY DURING YEAR

Account	Gross Expenditures	Net Charges
Non-operating property	$ 231,410.46	$ *51,503.40*
Track material loaned	....	1,339.01
TOTAL	$ 231,410.46	$ *50,164.39*

Italics denote credits.

SECURITIES OWNED, DECEMBER 31, 1951

Description	Number of Shares	Par Value	Book Value
Stocks:			
Affiliated companies:			
Chicago, Terre Haute & Southeastern Ry. Co.	40,680.67	$ 4,068,067.00	$ 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		9,252.00	7,792.00
Notes:			
Affiliated companies:			
Kansas City Terminal Ry. Co.	A	42,452.10	42,452.10
Milwaukee Land Co.	A	2,652,000.00	2,652,000.00
Other Secured Obligations:			
Nonaffiliated companies:			
Cargill, Incorporated—Agreement dated Aug. 1, 1949		660,000.00	660,000.00
Escanaba Coal & Dock Co.—Agreement dated Sept. 25, 1951		35,000.00	35,000.00
F. E. Buck—Agreement dated July 15, 1949		10,000.00	10,000.00
Olympic Seed Co.—Agreement dated June 13, 1947		2,234.80	2,234.80
Total		$12,653,970.26	$ 8,368,855.20

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, 1951

Description	Date of Issue	Date of Maturity	Amount Originally Issued or Assumed	Amount as of Dec. 31, 1951	Amount Held by Company	Amount Actually Outstanding	Interest		
							Rate Per Cent	Payable	Accrued During Year
First mortgage bonds, Series A....	Jan. 1, 1944	Jan. 1, 1994	$ 59,515,100.00	$ 56,077,200.00	$ 224,600.00	$ 55,852,600.00	4	J. & J.	$ 2,248,273.10
General mortgage income bonds, Series A....................	Jan. 1, 1944	Jan. 1, 2019	57,256,600.00	48,673,500.00	5,300.00	48,668,200.00	4½	April	2,190,084.68
General mortgage convertible income bonds. Series B.........	Jan. 1, 1944	Jan. 1, 2044	51,422,100.00	47,497,100.00	12,101,800.00	35,395,300.00	4½	April	1,592,883.83
The Bedford Belt Ry. Co. first mortgage bonds..............	Jan. 1, 1946	Jan. 1, 1994	350,000.00	334,000.00	*100,000.00	234,000.00	4¼	J.A.& J.	9,930.00
The Southern Indiana Ry. Co. first mortgage bonds..............	Jan. 1, 1946	Jan. 1, 1994	7,287,000.00	7,279,000.00	....	7,279,000.00	4¼	J.A.& J.	309,357.50
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	674,000.00	5,661,800.00	4¼	J.A.& J.	240,626.50
Equipment obligations (See details below).................			106,317,500.00	68,309,156.65	....	68,309,156.65			1,393,613.36
Total long-term debt....			$ 298,055,100.00	$ 244,076,756.65	$ 14,620,700.00	$ 229,456,056.65			$ 8,327,148.97

*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, 1951

Description	Date of Lease or Agreement	Date of Final Maturity	Original Cost of Equipment	Amount Originally Issued	Amount Outstanding Dec. 31, 1951	Principal Payable During 1952	Interest		
							Rate Per Cent	Payable	Accrued During Year
Equipment Trust Certificates:									
Series P....................	Jan. 1, 1937	Jan. 1, 1952	$ 4,185,316.20	$ 3,180,000.00	....	....	3½	J. & J.	$ 7,420.00
Series Q....................	Mar. 1, 1937	Mar. 1, 1952	3,561,722.09	2,655,000.00	$ 177,000.00	$ 177,000.00	3¼	M. & S.	6,711.25
Series R....................	Aug. 1, 1937	Aug. 1, 1952	2,564,053.90	1,920,000.00	128,000.00	128,000.00	3¾	F. & A.	7,600.00
Series S....................	Apr. 1, 1938	Apr. 1, 1953	3,220,834.35	2,235,000.00	298,000.00	149,000.00	3¾	A. & O.	12,571.88
Series T....................	Apr. 1, 1939	Apr. 1, 1954	2,770,164.86	1,920,000.00	384,000.00	128,000.00	3	A. & O.	12,480.00
Series V....................	Apr. 1, 1941	Apr. 1, 1951	4,358,045.34	3,120,000.00	....	....	2⅛	A. & O.	828.36
Series X....................	Mar. 1, 1944	Mar. 1, 1954	9,700,062.91	7,260,000.00	1,815,000.00	726,000.00	1⅞	M. & S.	39,703.73
Series Y....................	Apr. 1, 1945	Apr. 1, 1955	2,800,092.41	2,100,000.00	735,000.00	210,000.00	1¾	A. & O.	14,700.00
Series Z....................	July 1, 1947	July 1, 1957	8,190,966.80	6,000,000.00	3,600,000.00	600,000.00	1⅞	J. & J.	70,311.00
Series AA..................	Oct. 1, 1947	Oct. 1, 1957	3,065,949.00	2,240,000.00	1,344,000.00	224,000.00	1⅞	A. & O.	27,300.00
Series BB..................	Apr. 1, 1948	Apr. 1, 1958	3,530,422.00	2,640,000.00	1,716,000.00	264,000.00	2⅛	A. & O.	39,270.00
Series CC..................	Feb. 1, 1948	Feb. 1, 1958	6,798,971.00	5,040,000.00	3,276,000.00	504,000.00	2¼	F. & A.	77,490.00
Series DD..................	June 1, 1948	June 1, 1958	9,514,365.00	7,120,000.00	4,628,000.00	712,000.00	2	J. & D.	102,053.33
Series EE..................	July 1, 1948	July 1, 1958	5,361,470.78	3,820,000.00	2,674,000.00	382,000.00	2	J. & J.	55,390.00
Series FF..................	Oct. 1, 1948	Oct. 1, 1958	8,936,780.55	6,600,000.00	4,620,000.00	660,000.00	2¼	A. & O.	111,375.00
Series GG..................	Jan. 1, 1949	Jan. 1, 1959	6,094,320.64	4,540,000.00	3,405,000.00	454,000.00	2⅛	J. & J.	74,769.26
Series HH..................	Apr. 1, 1949	Apr. 1, 1964	8,112,741.52	6,060,000.00	5,050,000.00	404,000.00	2⅜	A. & O.	124,735.00
Series JJ....................	Sept. 1, 1949	Sept. 1, 1964	7,604,383.93	5,640,000.00	4,888,000.00	376,000.00	2⅛	M. & S.	107,198.86
Series KK..................	Oct. 1, 1949	Oct. 1, 1964	6,026,867.72	4,500,000.00	3,900,000.00	300,000.00	2¼	A. & O.	91,125.00
Series LL..................	June 1, 1950	June 1, 1965	6,289,514.21	4,650,000.00	4,185,000.00	310,000.00	2¼	J. & D.	98,812.50
Series MM..................	Nov. 1, 1950	Nov. 1, 1965	7,251,863.47	5,430,000.00	5,068,000.00	362,000.00	2½	M. & N.	131,979.17
Series NN..................	June 1, 1951	June 1, 1961	7,236,872.90	5,300,000.00	5,035,000.00	530,000.00	2⅞	J. & D.	79,807.55
Series OO..................	Oct. 1, 1951	Oct. 1, 1966	10,062,553.04	7,500,000.00	7,500,000.00	500,000.00	2⅞	A. & O.	52,128.13
Equipment Lease Agreement:									
General American Transportation Corporation............	Apr. 27, 1940	Aug. 1, 1955	129,500.00	129,500.00	36,917.50	9,756.92	3	Monthly	1,262.09
Conditional Sale Agreements:									
The First National Bank of Chicago, Assignee of the Seller:								Quarterly	
Fairbanks, Morse & Co......	July 1, 1946	Apr. 1, 1957	2,675,000.00	2,000,000.00	1,128,239.15	199,957.39	1.55	Jan.-Apr.	18,635.79
Fairbanks, Morse & Co......	July 1, 1951	Jan. 1, 1960	3,629,985.00	2,718,000.00	2,718,000.00	293,143.93	3.10	July-Oct.	27,955.46
Total equipment obligations..			$ 143,672,819.62	$ 106,317,500.00	$ 68,309,156.65	$ 8,602,858.24			$ 1,393,613.36

Payments Maturing in Years Ending:

December 31, 1952..................	$8,602,858.24	December 31, 1957..................	$7,033,365.17	December 31, 1962..................	$2,252,000.00
December 31, 1953..................	8,321,504.39	December 31, 1958..................	5,383,697.26	December 31, 1963..................	2,252,000.00
December 31, 1954..................	7,822,804.34	December 31, 1959..................	3,386,165.60	December 31, 1964..................	2,050,000.00
December 31, 1955..................	7,236,544.05	December 31, 1960..................	2,795,701.22	December 31, 1965..................	1,017,000.00
December 31, 1956..................	7,138,516.38	December 31, 1961..................	2,517,000.00	December 31, 1966..................	500,000.00
				Total..............	$68,309,156.65

MILES OF ROAD BY STATES, DECEMBER 31, 1951

State	Road Operated						
	Owned Solely		Owned Jointly		Leased	Trackage Rights	Total
	Main Line	Branch Line	Main Line	Branch Line			
Idaho	112.75	110.75				9.11	232.61
Illinois	448.12	120.65	2.40	.14		132.31	703.62
Indiana	156.57	40.02					196.59
Iowa	#1,199.65	535.57	.08	.04	.10	66.51	1,801.95
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	695.26					1,734.69
Washington	314.69	489.97	26.88	50.02		201.10	1,082.66
Wisconsin	1,039.37	499.34		16.34		32.98	1,588.03
Total	6,113.30	3,729.09	43.83	120.58	.10	664.34	10,671.24

#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, 1951

Items	Owned Solely	Owned Jointly	Leased	Trackage Rights	Total
Miles of Road (First Main Track):					
Operated	*9,842.39	164.41	.10	664.34	10,671.24
Not operated	12.20				12.20
Additional Main Tracks:					
Operated	831.49	14.17	.41	275.82	1,121.89
Not operated	15.32	.70			16.02
Yard Tracks and Sidings:					
Operated	*3,338.13	259.30	2.19	505.23	4,104.85
Not operated	5.42	34.56			39.98
Total operated	14,012.01	437.88	2.70	1,445.39	15,897.98
Total not operated	32.94	35.26			68.20
Grand Total	14,044.95	473.14	2.70	1,445.39	15,966.18

*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, 1951 AND 1950

RAILWAY OPERATING REVENUES

	1951	1950	Increase	Decrease
Transportation				
Freight	$217,584,219.94	$209,924,035.96	$ 7,660,183.98	....
Passenger	19,713,459.65	17,538,857.47	2,174,602.18	....
Baggage	57,119.30	53,043.65	4,075.65	....
Sleeping car	637,365.34	555,330.80	82,034.54	....
Parlor and chair car	221,270.35	209,200.95	12,069.40	....
Mail	9,136,877.77	*10,656,138.77	....	$ 1,519,261.00
Express	3,034,600.09	2,980,956.83	53,643.26	....
Other passenger-train	154,468.39	159,857.76	....	5,389.37
Milk	150,420.73	136,703.72	13,717.01	....
Switching	6,175,261.86	5,997,654.96	177,606.90	....
Total transportation revenue	256,865,063.42	248,211,780.87	8,653,282.55	....
Incidental				
Dining and buffet	2,264,503.26	1,947,782.41	316,720.85	....
Station, train, and boat privileges	39,067.52	40,113.06	....	1,045.54
Parcel room	45.80	88.95	....	43.15
Storage—Freight	32,034.09	25,728.97	6,305.12	....
Storage—Baggage	8,691.09	6,643.68	2,047.41	....
Demurrage	1,819,061.02	1,176,808.66	642,252.36	....
Communication	128,515.73	114,384.65	14,131.08	....
Rents of buildings and other property	253,173.41	291,426.68	....	38,253.27
Miscellaneous	1,002,094.55	983,523.05	18,571.50	....
Total incidental operating revenue	5,547,186.47	4,586,500.11	960,686.36	....
Joint Facility				
Joint facility—Credit	3,002,492.74	2,635,745.40	366,747.34	....
Joint facility—Debit	*14,200.72*	*12,377.35*	*1,823.37*	....
Total joint facility operating revenue	2,988,292.02	2,623,368.05	364,923.97	....
Total railway operating revenues	$265,400,541.91	$255,421,649.03	$ 9,978,892.88	....

Italics denote debits.
*Includes accrual of additional mail pay applicable to period February 19, 1947 to December 31, 1949, inclusive, $3,094,588.15.

RAILWAY OPERATING EXPENSES

	1951	1950	Increase	Decrease
Maintenance of Way and Structures				
Superintendence	$ 2,518,474.30	$ 2,404,662.32	$ 113,811.98	....
Roadway maintenance	3,219,772.13	2,483,612.03	736,160.10	....
Tunnels and subways	11,124.90	18,255.18	....	$ 7,130.28
Bridges, trestles, and culverts	1,884,411.64	1,770,093.85	114,317.79	....
Ties	1,496,118.23	1,098,779.39	397,338.84	....
Rails	1,313,851.81	1,748,354.44	....	434,502.63
Other track material	1,790,835.27	2,070,137.80	....	279,302.53
Ballast	330,295.59	254,056.07	76,239.52	....
Track laying and surfacing	6,997,955.54	6,252,711.11	745,244.43	....
Fences, snowsheds, and signs	345,026.76	308,128.97	36,897.79	....
Station and office buildings	1,318,829.84	1,088,020.08	230,809.76	....
Roadway buildings	171,103.29	123,081.45	48,021.84	....
Water stations	239,150.58	224,452.08	14,698.50	....
Fuel stations	194,996.45	219,898.98	....	24,902.53
Shops and enginehouses	1,276,289.38	1,048,261.43	228,027.95	....
Storage warehouses	1,269.42	78.26	1,191.16	....

RAILWAY OPERATING REVENUES AND EXPENSES—Continued
RAILWAY OPERATING EXPENSES—Continued

	1951	1950	Increase	Decrease
Maintenance of Way and Structures				
Wharves and docks	$ 32,898.33	$ 29,080.92	$ 3,817.41	
Communication systems	693,450.71	627,751.79	65,698.92	
Signals and interlockers	1,327,943.23	1,246,722.01	81,221.22	
Power plants	33,360.01	33,636.75		$ 276.74
Power-transmission systems	326,626.53	213,085.40	113,541.13	
Miscellaneous structures	9,245.49	5,921.97	3,323.52	
Road property—Depreciation	4,335,840.71	4,265,569.67	70,271.04	
Retirements—Road	286,492.43	549,562.40		263,069.97
Roadway machines	666,344.27	513,942.68	152,401.59	
Dismantling retired road property	145,091.25	224,826.19		79,734.94
Road—Amortization of defense projects	41,043.24	53,489.55		12,446.31
Small tools and supplies	673,422.83	574,643.92	98,778.91	
Removing snow, ice, and sand	1,535,442.36	1,076,745.47	458,696.89	
Public improvements—Maintenance	742,284.13	600,374.55	141,909.58	
Injuries to persons	120,362.76	257,592.37		137,229.61
Insurance	46,283.28	40,187.04	6,096.24	
Stationery and printing	52,143.52	47,034.12	5,109.40	
Other expenses	40,548.24	73,090.94		32,542.70
Right-of-way expenses	39,424.94	31,207.66	8,217.28	
Maintaining joint tracks, yards, and other facilities—Debit	3,108,232.50	2,598,029.87	510,202.63	
Maintaining joint tracks, yards, and other facilities—Credit	*567,326.34*	*746,919.67*		*179,593.33*
Total maintenance of way and structures	36,798,659.55	33,428,159.04	3,370,500.51	
Maintenance of Equipment				
Superintendence	1,590,083.66	1,445,840.02	144,243.64	
Shop machinery	1,055,071.04	862,635.39	192,435.65	
Power-plant machinery	245,936.67	174,278.27	71,658.40	
Shop and power-plant machinery—Depreciation	286,433.46	289,373.98		2,940.52
Dismantling retired shop and power-plant machinery	6,320.09	2,472.23	3,847.86	
Steam locomotives—Repairs	8,376,748.73	8,350,002.02	26,746.71	
Other locomotives—Repairs	7,950,657.68	6,239,215.97	1,711,441.71	
Freight-train cars—Repairs	13,737,848.24	11,012,205.94	2,725,642.30	
Passenger-train cars—Repairs	6,550,411.64	5,751,917.24	798,494.40	
Floating equipment—Repairs	66,193.86	28,358.85	37,835.01	
Work equipment—Repairs	687,038.69	782,815.46		95,776.77
Miscellaneous equipment—Repairs	158,752.99	141,516.26	17,236.73	
Dismantling retired equipment	61,218.39	90,144.70		28,926.31
Retirements—Equipment	*26,983.00*	*9,282.39*	*17,700.61*	
Equipment—Depreciation	10,414,167.66	9,401,177.38	1,012,990.28	
Equipment—Amortization of defense projects	66,344.28	338,507.95		272,163.67
Injuries to persons	318,587.01	382,374.78		63,787.77
Insurance	67,233.71	69,888.68		2,654.97
Stationery and printing	52,418.64	45,916.03	6,502.61	
Other expenses	163,981.65	261,809.78		97,828.13
Joint maintenance of equipment expenses—Debit	371,964.23	273,103.08	98,861.15	
Joint maintenance of equipment expenses—Credit	*31,919.03*	*29,418.19*	*2,500.84*	
Total maintenance of equipment	52,168,510.29	45,904,853.43	6,263,656.86	
Traffic				
Superintendence	1,253,779.19	1,186,852.97	66,926.22	
Outside agencies	2,843,083.34	2,587,434.66	255,648.68	
Advertising	995,776.76	804,014.34	191,762.42	
Traffic associations	194,716.14	157,798.19	36,917.95	
Industrial and immigration bureaus	71,107.48	92,101.86		20,994.38
Insurance	1,841.93	741.33	1,100.60	
Stationery and printing	233,371.70	204,582.61	28,789.09	
Other expenses	1,563.97	835.00	728.97	
Total traffic expenses	$ 5,595,240.51	$ 5,034,360.96	$ 560,879.55	

Italics denote credits.

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

	1951	1950	INCREASE	DECREASE
TRANSPORTATION				
Superintendence	$ 2,453,726.82	$ 2,237,187.60	$ 216,539.22	
Dispatching trains	991,626.38	946,970.95	44,655.43	
Station employees	15,948,233.91	14,398,794.05	1,549,439.86	
Weighing, inspection, and demurrage bureaus	295,574.59	257,547.91	38,026.68	
Station supplies and expenses	1,035,374.59	901,442.78	133,931.81	
Yardmasters and yard clerks	3,541,989.80	3,079,510.06	462,479.74	
Yard conductors and brakemen	10,289,925.38	8,752,513.90	1,537,411.48	
Yard switch and signal tenders	699,986.70	613,600.17	86,386.53	
Yard enginemen	2,876,690.17	2,901,087.36		$ 24,397.19
Yard motormen	4,036,934.75	3,050,500.70	986,434.05	
Yard switching fuel	1,987,419.22	2,305,369.22		317,950,00
Yard switching power purchased	27,067.32	26,131.38	935.94	
Water for yard locomotives	185,896.76	177,102.34	8,794.42	
Lubricants for yard locomotives	86,411.46	95,575.26		9,163.80
Other supplies for yard locomotives	105,449.77	84,623.25	20,826.52	
Enginehouse expenses—Yard	1,835,440.70	1,836,072.84		632.14
Yard supplies and expenses	239,904.91	200,917.46	38,987.45	
Operating joint yards and terminals—Debit	5,021,188.59	4,270,678.35	750,510.24	
Operating joint yards and terminals—Credit	*495,590.83*	*429,465.67*	*66,125.16*	
Train enginemen	5,564.173.58	6,164,375.60		600,202.02
Train motormen	5,456,958.32	4,246,092.32	1,210,866.00	
Train fuel	12,521,646.77	13,527,558.23		1,005,911.46
Train power purchased	1,304,079.17	1,324,456.43		20,377.26
Water for train locomotives	633,363.35	646,701.25		13,337.90
Lubricants for train locomotives	689,520.30	625,090.60	64,429.70	
Other supplies for train locomotives	376,242.55	307,204.84	69,037.71	
Enginehouse expenses—Train	3,577,232.24	3,264,873.60	312,358.64	
Trainmen	13,442,929.12	12,582,186.33	860,742.79	
Train supplies and expenses	8,297,712.55	7,036,989.03	1,260,723.52	
Operating sleeping cars	547,449.83	497,544.17	49,905.66	
Signal and interlocker operation	858,422.57	829,039.44	29,383.13	
Crossing protection	986,408.12	921,085.37	65,322.75	
Drawbridge operation	200,643.35	174,502.69	26,140.66	
Communication system operation	829,144.02	751,977.64	77,166.38	
Operating floating equipment	390,208.71	346,411.88	43,796.83	
Stationery and printing	391,576.86	298,749.01	92,827.85	
Other expenses	196,433.22	132,854.84	63,578.38	
Operating joint tracks and facilities—Debit	1,299,648.66	1,256,122.90	43,525.76	
Operating joint tracks and facilities—Credit	*623,691.47*	*592,790.62*	*30,900.85*	
Insurance	42,792.21	39,166.16	3,626.05	
Clearing wrecks	362,887.70	296,359.15	66,528.55	
Damage to property	230,376.09	129,727.60	100,648.49	
Damage to live stock on right-of-way	101,269.67	87,300.95	13,968.72	
Loss and damage—Freight	1,942,356.23	2,352,042.40		409,686.17
Loss and damage—Baggage	8,745.61	7,205.26	1,540.35	
Injuries to persons	1,671,871.41	1,568,634.74	103,236.67	
Total transportation expenses	112,463,651.73	104,527,621.72	7,936,030.01	
MISCELLANEOUS OPERATIONS				
Dining and buffet service	3,377,838.78	2,995,813.65	382,025.13	
Hotels and restaurants	3,525.71	2,214.01	1,311.70	
Operating joint miscellaneous facilities—Debit	161,745.49	154,241.03	7,504.46	
Total miscellaneous operations	3,543,109.98	3,152,268.69	390,841.29	
GENERAL				
Salaries and expenses of general officers	829,763.13	715,073.47	114,689.66	
Salaries and expenses of clerks and attendants	5,757,014.67	5,098,974.77	658,039.90	
General office supplies and expenses	432,409.81	341,120.09	91,289.72	
Law expenses	569,596.55	503,329.50	66,267.05	
Insurance	4,326.59	2,627.68	1,698.91	
Pensions and gratuities	322,466.16	242,283.46	80,182.70	
Stationery and printing	365,945.97	217,766.28	148,179.69	
Valuation expenses	38,813.97	42,608.64		3,794.67
Other expenses	373,079.91	262,969.58	110,110.33	
General joint facilities—Debit	200,154.35	183,363.88	16,790.47	
General joint facilities—Credit	*7,602.10*	*6,425.64*	*1,176.46*	
Total general expenses	8,885,969.01	7,603,691.71	1,282,277.30	
Grand total railway operating expenses	$219,455,141.07	$199,650,955.55	$ 19,804,185.52	

Italics denote credits.

NET RAILWAY OPERATING INCOME ITEMS—1951, 1950, AND 1949 SHOWING PERCENTAGES OF RAILWAY OPERATING REVENUES

Items	1951 Amount	1951 Per Cent Ry. Opr. Revs.	1950 Amount	1950 Per Cent Ry. Opr. Revs.	1949 Amount	1949 Per Cent Ry. Opr. Revs.
Railway Operating Revenues:						
Freight	$217,584,220	81.98	$209,924,036	82.19	$195,728,630	82.23
Passenger	19,713,460	7.43	17,538,857	6.87	19,420,606	8.16
Mail—Note G	9,136,878	3.44	10,656,139	4.17	6,538,810	2.75
Express	3,034,600	1.14	2,980,957	1.17	3,187,827	1.34
Switching	6,175,262	2.33	5,997,655	2.35	5,272,930	2.21
All other transportation	1,220,643	.46	1,114,137	.43	1,130,430	.47
Incidental	5,547,187	2.09	4,586,500	1.79	4,301,350	1.81
Joint facility—Net Cr.	2,988,292	1.13	2,623,368	1.03	2,440,677	1.03
Total	265,400,542	100.00	255,421,649	100.00	238,021,260	100.00
Railway Operating Expenses:						
*Maintenance of way and structures	36,798,659	13.87	33,428,159	13.09	38,107,287	16.01
#Maintenance of equipment	52,168,510	19.66	45,904,853	17.97	44,941,984	18.88
Traffic expenses	5,595,241	2.11	5,034,361	1.97	5,085,731	2.14
Transportation expenses	112,463,652	42.37	104,527,622	40.92	103,069,696	43.30
Miscellaneous operations	3,543,110	1.33	3,152,269	1.24	3,160,729	1.33
General expenses	8,885,969	3.35	7,603,692	2.98	7,746,400	3.25
Total	219,455.141	82.69	199,650,956	78.17	202,111,827	84.91
Net Revenue From Railway Operations	45,945,401	17.31	55,770,693	21.83	35,909,433	15.09
Railway Tax Accruals:						
Federal income	7,263,000	2.74	11,538,000	4.52	2,887,000	1.21
Property, payroll and other	17,236,000	6.49	16,563,000	6.48	16,737,000	7.03
Total	24,499,000	9.23	28,101,000	11.00	19,624,000	8.24
Equipment Rents—Net Dr.	3,638,198	1.37	3,235,712	1.27	2,847,204	1.20
Joint Facility Rents—Net Dr.	2,482,197	.94	2,493,937	.97	2,498,943	1.05
Net Railway Operating Income	$ 15,326,006	5.77	$ 21,940,044	8.59	$ 10,939,286	4.60
*Includes for depreciation, amortization and retirement charges—Road	$ 4,663,376	1.76	$ 4,868,622	1.91	$ 4,564,228	1.92
#Includes for depreciation, amortization and retirement charges—Equipment	$ 10,739,962	4.05	$ 10,019,777	3.92	$ 9,379,620	3.94

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1951

1951	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	$ 21,689,607.22	$ 17,331,226.80	$ 4,358,380.42	$ 2,264,000.00	$ 2,094,380.42	$ 404,108.78	$ 210,353.55	$ 1,479,918.09
February	17,468,483.05	16,485,028.45	983,454.60	623,000.00	360,454.60	504,545.67	174,388.77	*318,479.84*
March	22,156,078.64	18,612,294.24	3,543,784.40	1,923,000.00	1,620,784.40	360,247.92	214,555.06	1,045,981.42
April	21,371,197.95	18,364,218.38	3,006 979.57	1,642,000.00	1,364,979.57	354,627.93	208,409.78	801,941.86
May	22,280,857.30	19,072,250.86	3,208,606.44	1,799,000.00	1,409,606.44	301,465.51	205,673.00	902,467.93
June	21,393,012.08	19,158,958.78	2,234,053.30	1,203,000.00	1,031,053.30	286,783.02	232,806.57	511,463.71
July	20,204,469.00	19,124,161.22	1,080,307.78	778,000.00	302,307.78	301,636.51	219,932.17	*219,260.90*
August	24,027,419.56	20,119,667.78	3,907,751.78	2,272,000.00	1,635,751.78	172,812.78	196,283.73	1,266,655.27
September	23,539,299.53	18,124,258.02	5,415,041.51	2,826,000.00	2,589,041.51	442,498.16	224,462.61	1,922,080.74
October	26,227,436.62	18,344,430.53	7,883,006.09	3,989,000.00	3,894,006.09	338,011.73	207,926.92	3,348,067.44
November	22,721,264.16	17,356,391.26	5,364,872.90	2,884,000.00	2,480,872.90	203,962.25	203,397.54	2,073,513.11
December	22,321,416.80	17,362,254.75	4,959,162.05	2,296,000.00	2,663,162.05	*32,502.01*	184,007.08	2,511,656.98
Total	$265,400,541.91	$219,455,141.07	$45,945,400.84	$24,499,000.00	$21,446,400.84	$3,638,198.25	$2,482,196.78	$15,326,005.81

Italics denote reverse items.
See Note G to the financial statements.

REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE—TEN YEARS, 1942-1951

Year	Tons Carried	Ton Miles	Average Haul—Miles	Freight Revenue Total	Freight Revenue Per Ton	Freight Revenue Per Ton Mile (Cents)
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
1950	50,164,902	16,258,839,967	324.11	210,127,019	4.19	1.292
1951	51,740,580	16,732,323,827	323.39	217,832,219	4.21	1.302

REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE—TEN YEARS, 1942-1951

Year	Passengers Carried	Passenger Miles	Average Distance Traveled —Miles	Passenger Revenue Total	Passenger Revenue Per Passenger	Passenger Revenue Per Passenger Mile (Cents)
		Other Than Commutation				
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
1950	3,289,193	696,081,090	211.63	16,418,071	4.99	2.359
1951	3,341,410	776,958,568	232.52	18,484,470	5.53	2.379
		Commutation				
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
1950	4,020,414	91,075,288	22.65	1,136,257	.28	1.248
1951	4,186,842	94,960,045	22.68	1,251,058	.30	1.317
		Total				
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
1950	7,309,607	787,156,378	107.69	17,554,328	2.40	2.230
1951	7,528,252	871,918,613	115.82	19,735,528	2.62	2.263

STATISTICS OF OPERATIONS

Items	Freight Trains 1951	Freight Trains 1950	Passenger Trains 1951	Passenger Trains 1950	Total Transportation Service 1951	Total Transportation Service 1950
Rail-Line						
Average miles of road operated	10,663	10,663	6,061	6,603	10,671	10,671
Train Miles						
Ordinary (with locomotives)	14,673,473	15,120,814	9,847,274	10,447,019	24,520,747	25,567,833
Light (with locomotives)	106,603	137,795	—	—	106,603	137,795
Total (with locomotives)	14,780,076	15,258,609	9,847,274	10,447,019	24,627,350	25,705,628
Motor car trains	—	—	497,928	776,010	497,928	776,010
Total train miles	14,780,076	15,258,609	10,345,202	11,223,029	25,125,278	26,481,638
Locomotive Miles						
Principal	14,786,943	15,269,608	9,847,274	10,447,019	24,634,217	25,716,627
Helper	544,937	618,301	73,674	120,377	618,611	738,678
Light	571,649	602,050	114,345	142,044	685,994	744,094
Train switching	1,310,040	1,331,605	—	—	1,310,040	1,331,605
Yard switching	8,985,139	9,087,552	593,789	623,020	9,578,928	9,710,572
Total locomotive miles	26,198,708	26,909,116	10,629,082	11,332,460	36,827,790	38,241,576
Car Miles						
Loaded freight cars	567,559,450	576,987,956	538,188	493,672	568,097,638	577,481,628
Empty freight cars	291,853,446	291,506,721	22,133	10,195	291,875,579	291,516,916
Total loaded and empty freight cars	859,412,896	868,494,677	560,321	503,867	859,973,217	868,998,544
Caboose	14,252,301	14,721,710	27,355	44,703	14,279,656	14,766,413
Total freight car miles	873,665,197	883,216,387	587,676	548,570	874,252,873	883,764,957
Passenger coaches	375,993	430,988	25,959,178	25,885,611	26,335,171	26,316,599
Sleeping and parlor cars (Company)	21,403	51,897	10,684,178	11,494,081	10,705,581	11,545,978
Sleeping cars (Pullman)	132,933	134,751	13,152,575	12,046,975	13,285,508	12,181,726
Club, lounge, dining and observation cars	164	481	8,114,812	8,283,933	8,114,976	8,284,414
Combination passenger and head end cars	887,711	776,256	1,060,843	1,366,510	1,948,554	2,142,766
Mail, express and baggage cars	2,680,109	1,948,443	33,100,549	34,367,270	35,780,658	36,315,713
Business cars	20,245	23,673	178,872	190,792	199,117	214,465
Crew cars (other than cabooses)	—	—	19,533	18,775	19,533	18,775
Total passenger car miles	4,118,558	3,366,489	92,270,540	93,653,947	96,389,098	97,020,436
Grand total car miles	877,783,755	886,582,876	92,858,216	94,202,517	970,641,971	980,785,393
Gross Ton Miles						
Locomotives and tenders (thousands)	4,513,422	4,571,432	2,583,738	2,756,926	7,097,160	7,328,358
Freight cars, contents, and cabooses (thousands)	38,571,549	38,488,222	21,581	21,197	38,593,130	38,509,419
Passenger cars, and contents (thousands)	230,357	191,057	6,443,008	6,502,747	6,673,365	6,693,804
Total freight and passenger (thousands)	38,801,906	38,679,279	6,464,589	6,523,944	45,266,495	45,203,223
Train Hours						
Train hours in road service	902,049	952,249	263,313	288,457	1,165,362	1,240,706
Revenue and Nonrevenue Freight Traffic						
Tons of revenue freight	—	—	—	—	51,740,580	50,164,902
Tons of nonrevenue freight	—	—	—	—	3,246,110	3,923,326
Total tons of freight	—	—	—	—	54,986,690	54,088,228
Net ton miles revenue freight (thousands)	—	—	—	—	16,732,324	16,258,840
Net ton miles nonrevenue freight (thousands)	—	—	—	—	1,162,335	1,257,902
Total net ton miles of freight (thousands)	17,877,345	17,501,540	17,314	15,202	17,894,659	17,516,742
Revenue Passenger Traffic						
Passengers carried	—	—	—	—	7,528,252	7,309,607
Passenger miles	—	—	—	—	871,918,613	787,156,378
Motor Vehicle Operations Excluded Above						
Net ton miles revenue freight (thousands)	—	—	—	—	3,123	2,870
Passengers carried	—	—	—	—	6,406	16,180
Passenger miles	—	—	—	—	950,703	902,015

STATISTICS OF OPERATIONS—CONCLUDED

ITEMS	1951	1950	1949	1948	1947	1946
FREIGHT TRAIN STATISTICS AND AVERAGES						
Gross ton miles, trailing (thousands)	38,801,906	38,679,279	36,466,857	39,002,160	40,437,522	37,916,053
Eastbound	20,553,344	20,225,498	19,083,191	20,292,893	21,364,432	19,786,782
Westbound	18,248,562	18,453,781	17,383,666	18,709,267	19,073,090	18,129,271
Steam	14,552,224	18,935,455	22,758,261	28,582,299	30,196,364	27,637,569
Diesel-electric	20,961,092	16,288,873	10,525,207	7,064,928	6,944,710	7,054,874
Electric	3,288,590	3,454,951	3,183,389	3,354,933	3,296,448	3,223,610
Per cent steam	37.5%	49.0%	62.4%	73.3%	74.7%	72.9%
Per cent Diesel-electric	54.0%	42.1%	28.9%	18.1%	17.2%	18.6%
Per cent electric	8.5%	8.9%	8.7%	8.6%	8.1%	8.5%
Loaded freight cars per train	38.7	38.1	33.8	33.0	33.4	34.1
Empty freight cars per train	19.9	19.3	19.3	17.2	16.6	16.7
Total freight cars per train	58.6	57.4	53.1	50.2	50.0	50.8
Gross tons per train	2,644	2,558	2,320	2,255	2,251	2,265
Net tons per train	1,218	1,157	1,023	1,034	1,036	1,043
Net tons per loaded car	31.5	30.3	30.3	31.3	31.1	30.5
Miles per car per day (serviceable freight)	36.3	38.1	37.9	38.6	40.1	40.1
Net ton miles per freight car-day	731	748	717	780	818	809
Train speed (train miles per train hour)	16.4	16.0	16.1	15.5	15.5	15.6
Gross ton miles (trailing) per train hour	43,015	40,619	37,054	34,645	34,474	35,015
PASSENGER TRAIN STATISTICS AND AVERAGES						
Passenger car miles (excluding motor)	91,674,778	92,495,023	95,774,326	99,967,909	97,025,664	113,391,203
Steam	18,647,747	30,215,086	41,966,851	50,498,490	54,425,701	81,567,665
Diesel-electric	62,605,038	52,477,403	47,824,847	44,086,524	36,725,143	18,344,567
Electric	10,421,993	9,802,534	5,982,628	5,382,895	5,874,820	13,478,971
Per cent steam	20.3%	32.7%	43.8%	50.5%	56.1%	71.9%
Per cent Diesel-electric	68.3%	56.7%	49.9%	44.1%	37.9%	16.2%
Per cent electric	11.4%	10.6%	6.3%	5.4%	6.0%	11.9%
Cars per train (excluding motor)	9.31	8.85	8.55	8.56	8.55	8.85
Revenue passengers per train	84.4	70.2	72.4	77.9	85.7	117.6
Revenue passengers per car	17.0	15.4	16.1	16.9	18.1	22.0
Train speed (train miles per train hour)	39.3	38.9	38.5	38.2	37.3	36.9
YARD SWITCHING STATISTICS						
Yard switching hours	1,596,488	1,618,429	1,590,047	1,755,206	1,779,147	1,618,272
Steam	615,944	755,336	850,971	1,127,647	1,177,775	1,022,185
Diesel-electric	961,876	841,812	716,800	605,658	578,563	577,165
Electric	18,668	21,281	22,276	21,901	22,809	18,922
Per cent steam	38.6%	46.7%	53.5%	64.2%	66.2%	63.2%
Per cent Diesel-electric	60.2%	52.0%	45.1%	34.5%	32.5%	35.7%
Per cent electric	1.2%	1.3%	1.4%	1.3%	1.3%	1.1%
DENSITY STATISTICS						
Per mile of road per day (freight service):						
Train miles, ordinary	3.8	3.9	4.0	4.4	4.6	4.3
Net ton miles	4,593	4,497	4,134	4,583	4,762	4,458
Per mile of road per day (passenger service):						
Train miles	4.7	4.7	4.8	4.9	4.7	5.3
Car miles	42.0	39.1	38.8	39.4	38.2	44.6

REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1951 AND 1950

Commodities	1951		1950		Increase + or Decrease —		
	Tons Carried	Percent of Total	Tons Carried	Percent of Total		Tons	Percent
Products of Agriculture							
Wheat	2,206,986	4.3	1,708,181	3.4	+	498,805	29.2
Corn	1,570,015	3.0	1,370,174	2.7	+	199,841	14.6
Barley and rye	907,492	1.7	759,741	1.5	+	147,751	19.4
Oats	418,721	.8	345,007	.7	+	73,714	21.4
Flour, meal and mill products	1,193,827	2.3	1,233,338	2.5	—	39,511	3.2
Citrus fruits	82,469	.2	76,767	.2	+	5,702	7.4
Other fruits, fresh and frozen	129,538	.3	134,219	.3	—	4,681	3.5
Potatoes, other than sweet	226,580	.4	242,871	.5	—	16,291	6.7
Other vegetables, fresh and frozen	120,639	.2	118,446	.2	+	2,193	1.9
Sugar beets	128,444	.3	215,187	.4	—	86,743	40.3
Other products of agriculture	1,538,276	3.0	1,372,382	2.7	+	165,894	12.1
Total	8,522,987	16.5	7,576,313	15.1	+	946,674	12.5
Animals and Products							
Cattle, calves, sheep and goats	295,243	.6	332,005	.7	—	36,762	11.1
Swine	178,098	.3	176,959	.4	+	1,139	.6
Fresh meats	497,152	1.0	562,915	1.1	—	65,763	11.7
Poultry, eggs, butter and cheese	152,845	.3	117,912	.2	+	34,933	29.6
Wool, hides and leather	145,113	.3	166,688	.3	—	21,575	12.9
Other animals and products	388,010	.7	350,024	.7	+	37,986	10.9
Total	1,656,461	3.2	1,706,503	3.4	—	50,042	2.9
Products of Mines							
Bituminous coal	8,381,160	16.2	9,191,560	18.3	—	810,400	8.8
Coke	472,203	.9	523,363	1.1	—	51,160	9.8
Ores and concentrates	1,770,835	3.4	723,013	1.4	+	1,047,822	144.9
Gravel and sand	1,846,653	3.6	1,847,318	3.7	—	665	—
Stone, broken, ground, or crushed	1,266,208	2.4	1,181,265	2.4	+	84,943	7.2
Stone, rough and finished	228,399	.4	251,113	.5	—	22,714	9.0
Asphalt	241,296	.5	231,314	.5	+	9,982	4.3
Salt	180,809	.4	171,722	.3	+	9,087	5.3
Other products of mines	1,274,668	2.5	1,270,892	2.5	+	3,776	.3
Total	15,662,231	30.3	15,391,560	30.7	+	270,671	1.8
Products of Forests							
Logs, posts, poles and cordwood	3,439,546	6.6	3,042,968	6.1	+	396,578	13.0
Pulpwood	954,694	1.8	533,606	1.1	+	421,088	78.9
Lumber and mill products	2,358,252	4.6	2,531,778	5.0	—	173,526	6.9
Veneer and built-up wood	317,739	.6	308,004	.6	+	9,735	3.2
Other products of forests	243,790	.5	191,952	.4	+	51,838	27.0
Total	7,314,021	14.1	6,608,308	13.2	+	705,713	10.7
Manufactures and Miscellaneous							
Refined petroleum and products	1,699,517	3.3	1,912,864	3.8	—	213,347	11.2
Sugar, table sirups and molasses	273,626	.5	321,974	.6	—	48,348	15.0
Iron and steel products	3,099,731	6.0	3,370,932	6.7	—	271,201	8.0
Machinery and boilers	275,044	.5	250,642	.5	+	24,402	9.7
Cement	1,178,275	2.3	1,227,901	2.5	—	49,626	4.0
Brick, building tile and artificial stone	306,630	.6	298,474	.6	+	8,156	2.7
Lime and plaster	160,012	.3	162,323	.3	—	2,311	1.4
Agricultural implements, tractors and parts	470,560	.9	441,161	.9	+	29,399	6.7
Autos, trucks, parts and tires	672,282	1.3	767,921	1.5	—	95,639	12.5
Beverages	1,411,362	2.7	1,271,728	2.5	+	139,634	11.0
Ice	37,583	.1	98,151	.2	—	60,568	61.7
Fertilizers	385,073	.8	382,744	.8	+	2,329	.6
Paper and paper products	965,082	1.9	885,192	1.8	+	79,890	9.0
Canned food products	831,336	1.6	835,322	1.7	—	3,986	.5
Scrap iron and scrap steel	744,661	1.4	720,855	1.4	+	23,806	3.3
Building paper, roofing and woodwork	366,089	.7	400,080	.8	—	33,991	8.5
Other manufactures and miscellaneous	5,286,508	10.2	5,067,819	10.1	+	218,689	4.3
Total	18,163,371	35.1	18,416,083	36.7	—	252,712	1.4
Grand Total, Carload Traffic	51,319,071	99.2	49,698,767	99.1	+	1,620,304	3.3
All L.C.L. Freight	421,509	.8	466,135	.9	—	44,626	9.6
Grand Total, Carload and L.C.L. Traffic	51,740,580	100.0	50,164,902	100.0	+	1,575,678	3.1

NUMBER OF EMPLOYEES AND COMPENSATION 1928-1951 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
1950	33,668	128,201,025	3,808	397,584	128,598,609	121,457,026	7,141,583
1951	33,846	143,260,363	4,233	527,819	143,788,182	134,801,750	8,986,432

*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—1951

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	8,165	$35,246,113	$4,317	$125,631	$35,371,744
Iowa	3,654	14,874,282	4,071	35,924	14,910,206
Wisconsin	9,032	38,404,876	4,252	114,639	38,519,515
Minnesota	4,088	16,742,080	4,095	38,318	16,780,398
Michigan	231	914,486	3,959	4,808	919,294
Missouri	521	2,249,121	4,317	12,925	2,262,046
Indiana	887	3,888,999	4,384	11,418	3,900,417
South Dakota	1,822	7,328,232	4,022	11,359	7,339,591
North Dakota	198	704,482	3,558	842	705,324
Montana	2,263	9,984,820	4,412	30,515	10,015,335
Idaho	218	879,461	4,034	274	879,735
Washington	2,597	11,191,661	4,309	39,777	11,231,438
All other	170	851,750	5,010	101,389	953,139
Total	33,846	$143,260,363	$4,233	$527,819	$143,788,182

EQUIPMENT OWNED END OF YEARS 1950–1951

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	1950	483	111	236	8	838	40,132,623	47,891	111,816	133.43	98.26
	1951	395	83	183	4	665	31,915,586	47,993	89,857	135.12	98.86
Electric	1950	40	14	6	0	60	7,480,450	124,674	18,940	315.67	249.35
	1951	36	14	7	0	57	7,254,950	127,280	18,364	322.18	254.56
Diesel-electric	1950	63	30	139	0	232	20,091,868	86,603	42,711	184.10	173.21
	1951	98	34	180	4	316	28,454,581	90,046	60,153	190.35	182.59
Total	1950	586	155	381	8	1,130	67,704,941	59,916	173,467	153.51	121.67
	1951	529	131	370	8	1,038	67,625,117	65,149	168,374	162.21	132.90

#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
1950	25,476	4,001	2,071	11,338	4,294	988	800	3,737	5,296	786	58,787
1951	*25,633	3,983	2,020	11,297	4,536	986	800	3,731	5,262	802	59,050

*Includes 599 Refrigerator cars.

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
1950	386	87	30	13	48	3	3	481	58	10	1,119
1951	388	85	30	12	48	2	3	461	53	10	1,092

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			
1950	2	2	6	1	2	13
1951	0	2	3	1	2	8

FLOATING EQUIPMENT

Year	Tugboats	Car Barges	Total
1950	1	5	6
1951	1	5	6

HIGHWAY VEHICLES

Year	Revenue Service					Nonrevenue Service						
	Buses	Trucks	Tractors	Semi-Trailers	Trailers	Passenger Automobiles	Buses	Trucks	Tractors	Semi-Trailers	Trailers	Misc. Equip.
1950	4	0	6	1	5	222	7	198	5	3	14	9
1951	2	0	6	1	5	218	6	218	5	3	14	9

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
1950	15	20	1	2,097	329	233	188	492	3,375
1951	15	20	1	2,077	314	225	190	491	3,333

MILWAUKEE LAND COMPANY INCOME ACCOUNT FOR THE YEARS 1951 AND 1950

INCOME	1951	1950	INCREASE	DECREASE
TOWNSITE DIVISION:				
SALES:				
Real estate sales	$ 28,687.40	$ 7,189.82	$ 21,497.58	
Book value of lots and acreage sold	*23,701.11*	*6,673.70*	*17,027.41*	
Spokane, Wash.—Industrial tract	8,876.18		8,876.18	
Book value of Spokane property sold	*3,922.79*		*3,922.79*	
GROSS PROFIT FROM SALES	9,939.68	516.12	9,423.56	
OTHER INCOME:				
Rents	1,245.52	3,905.47		$ 2,659.95
Interest and discount	82.95	1,192.98		1,110.03
Miscellaneous income	319.68	382.52		62.84
TOTAL OTHER INCOME	1,648.15	5,480.97		3,832.82
TOTAL INCOME—TOWNSITE DIVISION	11,587.83	5,997.09	5,590.74	
TIMBER DIVISION:				
SALES:				
Stumpage sales	1,571,737.95	951,439.35	620,298.60	
Acreage sales	1,850.00	639.00	1,211.00	
Sale of timber	188,127.61	87,812.41	100,315.20	
Cost of land and timber sold	*181,655.21*	*106,164.10*	*75,491.11*	
GROSS PROFIT FROM SALES	1,580,060.35	933,726.66	646,333.69	
OTHER INCOME:				
Rents	2,643.64	5,027.00		2,383.36
Trespass	1,325.92	376.47	949.45	
Coal mine royalties	2,221.22	555.67	1,665.55	
Oil lease royalties		360.83		360.83
Other royalties	1,932.73		1,932.73	
Interest on securities owned	79,757.65	51,144.96	28,612.69	
Interest on notes receivable	4,588.17	3,515.29	1,072.88	
Interest on miscellaneous bills and other accounts	2,019.27	16,071.55		14,052.28
Discount on U. S. Treasury notes		849.49		849.49
TOTAL OTHER INCOME	94,488.60	77,901.26	16,587.34	
TOTAL INCOME—TIMBER DIVISION	1,674,548.95	1,011,627.92	662,921.03	
TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS	1,686,136.78	1,017,625.01	668,511.77	
EXPENSES				
TOWNSITE DIVISION:				
Salaries	3,529.82	3,119.84	409.98	
Salaries and expenses—Real estate department	13.17	628.69		615.52
General office supplies and expenses	40.06	17.63	22.43	
Spokane East Side Syndicate Addition expense	506.06		506.06	
Taxes accrued	682.37	727.41		45.04
Interest on note payable	64,043.76	64,043.76		
Miscellaneous expenses	*249.00*	53.76		302.76
TOTAL EXPENSES—TOWNSITE DIVISION	68,566.24	68,591.09		24.85
TIMBER DIVISION:				
Fire protection	20,186.48	17,135.66	3,050.82	
Office expense	20,969.30	19,128.72	1,840.58	
Officers' salaries	16,894.01	16,571.96	322.05	
Real estate expense	34,803.21	37,534.18		2,730.97
Timber cutting contracts expense	26,302.54	14,985.34	11,317.20	
Taxes accrued	318,201.23	3,357.73	314,843.50	
Interest on note payable	95,076.24	95,076.24		
Pension account	4,300.00	4,800.00		500.00
Depreciation on automobiles, furniture and fixtures	689.07	1,794.95		1,105.88
South Olympic Tree Farm Co. expense	483.89	387.58	96.31	
Amortization of premium paid on U. S. savings bonds		2,564.04		2,564.04
TOTAL EXPENSES—TIMBER DIVISION	537,905.97	213,336.40	324,569.57	
TOTAL EXPENSES—TOWNSITE AND TIMBER DIVISIONS	606,472.21	281,927.49	324,544.72	
NET INCOME	$1,079,664.57	$ 735,697.52	$ 343,967.05	

MILWAUKEE LAND COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1951 AND 1950

	1951	1950	INCREASE	DECREASE
CREDITS:				
Credit balance transferred from income	$1,079,664.57	$ 735,697.52	$ 343,967.05	
Miscellaneous credits		161.25		$ 161.25
	1,079,664.57	735,858.77	343,805.80	
DEBITS:				
Debit balance at beginning of year	1,766,175.06	2,502,033.83		735,858.77
Miscellaneous debits	14,527.39		14,527.39	
	1,780,702.45	2,502,033.83		721,331.38
Debit balance, December 31, carried to General Balance Sheet	*$ 701,037.88*	*$1,766,175.06*		*$1,065,137.18*

Italics denote reverse items.

MILWAUKEE LAND COMPANY—GENERAL BALANCE SHEET
DECEMBER 31, 1951 AND DECEMBER 31, 1950

ASSET SIDE	1951	1950	INCREASE	DECREASE
CURRENT ASSETS:				
Cash	$3,838,668.97	$ 615,964.69	$3,222,704.28	
Notes receivable	77,690.14	57,690.14	20,000.00	
Interest accrued on notes receivable	14,014.96	9,653.28	4,361.68	
Interest accrued on timber sales contracts	1,032.78	560.82	471.96	
Interest accrued on securities owned	47,702.92	33,018.53	14,684.39	
Purchase contracts—Town lots and acreage	23,171.50	1,590.00	21,581.50	
Contracts uncompleted—Farm land sales	2,625.00	3,937.50		$ 1,312.50
Audited bills	58,724.73	53,013.54	5,711.19	
Deposit under Escrow Agreement—First National Bank in Miles City		40,000.00		40,000.00
TOTAL CURRENT ASSETS	4,063,631.00	815,428.50	3,248,202.50	
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		4,600,000.00		4,600,000.00
C. M. St. P. & P. R. R. Co. Mortgage Bonds	1,010,732.50		1,010,732.50	
Miles City Sales Yard Co.—Certificates of Indebtedness	50,000.00		50,000.00	
TOTAL INVESTMENT SECURITIES	1,200,892.69	4,740,160.19		3,539,267.50
DEFERRED ASSETS:				
Rent accrued	1.00	2.00		1.00
Atlas Tie Co. timber sale contracts	8,000.00		8,000.00	
E. C. Miller Cedar Lumber Co. and E. K. Bishop Lumber Co. timber sale contract		80,000.00		80,000.00
Potlatch Forests, Inc., timber sale contract	123,000.00		123,000.00	
St. Maries Lumber Co., timber sale contract	38,750.00		38,750.00	
Miles City Sales Yards Co.—Certificate of Indebtedness		10,000.00		10,000.00
TOTAL DEFERRED ASSETS	169,751.00	90,002.00	79,749.00	
UNADJUSTED DEBITS:				
Suspense accounts	5,514.60		5,514.60	
TOTAL UNADJUSTED DEBITS	5,514.60		5,514.60	
CAPITAL ASSETS:				
Land and timber	1,728,864.64	1,909,749.26		180,884.62
Real estate—Town lots and acreage	33,044.96	42,518.77		9,473.81
St. Joe, Idaho, powersite lands	48,308.02	48,308.02		
Spokane, Wash.—Industrial tract	21,219.30	25,195.28		3,975.98
Reforestation lands purchased—Idaho	22,556.90	22,790.17		233.27
Reforestation lands purchased—Washington	252.12	676.67		424.55
Automobiles, less accrued depreciation	5,964.77	4,017.54	1,947.23	
Government land scrip	1.00	1.00		
South Olympic Tree Farm improvements	6,008.31	6,008.31		
TOTAL CAPITAL ASSETS	1,866,220.02	2,059,265.02		193,045.00
GRAND TOTAL	$7,306,009.31	$7,704,855.71		$ 398,846.40
LIABILITY SIDE				
CURRENT LIABILITIES:				
Audited vouchers and payrolls	$ 14,599.40	$ 8,175.97	$ 6,423.43	
U. S. Government Internal Revenue Code—Employees' taxes withheld	680.35	533.17	147.18	
Taxes accrued not yet payable	298,603.54	186,507.61	112,095.93	
TOTAL CURRENT LIABILITIES	313,883.29	195,216.75	118,666.54	
DEFERRED LIABILITIES:				
Advances received on coal leases	4,788.21	6,009.53		$ 1,221.32
Advances received on cutting contracts	254,511.36	152,856.42	101,654.94	
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.	4,226,433.54	5,907,332.26		1,680,898.72
Timber, rock and pumice stone royalties	535.00	1,510.00		975.00
TOTAL DEFERRED LIABILITIES	4,541,156.07	6,122,596.17		1,581,440.10
UNADJUSTED CREDITS:				
Suspense accounts		1,190.68		1,190.68
Advances billed on cutting contracts	7.83	27.17		19.34
TOTAL UNADJUSTED CREDITS	*7.83*	1,217.85		1,210.02
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	*701,037.88*	*1,766,175.06*		*1,065,17.18*
GRAND TOTAL	$7,306,009.31	$7,704,855.71		$ 398,846.40

Italics denote reverse items.

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