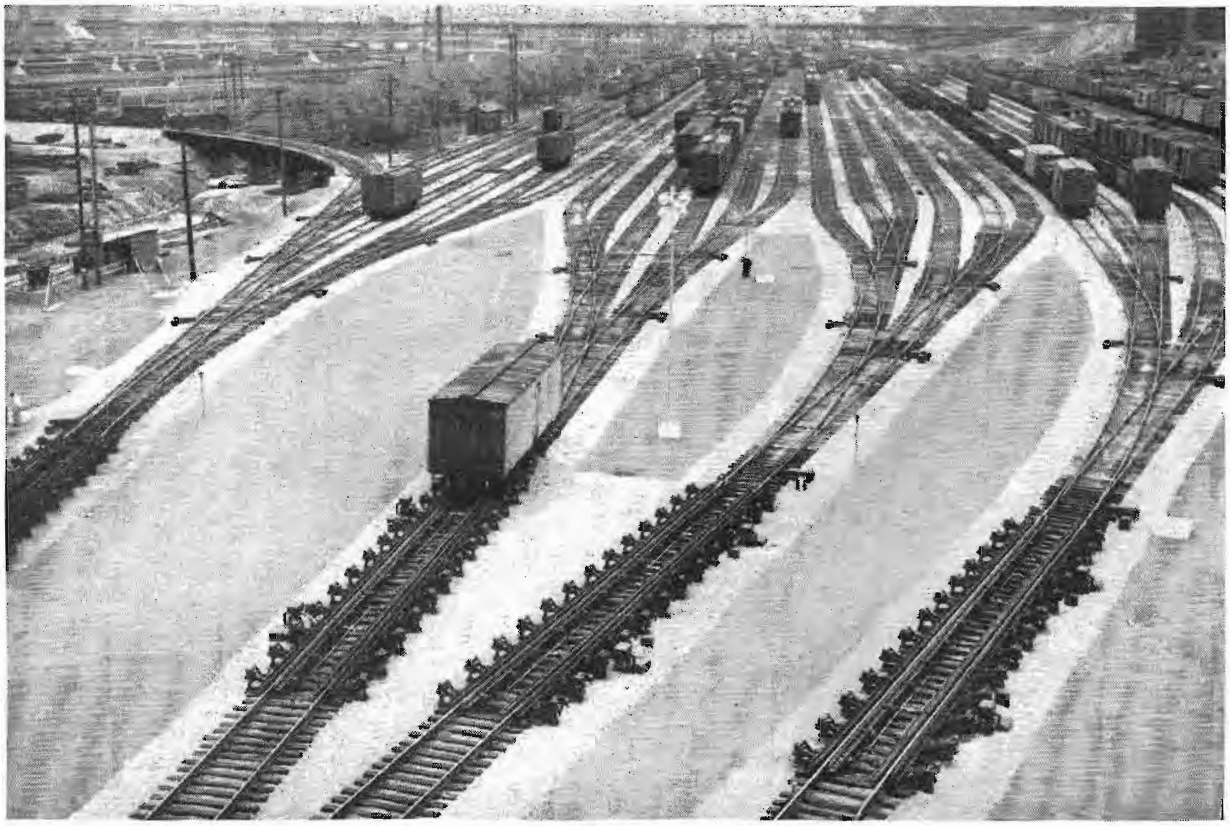
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

1952 Annual Report



Cars rolling toward classification tracks by gravity pass through the secondary retarders shown here, are slowed to the correct speed and then are switched to the selected track. Capacity of the yard is 2,400 cars per day.

AIR LINE CLASSIFICATION YARD

Milwaukee, Wisconsin

The operator at the master control board handles the retarding and switching of cars merely by pushing buttons. The control tower also houses yard communications office.

Retarders are actuated electro-pneumatically. The amount of braking force applied to the wheels is automatically regulated according to the type of car, weight of load and distance to be traveled.

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:

1953	1954	1955
John B. Gallagher	John D. Allen	Judson Large
Joshua Green	James M. Barker	Robert J. Marony
Arnold B. Keller	Leo T. Crowley	William L. O'Brien
Walter T. Mahoney	Walter J. Cummings	Philip W. Pillsbury
Louis Quarles	William J. Froelich	John W. Severs
William J. Sinek	John P. Kiley	John P. Wagner
	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
J. J. Roche	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 12, 1953, 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

	1952	1951
Railway operating revenues	$269,465,584	$265,400,542
Railway operating expenses	222,122,738	219,455,141
Net revenue from railway operations	47,342,846	45,945,401
Railway tax accruals	22,905,000	24,499,000
Equipment rents—net charge	4,435,473	3,638,198
Joint facility rents—net charge	2,572,765	2,482,197
Net railway operating income	17,429,608	15,326,006
Other income—net	2,351,083	3,154,083
Income available for fixed charges	19,780,691	18,480,089
Total fixed charges	4,492,459	4,309,683
Times fixed charges earned	4.40	4.29
Income after fixed charges	15,288,232	14,170,406
Total other deductions (contingent charges)	4,025,539	4,101,416
Net income	11,262,693	10,068,990
Appropriations of income for sinking funds	746,425	738,493
Remainder transferred to earned surplus—unappropriated	$ 10,516,268	$ 9,330,497
Earnings per share—Preferred	$ 9.40	$ 8.32
Earnings per share—Common	$ 2.32	$ 1.75

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.

TO THE SHAREHOLDERS OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY:

The twelve months of 1952 saw a continuation of the improvement and modernization of the property, facilities, equipment and organization of your Company.

While freight traffic, expressed in revenue ton-miles, was 4.3% below 1951, our railway operating revenues reached the highest level in the Company's history, as a result of increases in freight rates, particularly the final increase granted by the Interstate Commerce Commission under Ex Parte 175, effective in May.

On the other hand, railway operating expenses were also at an all-time high as a result of escalation wage adjustments and continuing higher prices of materials and supplies.

Net income, after fixed and contingent charges, and after appropriations for sinking funds for the retirement of bonds required by the First and General Mortgages, amounted to $10,516,268, compared with $9,330,497 for 1951, an increase of 12.7%.

Freight traffic was materially affected by the prolonged labor dispute in the steel industry which resulted in the virtual stoppage of steel production in June and July, and the consequent effect that this had on other traffic throughout the summer and fall.

Revenue passenger-miles showed a decrease of 5%, resulting principally from reduced military travel caused both by decreased movements as well as greater diversion of this traffic to other forms of transportation.

The higher net income in 1952 over 1951 resulted in part from reduction in freight and passenger train-miles and greater efficiency in other phases of maintenance and operation. Despite employment levels somewhat less than those for 1951, the total payroll was $2,066,722 in excess of that for the previous year because of increased wage rates.

Transportation ratio for the year 1952 showed a decided improvement in that it was reduced from 42.4% for the year 1951 to 40.6% in 1952, which is the lowest transportation ratio since 1945.

Results for early months of 1953, while favorably affected by weather conditions, show a substantial improvement over similar months in 1952. This improved operation results in part from additional diesel-electric locomotives and the new retarder yard completed and put into operation at Milwaukee which, with similar equipment acquired and other road improvements made in prior years, contributed much to the increased operating efficiency.

DIVIDENDS DECLARED

The Board of Directors at a meeting on February 11, 1953, declared a dividend of $5.00 per share on the Series A Preferred Stock of the Company, out of 1952 earnings, payable March 19, 1953, to holders of record at the close of business February 27, 1953.

At a meeting of the Board of Directors on March 11, 1953, a dividend of $1.00 per share was declared on the Common Stock, payable April 30, 1953, to holders of record at the close of business April 7, 1953. Pursuant to the Company's charter, the payment of this dividend required the deposit of 50 cents per share, 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.

After the payment of these dividends, the remainder of net income, amounting to $1,738,187, was retained by the Company for other corporate purposes.

THIS IS WHERE OUR MONEY CAME FROM IN 1952

Hauling freight	$222,399,895
Carrying passengers	18,863,422
Transporting mail and express	13,660,603
Other passenger train revenue, including dining and buffet car service	3,361,104
Switching	6,028,235
Other operating revenues	5,152,325
Total operating revenues	$269,465,584
Other income—net	2,351,083
TOTAL	$271,816,667

AND THIS IS WHERE IT WENT

Wages and salaries of employes included in operating expenses	$138,390,501	
Payroll taxes for benefit of employes	7,696,578	$146,087,079
Materials, contract work, depreciation, etc.	83,732,237	
Property and other miscellaneous taxes	9,343,422	
Federal income taxes	5,865,000	
Rental of equipment and joint facilities	7,008,238	105,948,897
Interest paid security holders		8,517,998
Payments into sinking funds required by mortgages		746,425
Dividend on preferred stock	5,593,260	
Dividend on common stock, including payment into Contingent Sinking Fund	3,184,821	8,778,081
Remainder for improvements to property and other corporate purposes		1,738,187
TOTAL		$271,816,667

OPERATING REVENUES

Operating revenues totaled $269,465,584 in 1952, an increase of $4,065,042, or 1.53%, compared with 1951.

Freight increased	$4,815,675 or	2.21%
Passenger decreased	850,038	4.31%
Mail increased	156,109	1.71%
Express increased	1,333,016	43.93%
All other decreased	1,389,720	8.72%

The increase in express revenue was due principally to the limitations placed upon the size and weight of packages that could be handled by Parcel Post and to the reduction by Railway Express Agency in its operating costs.

Revenue per Unit of Traffic

Year	Per ton mile (cents)	Per passenger mile (cents)
1952	1.391	2.280
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

See pages 32 and 33 for detailed traffic statistics

SOURCES OF REVENUE

Services and Classes of Traffic	Revenue	Percentages of Grand Total
FREIGHT SERVICE		
Freight Traffic		
Manufactured articles	$ 98,475,608	36.5%
Wheat, grain, products of agriculture	39,943,305	14.8
Coal, ore, products of mines	28,179,465	10.5
Lumber, products of forests	28,334,587	10.5
Livestock, products of animals	14,875,469	5.5
L.C.L. traffic	6,357,406	2.4
Forwarder traffic	5,898,328	2.2
Total Freight Traffic	222,064,168	82.4
Other Freight Service		
Switching	6,028,235	2.2
Joint facility—Net Cr.	2,025,852	.8
Demurrage	850,530	.3
All other	1,528,708	.6
Total Other Freight Service	10,433,325	3.9
Total Freight Service	$232,497,493	86.3
PASSENGER SERVICE		
Passenger Traffic		
Passengers in coaches	$ 11,902,427	4.4
Passengers in parlor and sleeping cars	6,926,986	2.6
Total Passenger Traffic	18,829,413	7.0
Other Passenger Service		
Mail	9,172,674	3.4
Express	4,317,567	1.6
Dining and buffet	2,210,870	.8
All other	2,437,567	.9
Total Other Passenger Service	18,138,678	6.7
Total Passenger Service	$ 36,968,091	13.7
Freight, Passenger & Other Services	$269,465,584	100.0

TRAFFIC VOLUME

Revenue freight ton-miles decreased under 1951 in every month, except February, August and November, when there were small increases. The total for the year, 16,005,309,995, was a decrease of 4.3% under 1951.

Revenue passenger-miles for 1952 totaled 828,680,000, a decrease of 5.0% under 1951.

OPERATING EXPENSES

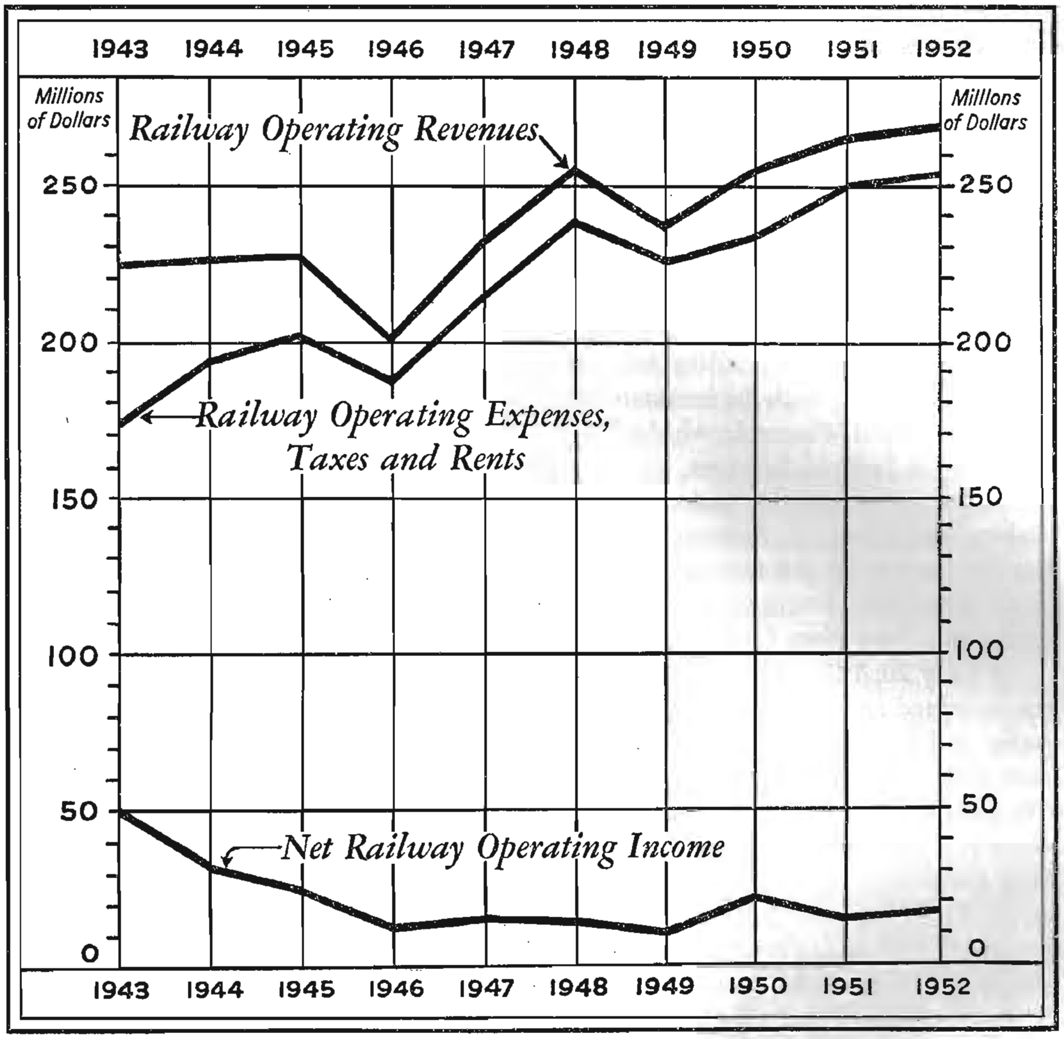
Operating expenses totaled $222,122,738, an increase of $2,667,597, or 1.22%. They were 82.4% of the revenues in 1952, compared with 82.7% in 1951.

Maintenance of Way and Structures	increased	$4,049,644	or 11.00%
Maintenance of Equipment	increased	1,335,806	2.56%
Transportation	decreased	2,980,225	2.65%
All other operating expenses	increased	262,372	1.46%

Analysis of Increases and Decreases in Total Railway Operating Expenses 1952 compared with 1951

ITEMS	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	All Other	Total
Labor:					
General wage increases	+ $ 946,310	+ $1,091,304	+ $3,211,211	+ $ 514,646	+ $5,763,471
Straight time worked	+ 779,398	− 360,574	− 4,116,793	− 183,786	− 3,881,755
Overtime worked	− 94,278	− 509,318	− 645,542	− 1,371	− 1,250,509
Total Labor	+ 1,631,430	+ 221,412	− 1,551,124	+ 329,489	+ 631,207
Fuel:					
Price	....	....	+ 12,167	....	+ 12,167
Consumption	....	....	− 1,634,767	....	− 1,634,767
Total Fuel	....	....	− 1,622,600	....	− 1,622,600
Electric power	....	....	− 24,767	....	− 24,767
Material—Other than fuel:					
Price	+ 519,285	+ 113,783	− 173,202	+ 63,348	+ 523,214
Quantity	+ 1,260,117	+ 1,445,378	− 334,692	− 243,165	+ 2,127,638
Total Material other than Fuel	+ 1,779,402	+ 1,559,161	− 507,894	− 179,817	+ 2,650,852
Miscellaneous	+ 405,027	− 250,501	+ 726,160	+ 112,700	+ 993,386
TOTAL LABOR, MATERIAL AND MISCELLANEOUS	+ 3,815,859	+ 1,530,072	− 2,980,225	+ 262,372	+ 2,628,078
Depreciation	+ 58,462	− 192,089	....	....	− 133,627
Retirements	+ 175,323	− 2,177	....	....	+ 173,146
TOTAL DEPRECIATION AND RETIREMENTS	+ 233,785	− 194,266	....	....	+ 39,519
TOTAL RAILWAY OPERATING EXPENSES	+ $4,049,644	+ $1,335,806	− $2,980,225	+ $ 262,372	+ $2,667,597

REVENUES, EXPENSES AND NET RAILWAY OPERATING INCOME



PAYROLLS AND AVERAGE COMPENSATION

Year	Total Payrolls—Regular Employes	Company Contributions—Retirement and Unemployment Taxes	Total	Average Per Employe	Straight Time Rate: Average Per Hour	Straight Time Rate: % Inc. Over 1939
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
1952	145,397,263	7,696,578	153,093,841	4,703	1.852	155.4

FREIGHT RATES AND PASSENGER FARES

On April 11, 1952, the Interstate Commerce Commission, under Ex Parte 175 proceedings, authorized increases in the form of surcharges to basic freight rates of 15 per cent in all territories, with certain exceptions. After allowances for certain hold-downs and exceptions, the authorized increases (which superseded all prior authorizations in Ex Parte 175) were estimated to average for our Company about 13.7% over the base rates in effect September 1, 1949, and about 8.1% over the increase authorized August 2, 1951. The increase of 8.1% became effective on commodities, other than grain, May 2, and on grain, May 17, 1952. The authorized increases, with certain exceptions, will expire February 28, 1954, unless modified or terminated prior to that date.

Petitions for corresponding increases were filed with the state commissions. Substantial conformity with the interstate rates was authorized in Illinois, Indiana, Michigan, Washington and Wisconsin within four months of the interstate order, the bituminous coal rates in Indiana, however, being held back to a 6 per cent increase. Subsequently, the 15 per cent increases, with some exceptions, were authorized in Minnesota, North Dakota and Missouri. Although hearings on the petitions have been held, no action has been taken on the further increase by the South Dakota and Iowa commissions. In all states where increases are denied or substantially withheld, proceedings to enforce conformity have been filed or are being prepared.

On May 20, 1952, the Interstate Commerce Commission, upon petition of the railroads, issued an order requiring the establishment of increases on Montana intrastate traffic which had been authorized by the Interstate Commerce Commission in 1946, 1947 and 1948, but which had been denied wholly or in part by the state commission. The state brought suit in Federal Court to set aside the Interstate Commerce Commission order and prevailed before a three-judge Federal Court upon the ground that the Interstate Commerce Commission findings of fact were insufficient. The railroads appealed to the U. S. Supreme Court. On December 22, 1952, the Supreme Court in a similar case from Florida approved the Interstate Commerce Commission findings which were practically identical to those in the Montana case, and at the same time on its own motion remanded the Montana case to the lower court with instructions to sustain the Interstate Commerce Commission order. This means that the railroads now will enjoy the same rates of increase on Montana intrastate traffic as on interstate traffic.

On August 7, 1952, petition was filed with the Illinois Commerce Commission showing that in spite of the suburban fare increase granted on September 13, 1951, our out-of-pocket suburban loss for 1952 will be over $1,400,000, and requesting permission to discontinue off-peak trains and to consolidate peak-hour trains, and to increase suburban fares in such degree as would eliminate the remaining out-of-pocket loss. Hearings on the petition are still in progress. The temporary suburban fare increases authorized by the order of September 13, 1951, which were due to expire January 1, 1953, have been extended to June 1, 1953.

WAGE AND LABOR RELATIONS

During 1952, the average number of officers and employes was 32,550, compared with 33,846 in 1951, a decrease of 1,296.

Their total salaries and wages and the payroll tax paid for their benefit by the Company amounted to $153,093,841.

During the year, pursuant to agreements providing for cost-of-living adjustments, three wage increases were granted the various groups of employes covered by these agreements. There was one minor wage decrease. The net of the wage changes was an increase of seven cents per hour and an increase of $5,763,471 in operating expenses.

On May 23, 1952, agreements were reached with the Order of Railway Conductors, Brotherhood of Locomotive Engineers, and Brotherhood of Locomotive Firemen and Engineers. These agreements contain the same wage increase provisions as the agreement of May 25, 1951 with the Brotherhood of Railroad Trainmen, i.e., $2.16 per day to engineers and firemen in yard service, and $1.00 per day to engineers, firemen and conductors in road service, plus a quarterly cost-of-living adjustment of one cent per hour for each one point change in the U. S. Bureau of Labor Statistics Consumers' price index, commencing April 1, 1951. The agreement of May 23, 1952 also contains provisions with regard to proposed changes in rules.

The wage demands of Sleeping Car Conductors were disposed of by an agreement applying the provisions of The Pullman Company Mediation Agreement, dated July 24, 1952, providing for a wage increase of 12½ cents per hour, retroactive to January 1, 1951, with cost-of-living adjustments of one cent per hour, retroactive to April 1, 1951.

On January 15, 1953, the Company entered into an agreement granting the union shop to the seventeen unions representing the non-operating employes. This agreement had been a matter of negotiation for a little over two years and became necessary by reason of a report of the President's Emergency Board which recommended such action on the part of the railroad industry, and also by reason of practically all of the eastern and many of the western railroads entering into similar agreements.

There are now pending:

Request of the American Train Dispatchers' Association, filed December 17, 1952, for extended fringe benefits, such as additional paid vacations and sickness benefits, and an improvement factor wage increase. A counter-proposal is to be served.

Request of dining car cooks and waiters, dated November 20, 1952, for various changes in rules, and request of Maintenance of Way employes, filed May 15, 1950, for a rule to stabilize employment. We have served counter-proposals.

Request of the Brotherhood of Railway Carmen, dated July 20, 1950, that the freight carmen's rates be increased so as to equal those paid to passenger carmen. A counter-proposal is being served and there has been created a Western Carriers' Conference Committee for concerted handling.

The existing agreements with non-operating and operating employes provide that if government wage stabilization permits so-called annual improvement wage increases, the parties may meet with the President of the United States, or such other person as he may designate, on or after July 1, 1952, to discuss whether or not further wage adjustments for employes covered by these agreements are justified, in addition to increases received under the cost-of-living formula.

During June, 1952, the various organizations directed letters to the President requesting that their representatives meet with him on July 1, or as soon thereafter as possible, for that purpose.

The Carriers' Conference Committees, representing eastern, western and southeastern railroads, took the position that there had been no such government wage stabilization policy and, therefore, the President on December 1, appointed Mr. Paul H. Guthrie, Professor of Economics, University of North Carolina, to serve as

Referee. A hearing was held on December 9 on this issue and, on December 29, Referee Guthrie rendered a decision that in view of the existing stabilization policy, the various agreements involved are re-openable on the annual improvement increase issue within the limits provided in the agreements. The request of the organizations in this matter is for an annual improvement factor wage increase of 6c per hour, effective February 1, 1951, and like increases on February 1, 1952 and February 1, 1953, in the case of the non-operating employes; and similar increases on October 1, 1950, October 1, 1951 and October 1, 1952, in the case of the operating employes.

REDUCTION OF MORTGAGE BONDS

In 1952, mortgage bonds in the principal amount of $1,829,100 were acquired and cancelled or are held in the Treasury.

The following table shows that in the period December 1, 1945, to December 31, 1952, mortgage bonds in the principal amount of $30,749,400 were acquired and cancelled or are held in the Treasury. The resulting reduction in annual interest requirements is $1,363,247.

ITEM	Cancelled Through Sinking Funds	Surrendered to Trustee for Cancellation	Held in Treasury	Total	Interest Rate	Decrease in Annual Interest
Chicago, Milwaukee, St. Paul & Pacific R.R. Co.						
First Mortgage 4% Bonds, Series A	$ 1,356,100	$ 2,280,100	$ 27,400	$ 3,663,600	4%	$ 146,544
General Mortgage 4½% Income Bonds, Series A	9,512,600	610,000	122,800	10,245,400	4½	461,043
General Mortgage 4½% Convertible Income Bonds, Series B	4,873,200	....	11,104,200	15,977,400	4½	718,983
The Bedford Belt Ry. Co.						
First Mortgage Bonds	....	17,000	....	17,000	4¼	722
The Southern Indiana Ry. Co.						
First Mortgage Bonds	....	8,000	....	8,000	4¼	340
Chicago, Terre Haute & Southeastern Ry. Co. Income Mortgage Bonds	....	....	838,000	838,000	4¼	35,615
Totals	$15,741,900	$ 2,915,100	$12,092,400	$30,749,400		$1,363,247

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.

EQUIPMENT OBLIGATIONS

In 1952, equipment obligations of $6,390,000 were issued, and matured obligations of $8,682,858 were paid, resulting in a net decrease of $2,292,858 for the year. At December 31, 1952, the outstanding equipment obligations, shown in detail on page 25, amounted to $66,016,298, of which $62,636,000 is in the form of equipment trust certificates and $3,380,298 in conditional sale or lease-purchase agreements. Maturities are paid from funds provided through charges made against income for equipment depreciation and amortization.

LONG TERM DEBT OUTSTANDING

Long term debt outstanding in the hands of the public as of December 31, 1952, amounted to $225,334,098 compared with $229,456,056 as of December 31, 1951, a net decrease of $4,121,958.

Decreases:		
Funded Debt:		
Purchased and cancelled during the year through operation of sinking funds—		
First Mortgage 4% Bonds, Series A	$ 198,300	
Less: Bonds held in Treasury at December 31, 1951, delivered or sold to Mortgage Trustee for sinking fund and cancelled during the year	198,200	$ 100
General Mortgage 4½% Income Bonds, Series A	$1,539,500	
Less: Bonds held in Treasury at December 31, 1951, sold to Mortgage Trustee for sinking fund and cancelled during the year	5,300	1,534,200
General Mortgage 4½% Convertible Income Bonds, Series B	$1,003,600	
Less: Bonds held in Treasury at December 31, 1951, sold to Mortgage Trustee for sinking fund and cancelled during the year	1,002,800	800
Purchased in the open market, surrendered to Mortgage Trustee for cancellation and cancelled during the year—		
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		1,000
General Mortgage 4½% Income Bonds, Series A		122,800
General Mortgage 4½% Convertible Income Bonds, Series B		5,200
Chicago, Terre Haute and Southeastern Ry. Co. Income Mortgage Bonds		164,000
Payments of Equipment Trust Certificates		8,180,000
Payments of Conditional Sale Agreements covering purchase of equipment		502,858
Total Decrease		$10,511,958
Increases:		
Equipment obligations covering purchase of equipment		6,390,000
Net Decrease		$ 4,121,958

INCOME AND OTHER TAXES

Tax accruals for 1952 totaled $22,905,000, made up as follows:

Federal Income Taxes	$ 5,865,000
Payroll Taxes	7,696,578
Property and Other Miscellaneous Taxes	9,343,422
Total	$22,905,000

The Revenue Act of 1951 fixed the Federal income tax rate at 52% for the full year 1952. In computing Federal income taxes of $5,865,000, effect was given to the deduction of $4,618,000, representing the excess over normal depreciation of amortization on the basis of a 60-month period in respect of equipment and facilities certified by the Defense Production Administration as being necessary for the national defense. The accrual for Federal income taxes was thus reduced and net income for the year increased $2,390,480 above what it would have been if normal depreciation had been used in arriving at taxable income. Under an order of the Interstate Commerce Commission, dated December 21, 1951, such equipment and facilities are being depreciated in the accounts at normal rates. The difference between the amortization and depreciation allowances of $4,618,000 will have to be charged against income as normal depreciation in years subsequent to the 60-month amortization period without being deductible from taxable income for those years.

TAX REFUND CLAIMS

The Company's claims for refund of Federal income taxes remain unadjusted, although progress toward settlement is being made. These claims are the result of the carry-back of unused excess profits credits, and other retroactive adjustments applicable to the calendar years 1942 to 1947.

A report of examination by agents of the Bureau of Internal Revenue for those years proposes to make adjustments or disallowances which would largely offset the claims for refund. Certain of the adjustments will not be contested and the tax thereon of $493,000 has been reflected in the financial statements. The remaining proposed adjustments have been protested and conference for their consideration has been requested.

Review of the tax returns for the years 1948, 1949 and 1950 has been started by Bureau agents but has not been completed.

UNPROFITABLE PASSENGER SERVICE

During 1952, a total of 346,020 passenger train-miles were discontinued, including 27,010 miles for which contract bus service was substituted at a fraction of the cost of the train service. This makes a total of 3,051,118 train-miles discontinued during the past four years, and it is estimated that the annual out-of-pocket cost of operation was $4,337,000. At the close of the year, applications were pending or studies were being made in connection with the proposed discontinuance of six additional trains operating approximately 331,000 train-miles annually.

INDUSTRIAL DEVELOPMENT

Our company maintains an Industrial Development Department for the promotion and expansion of freight traffic, and during 1952 this department aided in establishing 223 new industries along the railroad, from which substantial freight revenue is expected annually. There were 9,904 leases of land and buildings in effect on December 31, 1952, producing rental income of $1,160,709 annually, or an increase of $24,701 over 1951. During the year the department purchased, for operating purposes, 75 parcels of land at a cost of $27,115, and sold 301 parcels of company property for $924,023. There were also purchased, for prospective industrial needs, 340 acres of land at eight locations along the railroad, for a total consideration of $273,600, and the department now is in the process of acquiring additional strategically located acreage for this purpose.

ANTI-TRUST CASE

Our Annual Reports for previous years have referred to this case, brought in 1944 at Lincoln, Nebraska, against the Association of American Railroads and certain western railroads, including the Milwaukee, seeking to enjoin certain operating and rate-making practices. The case was dismissed without prejudice on December 19, 1952, by Federal Judge Delahant, on motion by the railroads and by the Government. The

Attorney General pointed out that the passage of the Reed-Bulwinkle Act and the approval, under that Act, by the Interstate Commerce Commission, of rate-making agreements, organizations and procedures of common carriers, rendered the activities complained of in the case immune from anti-trust laws. He emphasized that the Government does not intend to slacken its interest in, and attention to, possible anti-trust law violations by railroads with respect to conduct which has not been approved and immunized by the Interstate Commerce Commission.

DIESEL-ELECTRIC AND ELECTRIC OPERATION

At the close of the year 81% of freight operation, 91% of passenger operation, and 80% of yard switching was performed by Diesel-electric and electric locomotives.

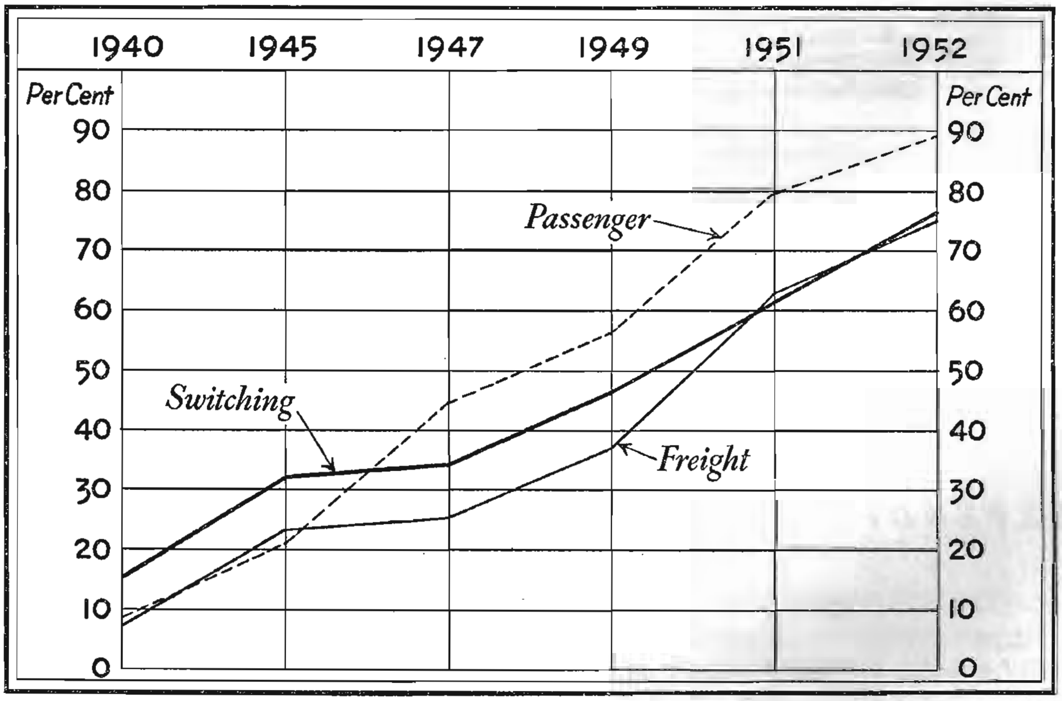
Diesel-electric locomotives acquired during 1952 are shown on page 14 of this report.

Following are the Diesel-electric locomotives on order as of the date of this report, and the estimated delivery dates in 1953:

Number	H.P.	Type	Delivery
11	1600	Road Switcher	August
3	4500	Freight	March

Based upon the 1952 volume of business, with the acquisition of the locomotives on order, 85% of freight operation, 92% of passenger operation, and 85% of yard switching will be performed by Diesel-electric and electric locomotives.

Proportion of Operation Performed by Electric and Diesel-Electric Locomotives—1940—1952



CAPITAL EXPENDITURES—1952

During 1952, charges aggregating $16,183,058 were made to Capital Account for additions and betterments to road property and for equipment. Of this amount, $571,189 was expended to complete construction of additional tracks and conversion of the flat switching yard, known as Air Line Yard, Milwaukee, to a modern retarder yard, which work was started the previous summer.

This facility combines for the first time both automatic switching and retarder speed control. Here an operator can, by pressing a single button, route a car of freight down a grade and into place on any one of 25 tracks, and by pressing another button can control its speed so that it couples onto the cars ahead at less than four miles an hour.

The new Air Line Yard is a continuation of the management's program to improve service and reduce operating costs through savings in freight car rentals and switch crews, and the prevention of damage to freight.

With the growth of industrial production in the Milwaukee territory and resultant increase in the volume of freight traffic, the need for a modern yard was most apparent.

We estimate the cost of this yard will be recovered in a relatively few years through increased traffic and savings in operating costs.

A summary of the expenditures made during 1952 for road property and for equipment and the source of funds is as follows:

New equipment	$9,116,912	
Improvements to existing equipment	1,004,026	$10,120,938
Improvements to road property		6,062,120
		$16,183,058

Equipment delivered during the year:

- 2—4500 H.P. Diesel-electric passenger locomotives
- 15—1500 H.P. Diesel-electric road switching locomotives
- 1—1200 H.P. Diesel-electric road switching locomotive
- 11—1200 H.P. Diesel-electric switching locomotives
- 4—1000 H.P. Diesel-electric switching locomotives
- 10—Dome-coach-buffet cars
- 100—Skeleton logging flat cars

The source of funds for these capital expenditures was:

Equipment obligations issued for equipment delivered during the year	$ 6,387,292
Depreciation, amortization and retirement charges	7,912,558
Salvage from road and equipment retired	3,719,449
Donations and grants	11,339
Total	$18,030,638
The amount of capital expenditures was	16,183,058
Remainder of funds	$ 1,847,580

CAPITAL EXPENDITURES—1953

The 1953 program for improvements to road property and existing equipment and for new equipment, chargeable to Capital Account, involves expenditures estimated at $12,454,000. Of this amount it is proposed to expend approximately $8,162,000 for improvements to road property and existing equipment (including uncompleted projects started in 1952). There is included in this sum $2,451,000 for the construction of additional tracks and conversion of the existing eastbound flat switching yard at Bensenville, Illinois, to a modern retarder yard.

This is part of a comprehensive plan to modernize and expand our yard facilities at this point and thereby improve service and effect savings in operating costs. The program has been set up in four stages and will require two or three years to complete.

New equipment will consist of three 4500 H.P. Diesel-electric freight locomotives, eleven 1600 H.P. road switching locomotives, one wrecking derrick, and several snow plow units, all of which is estimated to cost $4,292,000. It is the plan to finance this equipment, except the work equipment, 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 initial cash outlay for the equipment is estimated at $1,631,000.

SHAREHOLDERS OF RECORD

As of April 8, 1952, the record date for the 1952 Annual Meeting, there were 11,334 holders of Series A Preferred Stock and 9,792 holders of Common Stock, who resided in every State of the Union and in U. S. territories and possessions. The distribution, by major classifications, is as follows:

	Series A Preferred		Common	
	Number of Holders	Shares Held	Number of Holders	Shares Held
Men	4,906	321,499	4,797	547,808
Women	4,339	195,561	3,234	257,617
Joint Accounts	1,178	59,881	1,046	82,181
Fiduciaries, Institutions and Foundations, Stock Brokers, Nominees and Others	911	541,711	715	1,235,608
Total	11,334	1,118,652	9,792	2,123,214

CONCLUSION

With the continuing expansion and modernization of our yard facilities and the acquisition of modern motive power, together with the excellent condition of our roadway property and equipment, we have every reason to believe that further progress will be made in the way of improved performance and reduced operating costs. We expect the traffic volume for 1953 will be relatively satisfactory.

LEO T. CROWLEY
Chairman of the Board

J. P. KILEY
President

By order of the Board of Directors
March 11, 1953

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LEO T. CROWLEY
Chairman of the Board

J. P. KILEY
President

By order of the Board of Directors
March 11, 1953

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, 1952, or for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously had made similar examinations of the financial statements for the preceding four years.

Attention is directed to Notes C and G 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, 1952, 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, 1952, in conformity with the provisions of the First Mortgage and General Mortgage indentures.

ERNST & ERNST
Certified Public Accountants.

Chicago, Illinois,
March 9, 1953.

STATEMENT OF INCOME FOR THE YEARS 1952-1948

	1952	1951	1950	1949	1948
RAILWAY OPERATING REVENUES:					
Freight	$222,399,895	$217,584,220	$209,924,036	$195,728,630	$208,721,239
Passenger	18,863,422	19,713,460	17,538,857	19,420,606	21,650,584
Mail—Note F	9,292,987	9,136,878	10,656,139	6,538,810	5,685,278
Express	4,367,616	3,034,600	2,980,957	3,187,827	4,257,147
Switching	6,028,235	6,175,262	5,997,655	5,272,931	5,781,015
Other	8,513,429	9,756,122	8,324,005	7,872,456	8,887,447
TOTAL RAILWAY OPERATING REVENUES	269,465,584	265,400,542	255,421,649	238,021,260	254,982,710
RAILWAY OPERATING EXPENSES:					
Maintenance of way and structures	40,848,303	36,798,659	33,428,159	38,107,287	39,233,215
Maintenance of equipment	53,504,316	52,168,510	45,904,853	44,941,984	45,070,232
Traffic	5,755,326	5,595,241	5,034,361	5,085,731	4,856,384
Transportation	109,483,427	112,463,652	104,527,622	103,069,696	109,827,088
Miscellaneous operations	3,478,955	3,543,110	3,152,269	3,160,729	3,324,018
General	9,052,411	8,885,969	7,603,692	7,746,400	7,965,650
TOTAL RAILWAY OPERATING EXPENSES	222,122,738	219,455,141	199,650,956	202,111,827	210,276,587
NET REVENUE FROM RAILWAY OPERATIONS	47,342,846	45,945,401	55,770,693	35,909,433	44,706,123
TAXES AND RENTS:					
Federal taxes on income—Note C	5,865,000	7,263,000	11,538,000	2,887,000	4,444,000
Other taxes	17,040,000	17,236,000	16,563,000	16,737,000	16,821,000
Equipment rents—net charge	4,435,473	3,638,198	3,235,712	2,847,204	5,548,644
Joint facility rents—net charge	2,572,765	2,482,197	2,493,937	2,498,943	2,378,064
TOTAL TAXES AND RENTS	29,913,238	30,619,395	33,830,649	24,970,147	29,191,708
NET RAILWAY OPERATING INCOME	17,429,608	15,326,006	21,940,044	10,939,286	15,514,415
OTHER INCOME AND DEDUCTIONS:					
Other income—Note B	2,501,969	3,375,801	1,778,140	2,313,621	1,302,345
Miscellaneous deductions from income	150,886	221,718	174,186	177,488	117,922
OTHER INCOME LESS DEDUCTIONS	2,351,083	3,154,083	1,603,954	2,136,133	1,184,423
INCOME AVAILABLE FOR FIXED CHARGES	19,780,691	18,480,089	23,543,998	13,075,419	16,698,838
FIXED CHARGES:					
Rent for leased roads and equipment	708	708	708	708	614,826
Interest on funded debt—fixed	4,403,568	4,225,734	4,116,466	4,081,249	3,154,667
Interest on unfunded debt	5,201	2,256	22,475	19,814	36,237
Amortization of discount on funded debt	82,982	80,985	78,782	74,704	48,424
TOTAL FIXED CHARGES	4,492,459	4,309,683	4,218,431	4,176,475	3,854,154
INCOME AFTER FIXED CHARGES	15,288,232	14,170,406	19,325,567	8,898,944	12,844,684
CONTINGENT CHARGES:					
Interest on general mortgage income bonds	3,709,552	3,782,968	3,836,767	4,100,125	4,386,262
Interest on modified Terre Haute bonds	315,987	318,448	317,607	321,837	....
Rent for leased road and equipment (contingent interest on modified Chicago, Terre Haute and Southeastern Railway Company bonds)	....	....	....	....	328,932
TOTAL CONTINGENT CHARGES	4,025,539	4,101,416	4,154,374	4,421,962	4,715,194
NET INCOME	$ 11,262,693	$ 10,068,990	$ 15,171,193	$ 4,476,982	$ 8,129,490
DISPOSITION OF NET INCOME:					
Transferred to appropriated surplus—for additions and betterments fund	....	....	....	....	$ 2,500,000
Transferred to appropriated surplus—for sinking funds	$ 746,425	$ 738,493	$ 731,269	$ 723,982	717,141
Transferred to unappropriated surplus	10,516,268	9,330,497	14,439,924	3,753,000	4,912,349
TOTAL TRANSFERRED TO EARNED SURPLUS	$ 11,262,693	$ 10,068,990	$ 15,171,193	$ 4,476,982	$ 8,129,490

See notes to financial statements.

COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1952 AND DECEMBER 31, 1951

ASSETS	DECEMBER 31, 1952	DECEMBER 31, 1951	NET CHANGE DURING YEAR + INCREASE — DECREASE
INVESTMENTS:			
Road and equipment property—Note A:			
Road	$611,993,460.73	$610,326,710.27	+ $1,666,750.46
Equipment	295,411,305.99	294,595,183.36	+ 816,122.63
General expenditures	40,261,619.09	40,480,503.42	— 218,884.33
Improvements on leased property	635,390.38	636,326.94	— 936.56
	948,301,776.19	946,038,723.99	+ 2,263,052.20
Less:			
Acquisition adjustment	*164,841,044.55*	*165,522,289.02*	— *681,244.47*
Donations and grants	*1,121,319.06*	*1,109,980.05*	+ *11,339.01*
INVESTMENT IN TRANSPORTATION PROPERTY	782,339,412.58	779,406,454.92	+ 2,932,957.66
Accrued depreciation—road property	*80,733,839.28*	*77,850,297.00*	+ *2,883,542.28*
Accrued depreciation—equipment	*134,461,213.45*	*130,891,217.38*	+ *3,569,996.07*
Accrued amortization of defense projects—road property	*2,312,596.21*	*2,299,277.85*	+ *13,318.36*
Accrued amortization of defense projects—equipment	*20,603,215.57*	*20,630,936.09*	— *27,720.52*
INVESTMENT IN TRANSPORTATION PROPERTY LESS RECORDED DEPRECIATION AND AMORTIZATION	544,228,548.07	547,734,726.60	— 3,506,178.53
Capital and other reserve funds (held principally for debt retirement)	2,855,795.02	3,031,435.69	— 175,640.67
Miscellaneous physical property (less accrued depreciation: 1952—$2,201,984.88; 1951—$2,090,149.10)	6,531,149.76	6,743,917.14	— 212,767.38
Investments in affiliated companies—Note B:			
Stocks	4,877,424.60	4,894,917.36	— 17,492.76
Unsecured notes	2,690,007.10	2,694,452.10	— 4,445.00
Investment advances	7,365,279.91	7,063,134.33	+ 302,145.58
Other investments (including stocks $7,792.00)	909,118.10	716,719.68	+ 192,398.42
TOTAL INVESTMENTS	569,457,322.56	572,879,302.90	— 3,421,980.34
CURRENT ASSETS:			
Cash	33,949,036.26	32,706,612.18	+ 1,242,424.08
Temporary cash investments (United States Government obligations)—at cost	4,427,000.00	5,489,000.00	— 1,062,000.00
Special deposits (cash reserved for payment of specific current liabilities)	2,715,253.25	2,841,809.93	— 126,556.68
Net balance receivable from agents and conductors	4,833,651.41	5,105,936.88	— 272,285.47
Miscellaneous accounts receivable	7,084,168.43	9,614,966.91	— 2,530,798.48
Material and supplies inventories—at cost	29,357,143.84	31,839,187.11	— 2,482,043.27
Interest and dividends receivable	1,104,309.76	254,423.08	+ 849,886.68
Accrued accounts receivable	5,135,277.72	4,603,335.87	+ 531,941.85
Claims for refund of federal taxes on income—Note C	8,970,455.77	8,748,344.12	+ 222,111.65
Other current assets	382,024.91	447,674.44	— 65,649.53
TOTAL CURRENT ASSETS	97,958,321.35	101,651,290.52	— 3,692,969.17
DEFERRED ASSETS:			
Working fund advances	581,659.04	578,506.70	+ 3,152.34
Other deferred assets	1,852,808.12	2,255,284.22	— 402,476.10
TOTAL DEFERRED ASSETS	2,434,467.16	2,833,790.92	— 399,323.76
UNADJUSTED DEBITS:			
Prepayments	179,310.48	266,448.65	— 87,138.17
Discount on funded debt	691,940.35	705,188.86	— 13,248.51
Other unadjusted debits	1,308,580.48	1,334,617.61	— 26,037.13
TOTAL UNADJUSTED DEBITS	2,179,831.31	2,306,255.12	— 126,423.81
	$672,029,942.38	$679,670,639.46	— $7,640,697.08

Italics denote deductions.
See notes to financial statements.

COMPARATIVE GENERAL BALANCE SHEET AS OF DECEMBER 31, 1952 AND DECEMBER 31, 1951

LIABILITIES	DECEMBER 31, 1952	DECEMBER 31, 1951	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 $100.00 per share, 5% participating—Notes D and E:			
Authorized—1,150,000 shares			
Issued and outstanding: 1952—1,118,652 shares; 1951—1,121,740 shares	111,865,200.00	112,174,000.00	—$ 308,800.00
TOTAL CAPITAL STOCK	324,186,600.00	324,495,400.00	— 308,800.00
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	55,851,500.00	55,852,600.00	— 1,100.00
General Mortgage 4½% Income Bonds, Series A, due January 1, 2019	47,011,200.00	48,668,200.00	— 1,657,000.00
General Mortgage 4½% Convertible Income Bonds, Series B, due January 1, 2044	35,389,300.00	35,395,300.00	— 6,000.00
The Bedford Belt Railway Company First Mortgage Bonds, due January 1, 1994	233,000.00	234,000.00	— 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	5,497,800.00	5,661,800.00	— 164,000.00
Equipment obligations (maturities due in 1953—$8,747,504.39 against which special reserve funds in the amount of $936,000.00 are available)	66,016,298.41	68,309,156.65	— 2,292,858.24
TOTAL LONG-TERM DEBT	225,334,098.41	229,456,056.65	— 4,121,958.24
CURRENT LIABILITIES:			
Traffic and car-service balances—net payable	3,971,154.18	6,900,076.55	— 2,928,922.37
Audited accounts and wages payable	14,335,225.39	15,120,151.34	— 784,925.95
Miscellaneous accounts payable	3,639,659.40	3,485,324.26	+ 154,335.14
Interest matured unpaid	1,756,216.85	1,774,490.69	— 18,273.84
Dividends matured unpaid	531,408.93	609,942.56	— 78,533.63
Unmatured interest accrued	4,335,771.82	4,386,789.05	— 51,017.23
Accrued accounts payable	4,745,907.33	5,974,946.69	— 1,229,039.36
Taxes accrued (including for federal taxes on income: 1952—$5,641,782.40; 1951—$7,640,807.93)	12,683,226.54	14,774,467.41	— 2,091,240.87
Other current liabilities	2,832,513.87	3,207,102.20	— 374,588.33
TOTAL CURRENT LIABILITIES	48,831,084.31	56,233,290.75	— 7,402,206.44
DEFERRED LIABILITIES	678,489.74	691,567.35	— 13,077.61
UNADJUSTED CREDITS:			
Accrued depreciation on leased property	284,342.29	266,840.28	+ 17,502.01
Accruals and reserves for claims	2,916,142.63	3,232,072.03	— 315,929.40
Other unadjusted credits	537,297.82	494,817.28	+ 42,480.54
TOTAL UNADJUSTED CREDITS	3,737,782.74	3,993,729.59	— 255,946.85
EARNED SURPLUS (SINCE JANUARY 1, 1944)—Note D:			
Appropriated surplus	31,912,186.66	31,905,231.91	+ 6,954.75
Unappropriated surplus	37,349,700.52	32,895,363.21	+ 4,454,337.31
TOTAL EARNED SURPLUS	69,261,887.18	64,800,595.12	+ 4,461,292.06
CONTINGENT LIABILITIES:			
With respect to securities of other companies—see accompanying schedule			
	$672,029,942.38	$679,670,639.46	— $7,640,697.08

See notes to financial statements.

EARNED SURPLUS FOR THE YEARS 1952 AND 1951

Item	Year 1952	Year 1951
Balance at January 1	$64,800,595.12	$64,384,652.78
Additions:		
Net income for the year	11,262,692.89	10,068,990.70
Discount on bonds acquired:		
First Mortgage Bonds	20.75	10,551.75
General Mortgage Bonds	488,626.25	3,950.00
Chicago, Terre Haute and Southeastern Railway Company Income Mortgage Bonds	38,390.00	....
The Bedford Belt Railway Company First Mortgage Bonds	210.00	....
Profits, less losses derived from sales or retirements of land and nonoperating properties	364,605.03	198,089.08
Dividends declared in prior years on preferred stock cancelled in 1952—Note E	100,360.00	....
	77,055,500.04	74,666,234.31
Deductions:		
Dividends paid on Preferred Stock—		
March 20, 1952—$5.00 per share; March 21, 1951—$5.00 per share	5,593,255.35	5,608,695.35
Dividends paid on Common Stock—		
April 25, 1952—$1.00 per share; April 25, 1951—$2.00 per share	2,123,213.07	4,246,426.14
Miscellaneous charges, less credits	77,144.44	10,517.70
	7,793,612.86	9,865,639.19
Balance at December 31	$69,261,887.18	$64,800,595.12
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	12,344,128.74
	31,164,856.92	31,164,856.92
For sinking funds (after the current year appropriations, less amounts released upon retirement of bonds):		
First Mortgage Bonds	203,065.25	196,111.25
General Mortgage Bonds	543,976.50	543,893.50
General Mortgage Bonds—Contingent (appropriations due to dividends on Common Stock—1952—$1,061,607.00; 1951—$2,123,214.00)	287.99	370.24
Total Appropriated Surplus	31,912,186.66	31,905,231.91
Unappropriated	37,349,700.52	32,895,363.21
Total	$69,261,887.18	$64,800,595.12

AVAILABLE NET INCOME AND APPLICATION THEREOF FOR THE YEARS 1952 AND 1951

Item	Year 1952	Year 1951
Income available for fixed charges	$19,780,690.70	$18,480,088.75
Fixed Charges:		
Rent for leased roads and equipment	708.00	708.00
Interest on funded debt:		
On First Mortgage 4% Bonds, Series A	2,234,083.02	2,248,273.10
On modified Terre Haute Bonds	583,313.58	583,847.00
On equipment obligations	1,586,171.24	1,393,613.36
Interest on unfunded debt	5,200.89	2,256.29
Amortization of discount on funded debt	82,982.25	80,984.79
Total Fixed Charges	4,492,458.98	4,309,682.54
Income after Fixed Charges	15,288,231.72	14,170,406.21
ADD: Charges to operating expenses representing the service value of non-depreciable roadway property retired and not replaced	387,331.17	190,130.60
Available Net Income	15,675,562.89	14,360,536.81
Application of Available Net Income:		
Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A	203,031.75	195,099.75
Contingent interest on General Mortgage 4½% Income Bonds, Series A	2,116,959.07	2,190,084.68
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	315,987.00	318,447.00
Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B	1,592,592.76	1,592,883.83
Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B	543,393.50	543,393.50
	4,771,964.08	4,839,908.76
Remaining Available Net Income	10,903,598.81	9,520,628.05
Deduct: Charges to operating expenses representing the service value of non-depreciable roadway property retired and not replaced	387,331.17	190,130.60
Remainder Transferred to Earned Surplus—Unappropriated	$10,516,267.64	$ 9,330,497.45

See notes to financial statements.

Notes to Financial Statements

Note A—Investment in Transportation Property:

The investment in road and equipment property ($948,301,776.19) 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, 1951, and 1952 is being provided for at normal rates (See Note C). Provisions for depreciation of road property classified as depreciable by the Interstate Commerce Commission were begun as of January 1, 1942, and as of January 1, 1944, past accrued depreciation was recorded at 30% of original cost. Charges for depreciation, amortization, and property retirements have been as follows: 1952—$15,442,858.57; 1951—$15,403,338.78; 1950—$14,888,398.54; 1949—$13,943,848.46; 1948—$12,765,076.45.

Note B—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 jointly-owned terminal, switching, and other companies. With the exception of advances amounting to $7,365,279.91 at December 31, 1952, 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, 1952, and the equity in underlying net assets as recorded on their books aggregated approximately $4,805,000.00 at that date.

Other income includes interest for the years 1940 to 1948 on a note receivable from the Milwaukee Land Company as follows: 1952—$897,077.82; 1951—$1,521,778.72 (See Note C). Interest of $3,170,235.72 on this note for certain years prior to 1940 has not been accrued as income or collected by the Company.

Note C—Federal Taxes on Income:

The claims for refund of federal taxes on income of $8,970,455.77 at December 31, 1952, are the result of the carry-back of unused excess profits credits and other retroactive adjustments applicable to the years 1942 to 1947.

A report of examination by agents of the Bureau of Internal Revenue of the Company's federal income tax returns for the years 1942 to 1947 proposes to make adjustments or disallowances which would largely offset the claims for refund. Certain of the adjustments will not be contested and the tax thereon of $493,000.00 has been reflected in the financial statements. The Company has protested the remaining proposals which, in the opinion of management and of the Company's tax counsel, are without merit.

The provision for federal taxes on income ($5,865,000.00) reflected in the statement of income for 1952 represents estimated taxes of $5,641,782.40 for the year, plus adjustments of $223,217.60 applicable to prior years. The interest received from the Milwaukee Land Company in 1952 and 1951 (See Note B) was subject to federal taxes on income in prior years. In computing the provisions for federal taxes on income, effect has been given to the deduction of $4,618,000.00 in 1952 and $980,000.00 in 1951, representing the excess of amortization over normal depreciation applicable to defense facilities. Without the benefit of such deductions the required provisions for 1952 and 1951 taxes on income would have been greater by $2,390,480.00 and $497,350.00, respectively.

Note D—Dividends:

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. As of December 31, 1952, the Company had paid dividends aggregating $5.00 per share on preferred stock in respect of each of the years 1949, 1950, and 1951.

Note E—Cancellation of Preferred Stock:

Under the court order entered November 26, 1945, which directed consummation of the Plan of Reorganization as of January 1, 1944, it was provided that certain securities of the Chicago, Milwaukee and St. Paul Railway Company (predecessor) which had not been exchanged under the 1925 reorganization for Fifty-Year 5% Gold Mortgage Bonds of 1975 prior to December 1, 1945, were not exchangeable after December 1, 1945, for 3,088 shares of preferred stock of the Company pursuant to the Plan. Such preferred shares were issued, in accordance with the Plan, to the Trustees under the Voting Trust Agreement, which was terminated on December 1, 1950. In 1952, by action of the Board of Directors, these shares were canceled and the par value thereof ($308,800.00) was credited to the acquisition adjustment account. At the same time the amount of accumulated dividends declared but unpaid on such shares ($100,360.00) was restored to earned surplus.

Note F—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 received additional mail compensation in the amount of $4,258,600.00, which was included in railway operating revenues for 1950. This amount was applicable to the following years: 1950—$1,164,012.00; 1949—$1,188,864.00; 1948—$1,079,900.00; 1947—$825,824.00.

Note G—United States Government Reparation Cases:

The Company is a defendant, along with the other principal railroads, in a number of 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. The 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, 1952

Items	Principal Amount Outstanding Dec. 31, 1952
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, 2.00% to 2.05%, due semi-annually July 1, 1953 to July 1, 1954	1,350,000
	$55,150,000
Principal and interest guaranteed jointly and severally by the Railroad Company and 3 other proprietors at time of issue. The Railroad Company with other proprietors has agreed that gross rental to be paid by them for use of Chicago Union Station facilities shall include a sum sufficient to pay interest on all of these securities and the payment into the Retirement Fund for First Mortgage bonds beginning in 1955, and to advance amounts required to pay at maturity principal of Item 3.	
Indiana Harbor Belt Railroad Company:	
1. General Mortgage Gold Bonds, 4%, due July 1, 1957	$ 4,225,000
2. General Mortgage Gold Bonds, 4½%, due July 1, 1957	4,900,000
3. Conditional Sale Agreement, 2.48%, due quarterly to June 1, 1956	340,900
4. Conditional Sale Agreement, 2.48%, due quarterly to November 1, 1956	927,360
5. Equipment Trust Certificates, 2⅜%, due annually May 1, 1953 to May 1, 1959	1,435,000
6. Equipment Trust Certificates, 2⅝%, due annually September 15, 1953 to September 15, 1964	2,376,000
7. Equipment Trust Certificates, 2¼%, due annually February 15, 1953 to February 15, 1965	1,560,000
	$15,764,260
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.	
Kansas City Terminal Railway Company:	
1. First Mortgage Serial Bonds, due annually October 1, 1953 to October 1, 1974	$44,090,000
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	$ 1,701,000
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	$12,817,000
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	$ 89,237.00	$ *21,286.91*
Land for transportation purposes	24,030.34	*279,803.15*
Other right-of-way expenditures	2,398.98	2,398.98
Grading	266,927.50	*245,956.45*
Tunnels and subways	40.50	40.50
Bridges, trestles, and culverts	944,940.81	345,971.30
Elevated structures	....	*907.46*
Ties	134,260.19	*145,496.63*
Rails	382,910.88	19,395.89
Other track material	830,187.95	648,425.46
Ballast	23,567.46	*154,486.48*
Track laying and surfacing	173,270.25	*41,403.74*
Fences, snowsheds, and signs	4,706.47	*8,872.19*
Station and office buildings	598,262.66	364,984.17
Roadway buildings	13,650.01	*10,026.91*
Water stations	59,351.24	*59,583.97*
Fuel stations	121,483.83	39,865.75
Shops and enginehouses	386,686.29	115,145.06
Wharves and docks	48,082.69	20,897.21
Communication systems	208,072.20	184,478.71
Signals and interlockers	928,763.66	812,220.84
Power plants	*4,460.61*	*4,460.61*
Power-transmission systems	147,280.90	124,471.48
Miscellaneous structures	27,350.55	21,894.73
Roadway machines	222,916.16	130,189.04
Roadway small tools	10,082.64	10,082.64
Public improvements—Construction	378,796.00	340,691.66
Shop machinery	434,023.70	129,324.33
Power-plant machinery	58,653.06	18,838.57
Unapplied construction material and supplies	*685,937.32*	*685,937.32*
Total Expenditures for Road	5,829,535.99	1,671,094.50
Steam locomotives	3,619.93	*2,197,146.35*
Other locomotives	5,715,914.26	5,447,918.08
Freight-train cars	899,792.37	*2,919,252.01*
Passenger-train cars	3,278,053.70	514,683.23
Work equipment	119,428.44	*48,502.78*
Miscellaneous equipment	122,086.03	31,097.98
Unapplied material and supplies—Equipment	*17,956.12*	*17,956.12*
Total Expenditures for Equipment	10,120,938.61	810,842.03
General Expenditures	*445.00*	*218,884.33*
GRAND TOTAL	$15,950,029.60	$ 2,263,052.20

INVESTMENT IN MISCELLANEOUS PHYSICAL PROPERTY DURING YEAR

Account	Gross Expenditures	Net Charges
Non-operating property	$ 233,028.78	$ *25,858.24*
Track material loaned	....	*75,073.36*
TOTAL	$ 233,028.78	$ *100,931.60*

Italics denote credits.

SECURITIES OWNED, DECEMBER 31, 1952

Description	Number of Shares	Par Value	Book Value
STOCKS:			
Affiliated companies:			
Chicago, Terre Haute & Southeastern Ry. Co.	40,755.05	$ 4,075,505.00	$ 1.00
Chicago Union Station Co.	A 7,000	700,000.00	7,000.00
Cowlitz, Chehalis & Cascade Ry.	A 524.78+	52,478.27	116,937.21
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		8,769.15	7,792.00
NOTES:			
Affiliated companies:			
Kansas City Terminal Ry. Co.	A	38,007.10	38,007.10
Milwaukee Land Co.	A	2,652,000.00	2,652,000.00
OTHER SECURED OBLIGATIONS:			
Nonaffiliated companies:			
F. E. Buck—Agreement dated July 15, 1949		7,500.00	7,500.00
Cargill, Incorporated—Agreement dated Aug. 1, 1949		630,000.00	630,000.00
Escanaba Coal & Dock Co.—Agreement dated Sept. 25, 1951		28,000.00	28,000.00
Iseri-Masto Produce Co.—Agreement dated Sept. 8, 1952		3,950.00	3,950.00
LaSalle National Bank—Agreement dated June 25, 1952		217,000.00	217,000.00
Lumbermen's Realty Co.—Agreement dated July 10, 1952		13,200.00	13,200.00
Olympic Seed Co.—Agreement dated June 13, 1947		1,676.10	1,676.10
Total		$12,833,078.95	$ 8,541,008.74

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, 1952

Description	Date of Issue	Date of Maturity	Amount Originally Issued or Assumed	Amount as of Dec. 31, 1952	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	$ 55,878,900.00	$ 27,400.00	$ 55,851,500.00	4	J. & J.	$ 2,234,083.02
General mortgage income bonds, Series A....................	Jan. 1, 1944	Jan. 1, 2019	57,256,600.00	47,134,000.00	122,800.00	47,011,200.00	4½	April	2,116,959.07
General mortgage convertible income bonds. Series B..........	Jan. 1, 1944	Jan. 1, 2044	51,422,100.00	46,493,500.00	11,104,200.00	35,389,300.00	4½	April	1,592,592.76
The Bedford Belt Ry. Co. first mortgage bonds..............	Jan. 1, 1946	Jan. 1, 1994	350,000.00	333,000.00	* 100,000.00	233,000.00	4¼	J.A. & J.	9,916.86
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	838,000.00	5,497,800.00	4¼	J.A. & J.	237,646.22
Equipment obligations (See details below).................			106,407,500.00	66,016,298.41	....	66,016,298.41			1,586,171.24
Total long-term debt....			$ 298,145,100.00	$ 239,041,498.41	$ 13,707,400.00	$ 225,334,098.41			$ 8,429,106.67

*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, 1952

Description	Date of Lease or Agreement	Date of Final Maturity	Original Cost of Equipment	Amount Originally Issued	Amount Outstanding Dec. 31, 1952	Principal Payable During 1953	Interest		
							Rate Per Cent	Payable	Accrued During Year
Equipment Trust Certificates:									
Series Q....................	Mar. 1, 1937	Mar. 1, 1952	$ 3,561,722.09	$ 2,655,000.00	....	....	3¼	M. & S.	$ 958.75
Series R....................	Aug. 1, 1937	Aug. 1, 1952	2,564,053.90	1,920,000.00	....	....	3¾	F. & A.	2,800.00
Series S....................	Apr. 1, 1938	Apr. 1, 1953	3,220,834.35	2,235,000.00	$ 149,000.00	$ 149,000.00	3¾	A. & O.	6,984.38
Series T....................	Apr. 1, 1939	Apr. 1, 1954	2,770,164.86	1,920,000.00	256,000.00	128,000.00	3	A. & O.	8,640.00
Series X....................	Mar. 1, 1944	Mar. 1, 1954	9,700,062.91	7,260,000.00	1,089,000.00	726,000.00	1⅞	M. & S.	26,091.23
Series Y....................	Apr. 1, 1945	Apr. 1, 1955	2,800,092.41	2,100,000.00	525,000.00	210,000.00	1¾	A. & O.	11,025.00
Series Z....................	July 1, 1947	July 1, 1957	8,190,966.80	6,000,000.00	3,000,000.00	600,000.00	1⅞	J. & J.	59,061.00
Series AA...................	Oct. 1, 1947	Oct. 1, 1957	3,065,949.00	2,240,000.00	1,120,000.00	224,000.00	1⅞	A. & O.	23,100.00
Series BB...................	Apr. 1, 1948	Apr. 1, 1958	3,530,422.00	2,640,000.00	1,452,000.00	264,000.00	2⅛	A. & O.	33,659.96
Series CC...................	Feb. 1, 1948	Feb. 1, 1958	6,798,971.00	5,040,000.00	2,772,000.00	504,000.00	2¼	F. & A.	66,150.00
Series DD...................	June 1, 1948	June 1, 1958	9,514,365.00	7,120,000.00	3,916,000.00	712,000.00	2	J. & D.	87,813.34
Series EE...................	July 1, 1948	July 1, 1958	5,361,470.78	3,820,000.00	2,292,000.00	382,000.00	2	J. & J.	47,750.00
Series FF...................	Oct. 1, 1948	Oct. 1, 1958	8,936,780.55	6,600,000.00	3,960,000.00	660,000.00	2¼	A. & O.	96,525.00
Series GG...................	Jan. 1, 1949	Jan. 1, 1959	6,094,320.64	4,540,000.00	2,951,000.00	454,000.00	2⅛	J. & J.	65,121.76
Series HH...................	Apr. 1, 1949	Apr. 1, 1964	8,112,741.52	6,060,000.00	4,646,000.00	404,000.00	2⅜	A. & O.	115,140.00
Series JJ...................	Sept. 1, 1949	Sept. 1, 1964	7,604,383.93	5,640,000.00	4,512,000.00	376,000.00	2⅛	M. & S.	99,208.85
Series KK...................	Oct. 1, 1949	Oct. 1, 1964	6,026,867.72	4,500,000.00	3,600,000.00	300,000.00	2¼	A. & O.	84,375.00
Series LL...................	June 1, 1950	June 1, 1965	6,289,514.21	4,650,000.00	3,875,000.00	310,000.00	2¼	J. & D.	91,837.50
Series MM...................	Nov. 1, 1950	Nov. 1, 1965	7,251,863.47	5,430,000.00	4,706,000.00	362,000.00	2½	M. & N.	122,929.16
Series NN...................	June 1, 1951	June 1, 1961	7,236,872.90	5,300,000.00	4,505,000.00	530,000.00	2⅞	J. & D.	139,676.20
Series OO...................	Oct. 1, 1951	Oct. 1, 1966	10,062,553.04	7,500,000.00	7,000,000.00	500,000.00	2⅞	A. & O.	208,437.50
Series PP...................	Mar. 1, 1952	Mar. 1, 1967	3,215,855.18	2,400,000.00	2,320,000.00	160,000.00	2⅞	M. & S.	53,095.93
Series QQ...................	Sept. 1, 1952	Sept. 1, 1967	5,459,560.19	3,990,000.00	3,990,000.00	266,000.00	3⅛	M. & S.	40,536.74
Equipment Lease Agreement:									
General American Transportation Corporation...........	Apr. 27, 1940	Aug. 1, 1955	129,500.00	129,500.00	27,160.58	10,053.67	3	Monthly	974.08
Conditional Sale Agreements:									
The First National Bank of Chicago, Assignee of the Seller:									
Fairbanks, Morse & Co......	July 1, 1946	Apr. 1, 1957	2,675,000.00	2,000,000.00	928,281.76	203,074.77	1.55	Quarterly Jan.-Apr. July-Oct.	15,554.40
Fairbanks, Morse & Co......	July 1, 1951	Jan. 1, 1960	3,629,985.00	2,718,000.00	2,424,856.07	313,375.95	3.10		78,725.46
Total equipment obligations..			$ 143,804,873.45	$ 106,407,500.00	$ 66,016,298.41	$ 8,747,504.39			$ 1,586,171.24

Payments Maturing in Years Ending:

December 31, 1953.................	$8,747,504.39	December 31, 1959.................	$3,812,165.60	December 31, 1964.................	$2,476,000.00
December 31, 1954.................	8,248,804.34	December 31, 1960.................	3,221,701.22	December 31, 1965.................	1,443,000.00
December 31, 1955.................	7,662,544.05	December 31, 1961.................	2,943,000.00	December 31, 1966.................	926,000.00
December 31, 1956.................	7,564,516.38	December 31, 1962.................	2,678,000.00	December 31, 1967.................	346,000.00
December 31, 1957.................	7,459,365.17	December 31, 1963.................	2,678,000.00	Total................	$66,016,298.41
December 31, 1958.................	5,809,697.26				

MILES OF ROAD BY STATES, DECEMBER 31, 1952

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	432.99	120.65	2.40	.14	....	132.31	688.49
Indiana	156.57	36.79	....	....	....	....	193.36
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	360.58	5.03	22.70	....	194.10	1,346.93
Missouri	130.02	....	9.44	....	....	15.10	154.56
Montana	747.86	473.29	....	29.99	....	....	1,251.14
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	489.96	26.88	50.02	....	201.10	1,082.65
Wisconsin	1,039.41	497.64	....	16.34	....	70.51	1,623.90
Total	6,098.21	3,705.12	43.83	120.58	.10	702.39	10,670.23

#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, 1952

Items	Owned Solely	Owned Jointly	Leased	Trackage Rights	Total
Miles of Road (First Main Track):					
Operated	*9,803.33	164.41	.10	702.39	10,670.23
Not operated	12.20	....	....	....	12.20
Additional Main Tracks:					
Operated	789.48	14.17	.41	312.72	1,116.78
Not operated	15.32	.70	....	....	16.02
Yard Tracks and Sidings:					
Operated	*3,378.42	260.24	2.19	500.99	4,141.84
Not operated	5.42	34.56	....	....	39.98
Total operated	13,971.23	438.82	2.70	1,516.10	15,928.85
Total not operated	32.94	35.26	....	....	68.20
Grand Total	14,004.17	474.08	2.70	1,516.10	15,997.05

*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, 1952 AND 1951

RAILWAY OPERATING REVENUES

	1952	1951	Increase	Decrease
Transportation				
Freight	$222,399,895.47	$217,584,219.94	$ 4,815,675.53	....
Passenger	18,863,421.59	19,713,459.65	....	$ 850,038.06
Baggage	41,622.42	57,119.30	....	15,496.88
Sleeping car	586,331.64	637,365.34	....	51,033.70
Parlor and chair car	245,749.60	221,270.35	24,479.25	....
Mail	9,292,986.71	9,136,877.77	156,108.94	....
Express	4,367,615.77	3,034,600.09	1,333,015.68	....
Other passenger-train	142,604.21	154,468.39	....	11,864.18
Milk	133,926.45	150,420.73	....	16,494.28
Switching	6,028,235.13	6,175,261.86	....	147,026.73
Total transportation revenue	262,102,388.99	256,865,063.42	5,237,325.57	....
Incidental				
Dining and buffet	2,210,869.62	2,264,503.26	....	53,633.64
Station, train, and boat privileges	43,085.08	39,067.52	4,017.56	....
Parcel room	41.15	45.80	....	4.65
Storage—Freight	35,834.67	32,034.09	3,800.58	....
Storage—Baggage	8,241.51	8,691.09	....	449.58
Demurrage	850,529.67	1,819,061.02	....	968,531.35
Communication	106,056.61	128,515.73	....	22,459.12
Rents of buildings and other property	245,904.60	253,173.41	....	7,268.81
Miscellaneous	1,164,668.94	1,002,094.55	162,574.39	....
Total incidental operating revenue	4,665,231.85	5,547,186.47	....	881,954.62
Joint Facility				
Joint facility—Credit	2,713,204.14	3,002,492.74	....	289,288.60
Joint facility—Debit	*15,241.15*	*14,200.72*	*1,040.43*	....
Total joint facility operating revenue	2,697,962.99	2,988,292.02	....	290,329.03
Total railway operating revenues	$269,465,583.83	$265,400,541.91	$ 4,065,041.92	....

Italics denote debits.

RAILWAY OPERATING EXPENSES

	1952	1951	Increase	Decrease
Maintenance of Way and Structures				
Superintendence	$ 2,578,695.68	$ 2,518,474.30	$ 60,221.38	....
Roadway maintenance	3,434,449.36	3,219,772.13	214,677.23	....
Tunnels and subways	278,240.66	11,124.90	267,115.76	....
Bridges, trestles, and culverts	2,034,108.91	1,884,411.64	149,697.27	....
Ties	2,429,086.47	1,496,118.23	932,968.24	....
Rails	1,462,703.62	1,313,851.81	148,851.81	....
Other track material	2,019,812.25	1,790,835.27	228,976.98	....
Ballast	327,450.14	330,295.59	....	$ 2,845.45
Track laying and surfacing	8,430,720.96	6,997,955.54	1,432,765.42	....
Fences, snowsheds, and signs	366,351.41	345,026.76	21,324.65	....
Station and office buildings	1,477,192.65	1,318,829.84	158,362.81	....
Roadway buildings	184,039.08	171,103.29	12,935.79	....
Water stations	213,783.74	239,150.58	....	25,366.84
Fuel stations	158,926.00	194,996.45	....	36,070.45
Shops and enginehouses	1,394,534.95	1,276,289.38	118,245.57	....
Storage warehouses	496.72	1,269.42	....	772.70

RAILWAY OPERATING REVENUES AND EXPENSES—CONTINUED
RAILWAY OPERATING EXPENSES—CONTINUED

	1952	1951	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Wharves and docks	$ 67,562.13	$ 32,898.33	$ 34,663.80	....
Communication systems	748,939.78	693,450.71	55,489.07	....
Signals and interlockers	1,460,786.53	1,327,943.23	132,843.30	....
Power plants	39,075.87	33,360.01	5,715.86	....
Power-transmission systems	332,350.44	326,626.53	5,723.91	....
Miscellaneous structures	14,425.38	9,245.49	5,179.89	....
Road property—Depreciation	4,435,346.40	4,376,883.95	58,462.45	....
Retirements—Road	461,815.46	286,492.43	175,323.03	....
Roadway machines	756,123.96	666,344.27	89,779.69	....
Dismantling retired road property	308,890.75	145,091.25	163,799.50	....
Small tools and supplies	702,548.57	673,422.83	29,125.74	....
Removing snow, ice, and sand	1,096,366.47	1,535,442.36	....	$ 439,075.89
Public improvements—Maintenance	845,753.84	742,284.13	103,469.71	....
Injuries to persons	253,318.78	120,362.76	132,956.02	....
Insurance	65,861.54	46,283.28	19,578.26	....
Stationery and printing	46,472.75	52,143.52	....	5,670.77
Other expenses	47,467.66	40,548.24	6,919.42	....
Right-of-way expenses	37,965.76	39,424.94	....	1,459.18
Maintaining joint tracks, yards, and other facilities—Debit	3,435,397.06	3,108,232.50	327,164.56	....
Maintaining joint tracks, yards, and other facilities—Credit	*1,098,758.88*	*567,326.34*	*531,432.54*	....
Total maintenance of way and structures	40,848,302.85	36,798,659.55	4,049,643.30	....
MAINTENANCE OF EQUIPMENT				
Superintendence	1,589,102.89	1,590,083.66	....	980.77
Shop machinery	838,702.55	1,055,071.04	....	216,368.49
Power-plant machinery	206,824.31	245,936.67	....	39,112.36
Shop and power-plant machinery—Depreciation	289,306.93	286,433.46	2,873.47	....
Dismantling retired shop and power-plant machinery	10,688.85	6,320.09	4,368.76	....
Steam locomotives—Repairs	6,992,286.80	8,376,748.73	....	1,384,461.93
Other locomotives—Repairs	8,622,186.05	7,950,657.68	671,528.37	....
Freight-train cars—Repairs	15,916,847.33	13,737,848.24	2,178,999.09	....
Passenger-train cars—Repairs	6,705,313.16	6,550,411.64	154,901.52	....
Floating equipment—Repairs	71,531.57	66,193.86	5,337.71	....
Work equipment—Repairs	707,528.35	687,038.69	20,489.66	....
Miscellaneous equipment—Repairs	137,435.22	158,752.99	....	21,317.77
Dismantling retired equipment	110,107.28	61,218.39	48,888.89	....
Retirements—Equipment	*29,159.52*	*26,983.00*	*2,176.52*	....
Equipment—Depreciation	10,285,549.30	10,480,511.94	....	194,962.64
Injuries to persons	398,458.37	318,587.01	79,871.36	....
Insurance	79,085.96	67,233.71	11,852.25	....
Stationery and printing	48,680.86	52,418.64	....	3,737.78
Other expenses	138,770.12	163,981.65	....	25,211.53
Joint maintenance of equipment expenses—Debit	417,978.97	371,964.23	46,014.74	....
Joint maintenance of equipment expenses—Credit	*32,909.16*	*31,919.03*	*990.13*	....
Total maintenance of equipment	53,504,316.19	52,168,510.29	1,335,805.90	....
TRAFFIC				
Superintendence	1,352,527.02	1,253,779.19	98,747.83	....
Outside agencies	2,913,261.58	2,843,083.34	70,178.24	....
Advertising	984,836.27	995,776.76	....	10,940.49
Traffic associations	217,201.66	194,716.14	22,485.52	....
Industrial and immigration bureaus	67,973.71	71,107.48	....	3,133.77
Insurance	391.42	1,841.93	....	1,450.51
Stationery and printing	216,222.91	233,371.70	....	17,148.79
Other expenses	2,911.51	1,563.97	1,347.54	....
Total traffic expenses	$ 5,755,326.08	$ 5,595,240.51	$ 160,085.57	....

Italics denote credits.

RAILWAY OPERATING REVENUES AND EXPENSES—Concluded
RAILWAY OPERATING EXPENSES—Concluded

Transportation	1952	1951	Increase	Decrease
Superintendence	$ 2,488,157.90	$ 2,453,726.82	$ 34,431.08	
Dispatching trains	997,691.65	991,626.38	6,065.27	
Station employees	15,895,265.99	15,948,233.91		$ 52,967.92
Weighing, inspection, and demurrage bureaus	290,324.76	295,574.59		5,249.83
Station supplies and expenses	1,004,047.98	1,035,374.59		31,326.61
Yardmasters and yard clerks	3,624,701.18	3,541.989.80	82,711.38	
Yard conductors and brakemen	10,052,757.25	10,289,925.38		237,168.13
Yard switch and signal tenders	687,877.03	699,986.70		12,109.67
Yard enginemen	6,835,832.98	6,913,624.92		77,791.94
Yard switching fuel	1,597,898.75	1,987,419.22		389,520.47
Yard switching power purchased	23,599.06	27,067.32		3,468.26
Water for yard locomotives	164,091.56	185,896.76		21,805.20
Lubricants for yard locomotives	91,946.83	86,411.46	5,535.37	
Other supplies for yard locomotives	82,757.86	105,449.77		22,691.91
Enginehouse expenses—Yard	1,586,466.97	1,835,440.70		248,973.73
Yard supplies and expenses	262,706.62	239,904.91	22,801.71	
Operating joint yards and terminals—Debit	5,124,005.12	5,021,188.59	102,816.53	
Operating joint yards and terminals—Credit	*494,396.77*	*495,590.83*		*1,194.06*
Train enginemen	10,674,617.28	11,021,131.90		346,514.62
Train fuel	11,288,567.70	12,521,646.77		1,233,079.07
Train power purchased	1,282,780.38	1,304,079.17		21,298.79
Water for train locomotives	593,636.41	633,363.35		39,726.94
Lubricants for train locomotives	636,307.09	689,520.30		53,213.21
Other supplies for train locomotives	289,828.67	376,242.55		86,413.88
Enginehouse expenses—Train	3,210,920.63	3,577,232.24		366,311.61
Trainmen	13,111,231.59	13,442,929.12		331,697.53
Train supplies and expenses	8,035,773.53	8,297,712.55		261,939.02
Operating sleeping cars	778,435.68	547,449.83	230,985.85	
Signal and interlocker operation	893,729.62	858,422.57	35,307.05	
Crossing protection	979,689.83	986,408.12		6,718.29
Drawbridge operation	195,525.33	200,643.35		5,118.02
Communication system operation	869,939.54	829,144.02	40,795.52	
Operating floating equipment	372,243.77	390,208.71		17,964.94
Stationery and printing	359,402.95	391,576.86		32,173.91
Other expenses	126,350.63	196,433.22		70,082.59
Operating joint tracks and facilities—Debit	1,355,902.97	1,299,648.66	56,254.31	
Operating joint tracks and facilities—Credit	*657,398.21*	*623,691.47*	*33,706.74*	
Insurance	74,252.44	42,792.21	31,460.23	
Clearing wrecks	348,739.89	362,887.70		14,147.81
Damage to property	171,658.25	230,376.09		58,717.84
Damage to live stock on right-of-way	136,420.11	101,269.67	35,150.44	
Loss and damage—Freight	2,405,774.03	1,942,356.23	463,417.80	
Loss and damage—Baggage	9,077.04	8,745.61	331.43	
Injuries to persons	1,624,286.78	1,671,871.41		47,584.63
Total transportation expenses	109,483,426.65	112,463,651.73		2,980,225.08
Miscellaneous Operations				
Dining and buffet service	3,314,401.46	3,377,838.78		63,437.32
Hotels and restaurants		3,525.71		3,525.71
Operating joint miscellaneous facilities—Debit	164,554.16	161,745.49	2,808.67	
Total miscellaneous operations	3,478,955.62	3,543,109.98		64,154.36
General				
Salaries and expenses of general officers	871,297.08	829,763.13	41,533.95	
Salaries and expenses of clerks and attendants	5,965,320.54	5,757,014.67	208,305.87	
General office supplies and expenses	449,055.51	432,409.81	16,645.70	
Law expenses	569,683.89	569,596.55	87.34	
Insurance	2,509.82	4,326.59		1,816.77
Pensions and gratuities	375,084.05	322,466.16	52,617.89	
Stationery and printing	303,270.10	365,945.97		62,675.87
Valuation expenses	29,791.74	38,813.97		9,022.23
Other expenses	289,666.31	373,079.91		83,413.60
General joint facilities—Debit	216,996.39	200,154.35	16,842.04	
General joint facilities—Credit	*20,264.49*	*7,602.10*	*12,662.39*	
Total general expenses	9,052,410.94	8,885,969.01	166,441.93	
Grand total railway operating expenses	$222,122,738.33	$219,455,141.07	$ 2,667,597.26	

Italics denote credits.

NET RAILWAY OPERATING INCOME ITEMS—1952, 1951, AND 1950 SHOWING PERCENTAGES OF RAILWAY OPERATING REVENUES

Items	1952		1951		1950	
	Amount	Per Cent Ry. Opr. Revs.	Amount	Per Cent Ry. Opr. Revs.	Amount	Per Cent Ry. Opr. Revs.
RAILWAY OPERATING REVENUES:						
Freight	$222,399,895	82.53	$217,584,220	81.98	$209,924,036	82.19
Passenger	18,863,422	7.00	19,713,460	7.43	17,538,857	6.87
Mail—Note F	9,292,987	3.45	9,136,878	3.44	10,656,139	4.17
Express	4,367,616	1.62	3,034,600	1.14	2,980,957	1.17
Switching	6,028,235	2.24	6,175,262	2.33	5,997,655	2.35
All other transportation	1,150,234	.43	1,220,643	.46	1,114,137	.43
Incidental	4,665,232	1.73	5,547,187	2.09	4,586,500	1.79
Joint facility—Net Cr.	2,697,963	1.00	2,988,292	1.13	2,623,368	1.03
Total	269,465,584	100.00	265,400,542	100.00	255,421,649	100.00
RAILWAY OPERATING EXPENSES:						
*Maintenance of way and structures	40,848,303	15.16	36,798,659	13.87	33,428,159	13.09
#Maintenance of equipment	53,504,316	19.85	52,168,510	19.66	45,904,853	17.97
Traffic expenses	5,755,326	2.14	5,595,241	2.11	5,034,361	1.97
Transportation expenses	109,483,427	40.63	112,463,652	42.37	104,527,622	40.92
Miscellaneous operations	3,478,955	1.29	3,543,110	1.33	3,152,269	1.24
General expenses	9,052,411	3.36	8,885,969	3.35	7,603,692	2.98
Total	222,122,738	82.43	219,455,141	82.69	199,650,956	78.17
NET REVENUE FROM RAILWAY OPERATIONS	47,342,846	17.57	45,945,401	17.31	55,770,693	21.83
RAILWAY TAX ACCRUALS:						
Federal income	5,865,000	2.18	7,263,000	2.74	11,538,000	4.52
Property, payroll and other	17,040,000	6.32	17,236,000	6.49	16,563,000	6.48
Total	22,905,000	8.50	24,499,000	9.23	28,101,000	11.00
EQUIPMENT RENTS—NET DR.	4,435,473	1.65	3,638,198	1.37	3,235,712	1.27
JOINT FACILITY RENTS—NET DR.	2,572,765	.95	2,482,197	.94	2,493,937	.97
NET RAILWAY OPERATING INCOME	$ 17,429,608	6.47	$ 15,326,006	5.77	$ 21,940,044	8.59
*Includes for depreciation, amortization and retirement charges—Road	$ 4,897,161	1.82	$ 4,663,376	1.76	$ 4,868,622	1.91
#Includes for depreciation, amortization and retirement charges—Equipment	$ 10,545,696	3.91	$ 10,739,962	4.05	$ 10,019,777	3.92

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1952

1952	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	$ 21,524,962.84	$ 18,770,473.27	$ 2,754,489.57	$ 1,551,000.00	$ 1,203,489.57	$ 246,075.09	$ 206,151.82	$ 751,262.66
February	21,184,593.68	17,673,250.09	3,511,343.59	1,974,000.00	1,537,343.59	146,727.69	195,378.74	1,195,237.16
March	21,320,772.83	18,382,929.48	2,937,843.35	1,712,000.00	1,225,843.35	124,060.52	204,807.18	896,975.65
April	20,454,650.60	18,288,453.82	2,166,196.78	1,304,000.00	862,196.78	122,573.96	202,743.99	536,878.83
May	21,408,388.65	19,469,788.34	1,938,600.31	1,072,000.00	866,600.31	356,152.50	224,454.32	285,993.49
June	21,580,179.84	18,715,484.34	2,864,695.50	1,467,000.00	1,397,695.50	467,420.43	203,629.78	726,645.29
July	21,412,733.48	18,346,515.27	3,066,218.21	1,247,000.00	1,819,218.21	480,618.87	209,836.57	1,128,762.77
August	24,837,768.49	18,825,040.30	6,012,728.19	2,736,000.00	3,276,728.19	710,545.62	219,042.40	2,347,140.17
September	25,079,045.94	18,619,775.41	6,459,270.53	3,288,000.00	3,171,270.53	566,404.11	193,880.35	2,410,986.07
October	25,712,224.42	19,740,247.05	5,971,977.37	2,938,000.00	3,033,977.37	430,940.38	237,806.21	2,365,230.78
November	21,735,082.33	17,544,461.78	4,190,620.55	2,019,000.00	2,171,620.55	338,862.38	220,717.63	1,612,040.54
December	23,215,180.73	17,746,319.18	5,468,861.55	1,597,000.00	3,871,861.55	445,090.75	254,315.76	3,172,455.04
Total	$269,465,583.83	$222,122,738.33	$47,342,845.50	$22,905,000.00	$24,437,845.50	$4,435,472.30	$2,572,764.75	$17,429,608.45

See Note F to the financial statements.

REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE—TEN YEARS, 1943-1952

Year	Tons Carried	Ton Miles	Average Haul—Miles	Freight Revenue		
				Total	Per Ton	Per Ton Mile (Cents)
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
1952	49,522,089	16,005,309,995	323.20	222,648,098	4.50	1.391

REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE—TEN YEARS, 1943-1952

Year	Passengers Carried	Passenger Miles	Average Distance Traveled—Miles	Passenger Revenue		
				Total	Per Passenger	Per Passenger Mile (Cents)
Other Than Commutation						
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
1952	3,346,346	739,380,708	220.95	17,569,369	5.25	2.376
Commutation						
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
1952	3,899,249	89,299,292	22.90	1,325,955	.34	1.485
Total						
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
1952	7,245,595	828,680,000	114.37	18,895,323	2.61	2.280

STATISTICS OF OPERATIONS

Items	Freight Trains		Passenger Trains		Total Transportation Service	
	1952	1951	1952	1951	1952	1951
Rail-Line						
Average miles of road operated	10,660	10,663	5,480	6,061	10,668	10,671
Train Miles						
Ordinary (with locomotives)	13,977,802	14,673,473	9,432,231	9,847,274	23,410,033	24,520,747
Light (with locomotives)	94,867	106,603	—	—	94,867	106,603
Total (with locomotives)	14,072,669	14,780,076	9,432,231	9,847,274	23,504,900	24,627,350
Motor car trains	—	—	307,302	497,928	307,302	497,928
Total train miles	14,072,669	14,780,076	9,739,533	10,345,202	23,812,202	25,125,278
Locomotive Miles						
Principal	14,074,601	14,786,943	9,432,231	9,847,274	23,506,832	24,634,217
Helper	414,241	544,937	44,158	73,674	458,399	618,611
Light	517,486	571,649	97,828	114,345	615,314	685,994
Train switching	1,305,756	1,310,040	—	—	1,305,756	1,310,040
Yard switching	8,666,219	8,985,139	581,640	593,789	9,247,859	9,578,928
Total locomotive miles	24,978,303	26,198,708	10,155,857	10,629,082	35,134,160	36,827,790
Car Miles						
Loaded freight cars	550,420,307	567,559,450	996,496	538,188	551,416,803	568,097,638
Empty freight cars	307,815,226	291,853,446	52,093	22,133	307,867,319	291,875,579
Total loaded and empty freight cars	858,235,533	859,412,896	1,048,589	560,321	859,284,122	859,973,217
Caboose	13,771,405	14,252,301	41,206	27,355	13,812,611	14,279,656
Total freight car miles	872,006,938	873,665,197	1,089,795	587,676	873,096,733	874,252,873
Passenger coaches	330,281	375,993	26,044,692	25,959,178	26,374,973	26,335,171
Sleeping and parlor cars (Company)	27,760	21,403	9,422,483	10,684,178	9,450,243	10,705,581
Sleeping cars (Pullman)	99,024	132,933	11,926,090	13,152,575	12,025,114	13,285,508
Club, lounge, dining and observation cars	1,419	164	7,766,918	8,114,812	7,768,337	8,114,976
Combination passenger and head end cars	845,357	887,711	1,026,943	1,060,843	1,872,300	1,948,554
Mail, express and baggage cars	3,246,883	2,680,109	32,271,043	33,100,549	35,517,926	35,780,658
Business cars	18,598	20,245	174,915	178,872	193,513	199,117
Crew cars (other than cabooses)	—	—	5,460	19,533	5,460	19,533
Total passenger car miles	4,569,322	4,118,558	88,638,544	92,270,540	93,207,866	96,389,098
Grand total car miles	876,576,260	877,783,755	89,728,339	92,858,216	966,304,599	970,641,971
Gross Ton Miles						
Locomotives and tenders (thousands)	4,461,118	4,513,422	2,513,570	2,583,738	6,974,688	7,097,160
Freight cars, contents, and cabooses (thousands)	37,723,294	38,571,549	41,815	21,581	37,765,109	38,593,130
Passenger cars, and contents (thousands)	257,418	230,357	6,139,682	6,443,008	6,397,100	6,673,365
Total freight and passenger (thousands)	37,980,712	38,801,906	6,181,497	6,464,589	44,162,209	45,266,495
Train Hours						
Train hours in road service	822,342	902,049	242,076	263,313	1,064,418	1,165,362
Revenue and Nonrevenue Freight Traffic						
Tons of revenue freight	—	—	—	—	49,522,089	51,740,580
Tons of nonrevenue freight	—	—	—	—	2,790,284	3,246,110
Total tons of freight	—	—	—	—	52,312,373	54,986,690
Net ton miles revenue freight (thousands)	—	—	—	—	16,005,310	16,732,324
Net ton miles nonrevenue freight (thousands)	—	—	—	—	1,054,244	1,162,335
Total net ton miles of freight (thousands)	17,035,563	17,877,345	23,991	17,314	17,059,554	17,894,659
Revenue Passenger Traffic						
Passengers carried	—	—	—	—	7,245,595	7,528,252
Passenger miles	—	—	—	—	828,680,000	871,918,613
Motor Vehicle Operations Excluded Above						
Net ton miles revenue freight (thousands)	—	—	—	—	2,815	3,123
Passengers carried	—	—	—	—	6,596	6,406
Passenger miles	—	—	—	—	1,476,305	950,703

STATISTICS OF OPERATIONS—CONCLUDED

Items	1952	1951	1950	1949	1948	1947
Freight Train Statistics and Averages						
Gross ton miles, trailing (thousands)	37,980,712	38,801,906	38,679,279	36,466,857	39,002,160	40,437,522
Eastbound	20,120,294	20,553,344	20,225,498	19,083,191	20,292,893	21,364,432
Westbound	17,860,418	18,248,562	18,453,781	17,383,666	18,709,267	19,073,090
Steam	9,403,255	14,552,224	18,935,455	22,758,261	28,582,299	30,196,364
Diesel-electric	25,214,256	20,961,092	16,288,873	10,525,207	7,064,928	6,944,710
Electric	3,363,201	3,288,590	3,454,951	3,183,389	3,354,933	3,296,448
Per cent steam	24.8%	37.5%	49.0%	62.4%	73.3%	74.7%
Per cent Diesel-electric	66.4%	54.0%	42.1%	28.9%	18.1%	17.2%
Per cent electric	8.8%	8.5%	8.9%	8.7%	8.6%	8.1%
Loaded freight cars per train	39.4	38.7	38.1	33.8	33.0	33.4
Empty freight cars per train	22.0	19.9	19.3	19.3	17.2	16.6
Total freight cars per train	61.4	58.6	57.4	53.1	50.2	50.0
Gross tons per train	2,717	2,644	2,558	2,320	2,255	2,251
Net tons per train	1,219	1,218	1,157	1,023	1,034	1,036
Net tons per loaded car	31.0	31.5	30.3	30.3	31.3	31.1
Miles per car per day (serviceable freight)	37.4	36.3	38.1	37.9	38.6	40.1
Net ton miles per freight car-day	713	731	748	717	780	818
Train speed (train miles per train hour)	17.1	16.4	16.0	16.1	15.5	15.5
Gross ton miles (trailing) per train hour	46,186	43,015	40,619	37,054	34,645	34,474
Passenger Train Statistics and Averages						
Passenger car miles (excluding motor)	88,925,558	91,674,778	92,495,023	95,774,326	99,967,909	97,025,664
Steam	9,619,474	18,647,747	30,215,086	41,966,851	50,498,490	54,425,701
Diesel-electric	69,000,345	62,605,038	52,477,403	47,824,847	44,086,524	36,725,143
Electric	10,305,739	10,421,993	9,802,534	5,982,628	5,382,895	5,874,820
Per cent steam	10.8%	20.3%	32.7%	43.8%	50.5%	56.1%
Per cent Diesel-electric	77.6%	68.3%	56.7%	49.9%	44.1%	37.9%
Per cent electric	11.6%	11.4%	10.6%	6.3%	5.4%	6.0%
Cars per train (excluding motor)	9.43	9.31	8.85	8.55	8.56	8.55
Revenue passengers per train	85.2	84.4	70.2	72.4	77.9	85.7
Revenue passengers per car	17.0	17.0	15.4	16.1	16.9	18.1
Train speed (train miles per train hour)	40.2	39.3	38.9	38.5	38.2	37.3
Yard Switching Statistics						
Yard switching hours	1,541,310	1,596,488	1,618,429	1,590,047	1,755,206	1,779,147
Steam	365,274	615,944	755,336	850,971	1,127,647	1,177,775
Diesel-electric	1,157,667	961,876	841,812	716,800	605,658	578,563
Electric	18,369	18,668	21,281	22,276	21,901	22,809
Per cent steam	23.7%	38.6%	46.7%	53.5%	64.2%	66.2%
Per cent Diesel-electric	75.1%	60.2%	52.0%	45.1%	34.5%	32.5%
Per cent electric	1.2%	1.2%	1.3%	1.4%	1.3%	1.3%
Density Statistics						
Per mile of road per day (freight service):						
Train miles, ordinary	3.6	3.8	3.9	4.0	4.4	4.6
Net ton miles	4,366	4,593	4,497	4,134	4,583	4,762
Per mile of road per day (passenger service):						
Train miles	4.9	4.7	4.7	4.8	4.9	4.7
Car miles	44.7	42.0	39.1	38.8	39.4	38.2

REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1952 AND 1951

Commodities	1952		1951		Increase + or Decrease —		
	Tons Carried	Percent of Total	Tons Carried	Percent of Total		Tons	Percent
Products of Agriculture							
Wheat	2,100,839	4.2	2,206,986	4.3	—	106,147	4.8
Corn	1,673,605	3.4	1,570,015	3.0	+	103,590	6.6
Barley and rye	793,815	1.6	907,492	1.7	—	113,677	12.5
Oats	450,039	.9	418,721	.8	+	31,318	7.5
Flour, meal and mill products	1,233,566	2.5	1,193,827	2.3	+	39,739	3.3
Citrus fruits	79,231	.2	82,469	.2	—	3,238	3.9
Other fruits, fresh and frozen	135,828	.3	129,538	.3	+	6,290	4.9
Potatoes, other than sweet	252,512	.5	226,580	.4	+	25,932	11.4
Other vegetables, fresh and frozen	133,302	.3	120,639	.2	+	12,663	10.5
Sugar beets	115,352	.2	128,444	.3	—	13,092	10.2
Other products of agriculture	1,653,556	3.3	1,538,276	3.0	+	115,280	7.5
Total	8,621,645	17.4	8,522,987	16.5	+	98,658	1.2
Animals and Products							
Cattle, calves, sheep and goats	304,881	.6	295,243	.6	+	9,638	3.3
Swine	156,181	.3	178,098	.3	—	21,917	12.3
Fresh meats	550,687	1.1	497,152	1.0	+	53,535	10.8
Poultry, eggs, butter and cheese	142,526	.3	152,845	.3	—	10,319	6.8
Wool, hides and leather	160,809	.4	145,113	.3	+	15,696	10.8
Other animals and products	350,928	.7	388,010	.7	—	37,082	9.6
Total	1,666,012	3.4	1,656,461	3.2	+	9,551	.6
Products of Mines							
Bituminous coal	7,342,342	14.8	8,381,160	16.2	—	1,038,818	12.4
Coke	429,488	.9	472,203	.9	—	42,715	9.0
Ores and concentrates	1,000,165	2.0	1,770,835	3.4	—	770,670	43.5
Gravel and sand	1,863,222	3.8	1,846,653	3.6	+	16,569	.9
Stone, broken, ground, or crushed	1,319,707	2.6	1,266,208	2.4	+	53,499	4.2
Stone, rough and finished	163,634	.3	228,399	.4	—	64,765	28.4
Asphalt	283,290	.6	241,296	.5	+	41,994	17.4
Salt	191,081	.4	180,809	.4	+	10,272	5.7
Other products of mines	1,410,531	2.8	1,274,668	2.5	+	135,863	10.7
Total	14,003,460	28.2	15,662,231	30.3	—	1,658,771	10.6
Products of Forests							
Logs, posts, poles and cordwood	3,172,206	6.4	3,439,546	6.6	—	267,340	7.8
Pulpwood	841,153	1.7	954,694	1.8	—	113,541	11.9
Lumber and mill products	2,355,036	4.8	2,358,252	4.6	—	3,216	.1
Veneer and built-up wood	314,045	.6	317,739	.6	—	3,694	1.2
Other products of forests	346,678	.7	243,790	.5	+	102,888	42.2
Total	7,029,118	14.2	7,314,021	14.1	—	284,903	3.9
Manufactures and Miscellaneous							
Refined petroleum and products	1,613,759	3.3	1,699,517	3.3	—	85,758	5.0
Sugar, table sirups and molasses	268,308	.5	273,626	.5	—	5,318	1.9
Iron and steel products	2,847,487	5.8	3,099,731	6.0	—	252,244	8.1
Machinery and boilers	308,203	.6	275,044	.5	+	33,159	12.1
Cement	1,251,260	2.5	1,178,275	2.3	+	72,985	6.2
Brick, building tile and artificial stone	255,933	.5	306,630	.6	—	50,697	16.5
Lime and plaster	123,669	.2	160,012	.3	—	36,343	22.7
Agricultural implements, tractors and parts	394,256	.8	470,560	.9	—	76,304	16.2
Autos, trucks, parts and tires	552,641	1.1	672,282	1.3	—	119,641	17.8
Beverages	1,563,996	3.2	1,411,362	2.7	+	152,634	10.8
Ice	35,755	.1	37,583	.1	—	1,828	4.9
Fertilizers	420,417	.8	385,073	.8	+	35,344	9.2
Paper and paper products	974,675	2.0	965,082	1.9	+	9,593	1.0
Canned food products	888,564	1.8	831,336	1.6	+	57,228	6.9
Scrap iron and scrap steel	820,098	1.7	744,661	1.4	+	75,437	10.1
Building paper, roofing and woodwork	316,767	.6	366,089	.7	—	49,322	13.5
Other manufactures and miscellaneous	5,182,992	10.5	5,286,508	10.2	—	103,516	2.0
Total	17,818,780	36.0	18,163,371	35.1	—	344,591	1.9
Grand Total, Carload Traffic	49,139,015	99.2	51,319,071	99.2	—	2,180,056	4.2
All L.C.L. Freight	383,073	.8	421,509	.8	—	38,436	9.1
Grand Total, Carload and L.C.L. Traffic	49,522,088	100.0	51,740,580	100.0	—	2,218,492	4.3

NUMBER OF EMPLOYEES AND COMPENSATION 1928-1952 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	93,681	48,492,046	44,742,422	3,749,624
1936	32,178	54,061,839	1,680	103,723	54,165,562	49,427,401	4,738,161
1937	32,784	56,372,965	1,720	104,064	56,477,029	51,054,608	5,422,421
1938	28,988	52,830,262	1,822	100,092	52,930,354	48,224,635	4,705,719
1939	30,224	55,042,582	1,821	99,912	55,142,494	50,442,260	4,700,234
1940	29,674	55,664,577	1,876	107,047	55,771,624	50,924,885	4,846,739
1941	31,583	63,000,300	1,995	135,795	63,136,095	57,763,314	5,372,781
1942	33,253	74,673,850	2,246	137,691	74,811,541	68,123,406	6,688,135
1943	35,377	90,305,409	2,553	145,093	90,450,502	84,109,945	6,340,557
1944	38,230	104,576,956	2,735	172,451	104,749,407	96,584,193	8,165,214
1945	38,589	106,425,149	2,758	179,825	106,604,974	98,318,215	8,286,759
1946	37,203	116,746,703	3,138	180,159	116,926,862	107,484,522	9,442,340
1947	37,955	124,724,548	3,286	170,860	124,895,408	114,042,873	10,852,535
1948	38,268	138,490,345	3,619	172,016	138,662,361	126,543,269	12,119,092
1949	35,131	133,117,567	3,789	158,275	133,275,842	123,450,866	9,824,976
1950	33,668	128,201,025	3,808	167,342	128,368,367	121,226,784	7,141,583
1951	33,846	143,260,363	4,233	219,693	143,480,056	134,493,624	8,986,432
1952	32,550	145,397,263	4,467	149,515	145,546,778	138,390,501	7,156,277

NUMBER OF EMPLOYEES AND COMPENSATION BY STATES—1952

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	7,979	$ 36,217,771	$4,539	$14,654	$ 36,232,425
Iowa	3,357	14,882,819	4,433	18,069	14,900,888
Wisconsin	8,504	37,503,532	4,410	51,978	37,555,510
Minnesota	3,950	17,179,066	4,349	13,986	17,193,052
Michigan	207	968,357	4,678	2,878	971,235
Missouri	520	2,319,334	4,460	7,344	2,326,678
Indiana	852	3,842,699	4,510	7,000	3,849,699
South Dakota	1,707	7,615,420	4,461	7,566	7,622,986
North Dakota	194	737,585	3,802	702	738,287
Montana	2,193	10,182,844	4,643	19,983	10,202,827
Idaho	271	1,094,391	4,038	0	1,094,391
Washington	2,652	11,985,401	4,519	5,355	11,990,756
All other	164	868,044	5,293	0	868,044
Total	32,550	$145,397,263	$4,467	$149.515	$145,546,778

EQUIPMENT OWNED END OF YEARS 1951–1952

LOCOMOTIVES

Kind	Year	Number by Services as Assigned					Tractive Power (Pounds)		Weight (Tons)		
									Excl. of Tender		On Driver
		Frt.	Passenger	Yard	Other #	Total	Total	Av. Per Loco.	Total	Av. Per Loco.	Average Per Loco.
Steam	1951	395	83	183	4	665	31,915,586	47,993	89,857	135.12	98.86
	1952	371	58	166	5	600	29,030,193	48,384	81,666	136.11	99.42
Electric	1951	36	14	7	0	57	7,254,950	127,280	18,364	322.18	254.56
	1952	35	13	6	0	54	7,108,950	131,647	17,941	332.25	263.27
Diesel-electric	1951	98	34	180	4	316	28,454,581	90,046	60,153	190.35	182.59
	1952	104	36	206	3	349	30,915,230	88,582	64,285	184.20	177.16
Total	1951	529	131	370	8	1,038	67,625,117	65,149	168,374	162.21	132.90
	1952	510	107	378	8	1,003	67,054,373	66,854	163,892	163.40	135.29

#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
1951	*25,633	3,983	2,020	11,297	4,536	986	800	3,731	5,262	802	59,050
1952	#24,426	3,966	2,008	11,249	4,519	986	800	3,725	5,344	757	57,780

*Includes 599 Refrigerator cars.
#Includes 598 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
1951	388	85	30	12	48	2	3	461	53	10	1,092
1952	320	68	19	8	38	12	0	452	44	10	971

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 and Baggage	Mail and Express			
1951	2	3	1	2	8
1952	1	2	1	2	6

FLOATING EQUIPMENT

Year	Tugboats	Car Barges	Total
1951	1	5	6
1952	1	5	6

HIGHWAY VEHICLES

Year	Revenue Service				Nonrevenue Service						
	Buses	Tractors	Semi-Trailers	Trailers	Passenger Automobiles	Buses	Trucks	Tractors	Semi-Trailers	Trailers	Misc. Equip.
1951	2	6	1	5	218	6	218	5	3	14	9
1952	2	5	0	5	201	6	230	4	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
1951	15	20	1	2,077	314	225	190	491	3,333
1952	14	21	1	1,958	285	216	189	484	3,168

MILWAUKEE LAND COMPANY INCOME ACCOUNT FOR THE YEARS 1952 AND 1951

INCOME	1952	1951	INCREASE	DECREASE
TOWNSITE DIVISION:				
SALES:				
Real estate sales	$ 42,000.00	$ 28,687.40	$ 13,312.60	
Book value of lots and acreage sold	*2,152.10*	*23,701.11*		$ *21,549.01*
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	39,847.90	9,939.68	29,908.22	
OTHER INCOME:				
Rents	3,489.78	1,245.52	2,244.26	
Interest and discount	2,541.46	82.95	2,458.51	
Miscellaneous income	325.24	319.68	5.56	
TOTAL OTHER INCOME	6,356.48	1,648.15	4,708.33	
TOTAL INCOME—TOWNSITE DIVISION	46,204.38	11,587.83	34,616.55	
TIMBER DIVISION:				
SALES:				
Stumpage sales	1,841,601.61	1,571,737.95	269,863.66	
Acreage sales	250.00	1,850.00		1,600.00
Sale of timber	158,427.19	188,127.61		29,700.42
Cost of land and timber sold	*181,876.71*	*181,655.21*	*221.50*	
GROSS PROFIT FROM SALES	1,818,402.09	1,580,060.35	238,341.74	
OTHER INCOME:				
Rents	2,777.70	2,643.64	134.06	
Trespass	9.00	1,325.92		1,316.92
Coal mine royalties	2,983.74	2,221.22	762.52	
Oil lease royalties	600.00		600.00	
Other royalties	3,304.44	1,932.73	1,371.71	
Interest on securities owned	94,051.59	79,757.65	14,293.94	
Interest on notes receivable	4,136.15	4,588.17		452.02
Interest on miscellaneous bills and other accounts	3,775.15	2,019.27	1,755.88	
TOTAL OTHER INCOME	111,637.77	94,488.60	17,149.17	
TOTAL INCOME—TIMBER DIVISION	1,930,039.86	1,674,548.95	255,490.91	
TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS	1,976,244.24	1,686,136.78	290,107.46	
EXPENSES				
TOWNSITE DIVISION:				
Salaries	3,732.29	3,529.82	202.47	
Salaries and expenses—Real estate department	1,078.53	13.17	1,065.36	
General office supplies and expenses	128.31	40.06	88.25	
Spokane East Side Syndicate Addition expense		506.06		506.06
Taxes accrued	6,269.80	682.37	5,587.43	
Interest on note payable	64,043.76	64,043.76		
Miscellaneous expenses	154.75	*249.00*	403.75	
TOTAL EXPENSES—TOWNSITE DIVISION	75,407.44	68,566.24	6,841.20	
TIMBER DIVISION:				
Fire protection	18,803.46	20,186.48		1,383.02
Office expense	28,284.59	20,969.30	7,315.29	
Officers' salaries	19,158.55	16,894.01	2,264.54	
Real estate expense	38,083.88	34,803.21	3,280.67	
Timber cutting contracts expense	35,004.75	26,302.54	8,702.21	
Taxes accrued	495,687.04	318,201.23	177,485.81	
Interest on note payable	95,076.24	95,076.24		
Pension account	3,600.00	4,300.00		700.00
Depreciation on automobiles, furniture and fixtures	953.59	689.07	264.52	
South Olympic Tree Farm Co. expense	480.55	483.89		3.34
TOTAL EXPENSES—TIMBER DIVISION	735,132.65	537,905.97	197,226.68	
TOTAL EXPENSES—TOWNSITE AND TIMBER DIVISIONS	810,540.09	606,472.21	204,067.88	
NET INCOME	$1,165,704.15	$1,079,664.57	$ 86,039.58	

MILWAUKEE LAND COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEARS 1952 AND 1951

	1952	1951	INCREASE	DECREASE
CREDITS:				
Credit balance transferred from income	$1,165,704.15	$1,079,664.57	$ 86,039.58	
Miscellaneous credits	8,124.31		8,124.31	
	1,173,828.46	1,079,664.57	94,163.89	
DEBITS:				
Debit balance at beginning of year	701,037.88	1,766,175.06		$1,065,137.18
Miscellaneous debits		14,527.39		14,527.39
	701,037.88	1,780,702.45		1,079,664.57
Balance, December 31, carried to General Balance Sheet	$ 472,790.58	$ *701,037.88*	$1,173,828.46	

Italics denote reverse items.

MILWAUKEE LAND COMPANY—GENERAL BALANCE SHEET
DECEMBER 31, 1952 AND DECEMBER 31, 1951

Asset Side	1952	1951	Increase	Decrease
Current Assets:				
Cash	$1,110,622.31	$3,838,668.97		$2,728,046.66
Notes receivable	57,957.14	77,690.14		19,733.00
Interest accrued on notes receivable	16,561.93	14,014.96	$ 2,546.97	
Interest accrued on timber sales contracts	2,764.02	1,032.78	1,731.24	
Interest accrued on securities owned	29,582.27	47,702.92		18,120.65
Purchase contracts—Town lots and acreage	78,258.32	23,171.50	55,086.82	
Contracts uncompleted—Farm land sales	1,312.50	2,625.00		1,312.50
Audited bills	160,826.10	58,724.73	102,101.37	
Total Current Assets	1,457,884.59	4,063,631.00		2,605,746.41
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	4,113,657.89		4,113,657.89	
C. M. St. P. & P. R. R. Co. Mortgage Bonds	775,212.50	1,010,732.50		235,520.00
Miles City Sales Yard Co.—Certificates of Indebtedness	45,000.00	50,000.00		5,000.00
Total Investment Securities	5,074,030.58	1,200,892.69	3,873,137.89	
Deferred Assets:				
Rent accrued	1.00	1.00		
Atlas Tie Co. timber sale contracts		8,000.00		8,000.00
Ohio Match Co., timber sale contract	110,000.00		110,000.00	
R. M. Skalley, timber sale contract	9,000.00		9,000.00	
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
Total Deferred Assets	119,001.00	169,751.00		50,750.00
Unadjusted Debits:				
Suspense accounts		5,514.60		5,514.60
Total Unadjusted Debits		5,514.60		5,514.60
Capital Assets:				
Land and timber	1,555,177.98	1,728,864.64		173,686.66
Real estate—Town lots and acreage	276,948.39	33,044.96	243,903.43	
St. Joe, Idaho, powersite lands	48,308.02	48,308.02		
Spokane, Wash.—Industrial tract	38,519.30	21,219.30	17,300.00	
Reforestation lands purchased—Idaho	23,292.11	22,556.90	735.21	
Reforestation lands purchased—Washington	276.17	252.12	24.05	
Automobiles, less accrued depreciation	8,187.11	5,964.77	2,222.34	
Furniture and fixtures, less accrued depreciation	522.62		522.62	
Government land scrip	1.00	1.00		
South Olympic Tree Farm improvements	6,008.31	6,008.31		
Total Capital Assets	1,957,241.01	1,866,220.02	91,020.99	
Grand Total	$8,608,157.18	$7,306,009.31	$1,302,147.87	
Liability Side				
Current Liabilities:				
Audited vouchers and payrolls	$ 934,712.25	$ 14,599.40	$ 920,112.85	
U. S. Government Internal Revenue Code—Employees' taxes withheld	836.79	680.35	156.44	
Taxes accrued not yet payable	448,240.47	298,603.54	149,636.93	
Total Current Liabilities	1,383,789.51	313,883.29	1,069,906.22	
Deferred Liabilities:				
Advances received on coal leases	2,860.72	4,788.21		$ 1,927.49
Advances received on cutting contracts	275,778.32	254,511.36	21,266.96	
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.	3,263,055.72	4,226,433.54		963,377.82
Timber, rock and pumice stone royalties		535.00		535.00
Total Deferred Liabilities	3,596,582.72	4,541,156.07		944,573.35
Unadjusted Credits:				
Suspense accounts	2,994.37		2,994.37	
Advances billed on cutting contracts		7.83		7.83
Total Unadjusted Credits	2,994.37	7.83	2,986.54	
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—Credit balance	472,790.58	*701,037.88*	1,173,828.46	
Grand Total	$8,608,157.18	$7,306,009.31	$1,302,147,87	

Italics denote reverse items.

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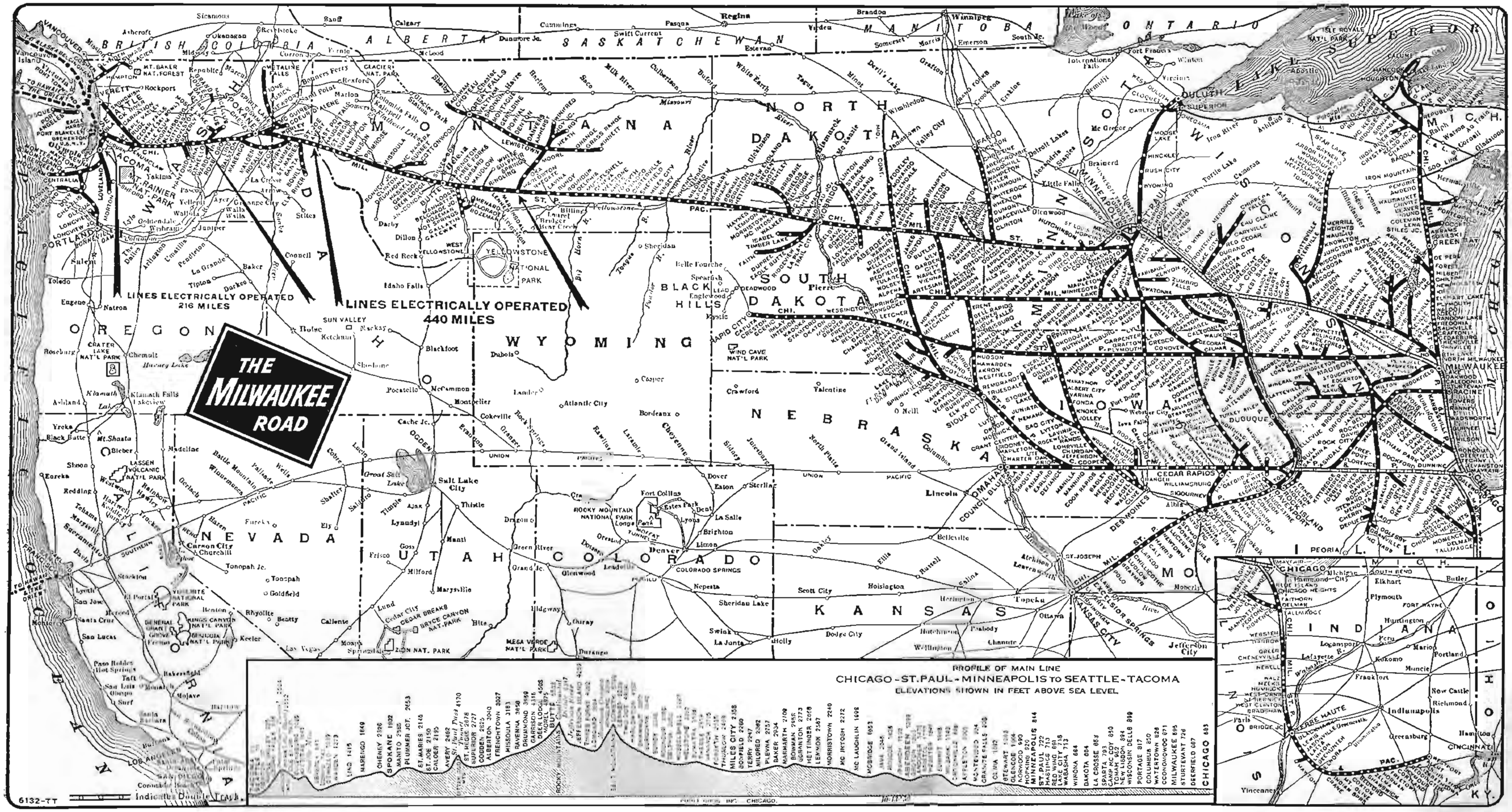

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

SUPER DOMES

ON THE *Hiawathas*

68 passengers are comfortably seated in individual chairs on the upper deck of the Super Dome car. These are America's first full-length domes. The curved windows are three feet wide by five feet high, have the strength of a steel roof and are tinted to reduce glare and heat from the sun. Cafe Lounge is on the lower deck.