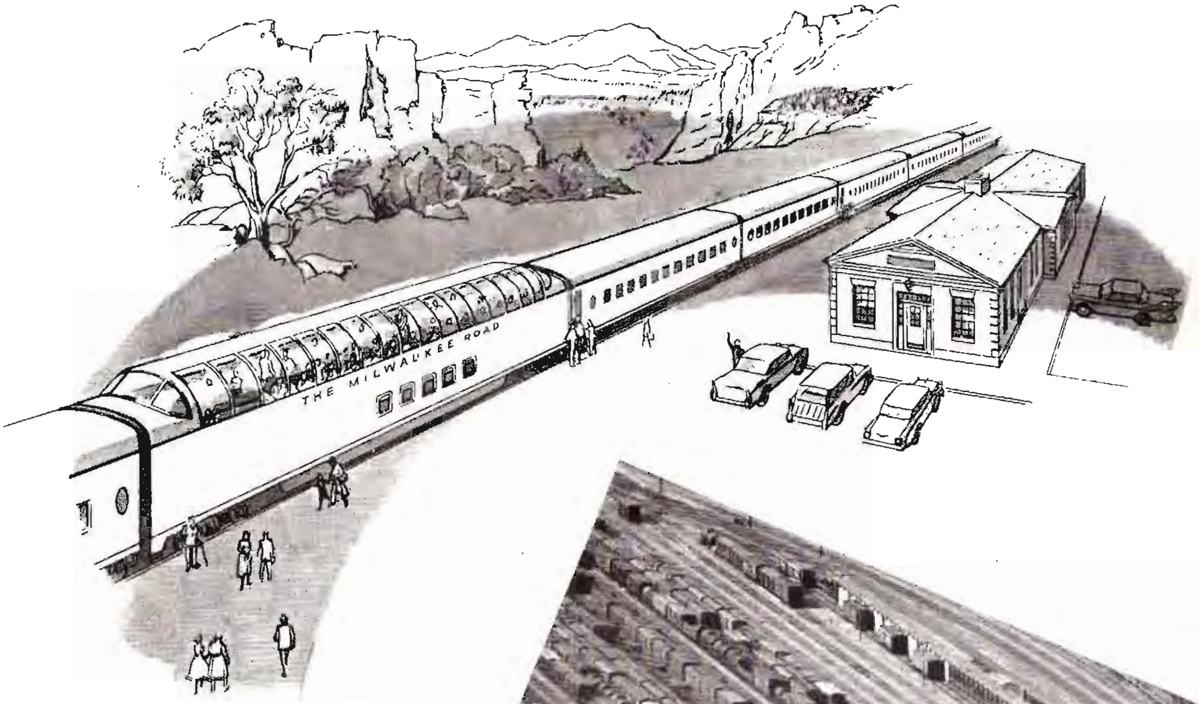


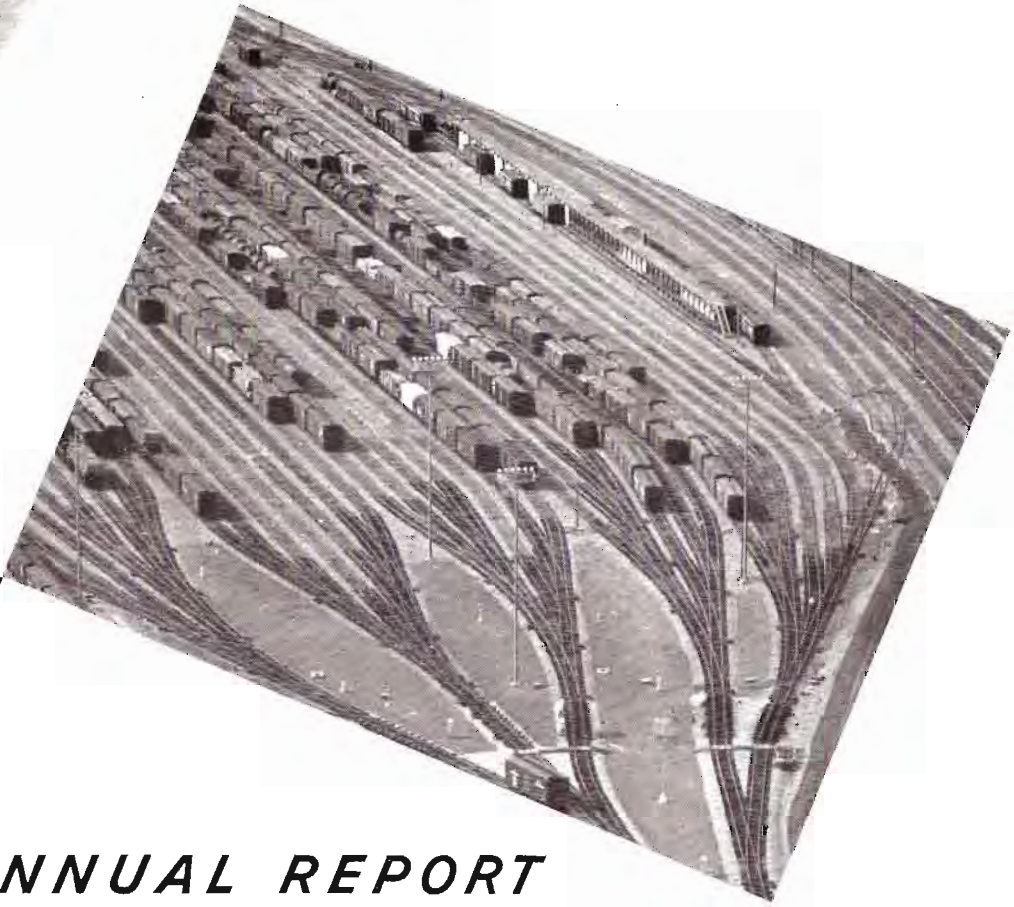

THE MILWAUKEE ROAD

# ANNUAL REPORT

# 1956

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

General Offices—516 W. Jackson Boulevard, Chicago 6, Illinois

## *BOARD OF DIRECTORS*

Terms Expiring:

| 1957 | 1958 | 1959 |
|---|---|---|
| John D. Allen | Judson Large* | John B. Gallagher |
| James M. Barker | William L. O'Brien | Joshua Green |
| Leo T. Crowley | Philip W. Pillsbury | Arnold B. Keller |
| Walter J. Cummings | John P. Wagner | Walter T. Mahoney |
| William J. Froelich | | Louis Quarles |
| John P. Kiley | *Resigned effective March 21, 1957 | William J. Sinek |
| J. Patrick Lannan | | |
| Elmer Rich | | |
| Arthur M. Wirtz | | |

## *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 |
| W. J. Whalen | Vice President—Operation | Chicago |
| W. J. Quinn | Vice President and General Counsel | Chicago |
| P. H. Draver | Vice President—Traffic | Chicago |
| R. S. Stephenson | Vice President and Comptroller | Chicago |
| L. H. Dugan | Vice President and Western Counsel | Seattle |
| E. R. Eckersall | General Solicitor | Chicago |
| J. J. Roche | Secretary | Chicago |
| C. T. Lannon | Treasurer | Chicago |

## *STOCK TRANSFER OFFICES*

The Chase Manhattan Bank, New York 15, N.Y.
Room 732 Union Station, Chicago 6, Ill.

## *REGISTRARS*

The First National City Bank of New York, New York 15, N. Y.
Continental Illinois National Bank and Trust Company of Chicago, Chicago 90, Ill.

## *ANNUAL MEETING*

May 14, 1957, 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*

| | 1956 | 1955 |
|---|---|---|
| Railway operating revenues | $253,860,566 | $245,498,210 |
| Railway operating expenses | 210,746,299 | 204,641,342 |
| Net revenue from railway operations | 43,114,267 | 40,856,868 |
| Railway tax accruals | 18,287,000 | 18,396,000 |
| Equipment rents—net charge | 4,839,601 | 4,176,312 |
| Joint facility rents—net charge | 2,642,732 | 2,504,031 |
| Net railway operating income | 17,344,934 | 15,780,525 |
| Other income—net | 2,533,394 | 5,206,317 |
| Income available for fixed charges | 19,878,328 | 20,986,842 |
| Total fixed charges | 4,716,551 | 4,696,191 |
| Times fixed charges earned | 4.21 | 4.47 |
| Income after fixed charges | 15,161,777 | 16,290,651 |
| Total contingent charges | 6,675,863 | 6,758,369 |
| Net income | 8,485,914 | 9,532,282 |
| Appropriations of income for sinking funds | 971,806 | 979,897 |
| Transferred to retained income—unappropriated | $ 7,514,108 | $ 8,552,385 |
| Earnings per share: | | |
| Before appropriations for sinking funds-Preferred | $ 16.36 | $ 18.38 |
| -Common | $ 2.78 | $ 3.27 |
| After appropriations for sinking funds-Preferred | $ 14.49 | $ 16.49 |
| -Common | $ 2.32 | $ 2.81 |

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*

Net Income for the year 1956, after fixed and contingent charges, was $8,485,914, compared with $9,532,282 for the year 1955. Earnings per share for 1956 on the 518,652 shares of preferred stock outstanding were $16.36, compared with $18.38 for 1955. Earnings per share on the 2,123,214 shares of common stock outstanding in both years were $2.78 and $3.27, respectively.

Net Income, after appropriations for sinking funds as required by the Company's mortgages and the indenture under which the income debentures were issued, amounted to $7,514,108 for the year 1956, compared with $8,552,385 for 1955. Earnings per share, after sinking fund appropriations, were $14.49 on the preferred stock, compared with $16.49 for 1955, and $2.32 on the common stock compared with $2.81.

Included in income for the years 1956 and 1955 was a dividend of $1,000,000 received from the Milwaukee Land Company, a wholly owned subsidiary. Net Income for 1955 includes a non-recurring item of $2,660,951 representing interest received in the settlement of the Company's claim against the Government for refund of Federal income taxes, arising from the carry-back of unused excess profits credits and other retroactive adjustments applicable to the calendar years 1942 to 1947.

If the non-recurring item of interest on the Federal income tax refund is excluded, the earnings applicable to the common stock were greater than in any year since 1950.

The earnings applicable to the common stock before sinking fund appropriations for the years 1951 through 1956 were as follows:

| *Year* | *Total* | *Per Share* |
|---|---|---|
| 1951 | $4,475,735 | $2.11 |
| 1952 | 5,669,438 | 2.67 |
| 1953 | 4,419,763 | 2.08 |
| 1954 | 4,311,204 | 2.03 |
| 1955 | 6,939,027* | 3.27* |
| 1956 | 5,892,659 | 2.78 |

*Includes non-recurring interest on Federal income tax refund.

The physical property of the railroad was adequately maintained during the year, and the Company's financial condition continues to be strong. During 1956, the mortgage and equipment debt was reduced by $3,179,127. At December 31, 1956, net current assets (working capital) were $39,591,080.

As compared with the year 1955, there were many unfavorable factors to be overcome in 1956. Among the most important were:

(1) A decline of 2.6 per cent in loaded freight cars handled.

(2) Wage increases in effect during the entire year that were granted October 1 and December 1, 1955, and inadequate and delayed relief in the form of rate increases.

(3) Wage increases, effective November 1, 1956, for non-operating employees and locomotive firemen, plus accruals for wage increases for other operating employees on the basis of settlements made with other crafts and for which agreements are still pending, and inadequate and delayed relief in the form of rate increases.

(4) Increases in health and welfare benefits; in payroll taxes on account of wage increases granted, and in the tax rate for unemployment compensation insurance.
(5) Increases in costs of materials and supplies used.

The effect of these conditions was to increase operating expenses and taxes during the year approximately $13,189,000; however, by the exercise of control over the hours worked and material used by employees, the actual increase in operating expenses was limited to $6,104,957, the difference having been absorbed through economies and increased efficiency.

Furthermore, in connection with the installation of the retarder yard at St. Paul, which substantially completes yard rehabilitation plans, there were additional non-recurring operating expenses of $923,150 in 1956.

The improvement in actual operation in 1956 over 1955 resulted from a continuation of the program of improving facilities, tools and methods started several years ago. The completion of the Twin City retarder yard at St. Paul and the installation of additional labor-saving devices will be further reflected in increased efficiency in operation and improvement in earnings, providing the volume of traffic holds up.

An indication of the improvement in efficiency between 1950 and the present is reflected in the following table:

| | Year 1956 | Year 1950 | Percent Increase (Decrease) 1956/1950 |
|---|---|---|---|
| Train miles per hour—Freight | 19.1 | 16.0 | 19.4% |
| Net ton miles per freight train hour | 26,029 | 18,379 | 41.6% |
| Gross ton miles per freight train hour | 58,328 | 40,619 | 43.6% |
| Net tons per train | 1,370 | 1,157 | 18.4% |
| Gross tons per train | 3,070 | 2,558 | 20.0% |
| Freight cars per train | 69.3 | 57.4 | 20.7% |
| Number of employees | 27,408 | 33,668 | (18.6%) |

The operation of the so-called "City" passenger trains with the Union Pacific and the Southern Pacific railroads during the first year of operation ended October 30, 1956, was profitable, and the volume of freight traffic originating on the Union Pacific and the Southern Pacific, and interchanged at Omaha, was very gratifying.

Since the association with the Union Pacific and the Southern Pacific additional traffic offices have been opened at Oakland and Sacramento, California, and Eugene, Oregon, and the increased solicitation in California, Oregon and Idaho has resulted in substantially increasing traffic over your Company's lines.

With competition constantly increasing, and with changing methods of transportation, traffic policies are constantly being reviewed to obtain the most efficient and effective solicitation.

Passenger traffic for all rail carriers remains a very difficult problem with its constantly decreasing patronage. Your Company has modern, streamlined, lightweight passenger equipment on all of its trains and, despite good service and adequate equipment, passenger traffic continues to decline. The discontinuance of passenger trains having substantial losses on an out-of-pocket basis is in process.

In 1949, annual passenger train mileage amounted to approximately 12,100,000 miles. Through the program of discontinuing passenger trains that were losing money, annual passenger train mileage had in 1956 been reduced to 8,900,000 miles, despite the fact that in inaugurating the operation of the "City" trains referred to above, an additional 1,800,000 train miles per year was assumed. Since January 1, 1957, further reductions of 525,000 train miles per year have been made, and there are pending before the State Commissions of Iowa, Wisconsin, Minnesota and Missouri applications for reductions of an additional 830,000 train miles per year.

The freight rate increases that were granted by the Interstate Commerce Commission, effective March 7 and December 28, 1956, are entirely inadequate to cover the increased cost of labor and materials that occurred in 1955 and 1956. The railroads have again petitioned the Interstate Commerce Commission for an additional increase in rates to offset these constantly increasing costs and, unless some additional relief is granted, your Company, as well as the entire railroad industry, will be adversely affected.

At the invitation of the Board of Directors, Mr. J. Patrick Lannan and Mr. Arthur M. Wirtz accepted membership on the Board, effective September 11, 1956, to fill vacancies caused by the resignations of Mr. Robert J. Marony and Mr. John W. Severs.

## *DIVIDENDS DECLARED*

The Stockholders were advised in the Chairman's letter of June 1, 1956, that a proposal to place the dividends on the preferred and common stocks on a quarterly basis would be submitted to the Directors at the February, 1957 meeting. Accordingly, at a meeting on February 21, 1957, the Board of Directors declared a dividend of $5.00 per share on the Series A Preferred Stock of the Company out of 1956 earnings, payable at the rate of $1.25 per share on March 28, June 27, September 26, and November 27, in 1957, to holders of record at the close of business on March 8, June 7, September 6, and November 8, 1957, respectively. The aggregate amount of $5.00 per share has been set apart in a trust fund for the payment of such dividends in full.

At a meeting on March 21, 1957, the Board of Directors declared a dividend of $1.50 per share on the Common Stock out of 1956 earnings, payable at the rate of 37½ cents per share on April 25, July 25, October 24, and December 24, in 1957, to holders of record at the close of business on April 5, July 5, October 4, and December 6, 1957, respectively. Pursuant to the Company's charter, the payment of this dividend required the deposit of 75 cents per share, or $1,592,410, in a sinking fund with the Trustee under the General Mortgage for the retirement in equal parts of Series A and Series B Bonds.

The remainder of 1956 net income, after payment of these dividends, amounting to $143,622, was retained for other corporate purposes.

## *OPERATING REVENUES*

Operating revenues for the year amounted to $253,860,566, an increase of $8,362,356, or 3.4%, compared with 1955.

| | | | |
|---|---|---|---|
| Freight revenue | increased | $3,901,428, | or 1.9% |
| Passenger revenue | increased | 3,335,786, | 24.1% |
| Mail revenue | increased | 177,774 | 2.1% |
| Express revenue | increased | 146,448 | 3.8% |
| All other operating revenues | increased | 800,920, | 5.8% |

Revenue ton miles aggregated 15,614,298,411, compared with 15,563,777,820 in 1955, an increase of 0.3%.

## *SOURCE OF INCOME*

| | | % |
|---|---|---|
| Hauling freight | $209,719,695 | 81.8 |
| Carrying passengers | 17,173,709 | 6.7 |
| Transporting mail and express | 12,435,403 | 4.9 |
| Other passenger train revenue, including dining and buffet car service | 2,616,205 | 1.0 |
| Switching | 6,423,837 | 2.5 |
| Other operating revenues | 5,491,717 | 2.1 |
| Total operating revenues | $253,860,566 | 99.0 |
| Other income—net | 2,533,394 | 1.0 |
| TOTAL | $256,393,960 | 100.0 |

## *DISPOSITION OF INCOME*

| | | | % |
|---|---|---|---|
| Wages and salaries of employees charged to operating expenses | $126,652,147 | | 49.4 |
| Payroll taxes for benefit of employees | 8,581,092 | | 3.3 |
| Health and welfare benefits for employees | 1,403,449 | | .5 |
| Total | | $136,636,688 | 53.2 |
| Materials, contract work, depreciation, etc. | 82,690,703 | | 32.3 |
| Rental of equipment and joint facilities | 7,482,333 | | 2.9 |
| Total | | 90,173,036 | 35.2 |
| Property and other miscellaneous taxes | 9,756,908 | | 3.8 |
| Federal income taxes | (51,000) | | ..... |
| Total | | 9,705,908 | 3.8 |
| Interest paid security holders | 11,392,414 | | 4.4 |
| Payments into sinking funds required by mortgages | 971,806 | | .4 |
| Total | | 12,364,220 | 4.8 |
| Dividend on preferred stock | 2,593,256 | | 1.0 |
| Dividend on common stock, including payment into Contingent Sinking Fund | 4,777,230 | | 1.9 |
| Total | | 7,370,486 | 2.9 |
| Remainder for improvements to property and other corporate purposes | | 143,622 | .1 |
| TOTAL | | $256,393,960 | 100.0 |

( ) Denotes contra items.

Operating expenses totaled $210,746,299, an increase of $6,104,957, or 3.0%, compared with 1955.

These expenses constituted 83.0% of the revenues in 1956, compared with 83.4% in 1955.

| | | | |
|---|---|---|---|
| Maintenance of way and structures | decreased | $1,548,039 or | 3.5% |
| Maintenance of equipment | decreased | 1,973,482 | 4.1 |
| Transportation | increased | 7,464,620 | 7.9 |
| General | increased | 766,135 | 8.0 |
| Traffic | increased | 372,875 | 6.4 |
| Miscellaneous operations | increased | 1,022,848 | 35.3 |

## *Analysis of Increases and Decreases in Total Railway Operating Expenses 1956 compared with 1955*

| ITEMS | Maintenance of Way and Structures | Maintenance of Equipment | Transportation | All Other | Total |
|---|---|---|---|---|---|
| Labor: | | | | | |
| General wage increases | + $1,471,495 | + $1,277,677 | + $4,849,640 | + $ 914,489 | + $8,513,301 |
| Straight time worked | − 1,344,625 | − 1,647,475 | − 1,215,419 | + 368,871 | − 3,838,648 |
| Overtime worked | − 107,430 | − 57,045 | + 325,814 | − 12,085 | + 149,254 |
| Time paid for not worked (incl. vacations and holidays) | + 19,950 | − 199,340 | + 197,597 | + 246,961 | + 265,168 |
| Total Labor | + 39,390 | − 626,183 | + 4,157,632 | + 1,518,236 | + 5,089,075 |
| Fuel: | | | | | |
| Price | ......... | ......... | + 519,881 | ......... | + 519,881 |
| Consumption | ......... | ......... | + 426,102 | ......... | + 426,102 |
| Total Fuel | ......... | ......... | + 945,983 | ......... | + 945,983 |
| Electric power | ......... | ......... | + 2,482 | ......... | + 2,482 |
| Material—Other than fuel: | | | | | |
| Price | + 518,851 | + 882,276 | + 331,556 | + 98,040 | + 1,830,723 |
| Quantity | − 2,085,015 | − 1,079,224 | − 51,991 | + 218,443 | − 2,997,787 |
| Total Material other than Fuel | − 1,566,164 | − 196,948 | + 279,565 | + 316,483 | − 1,167,064 |
| Miscellaneous: | | | | | |
| Health and welfare benefits | + 224,380 | + 204,915 | + 268,707 | + 81,066 | + 779,068 |
| Other miscellaneous | − 237,825 | − 537,921 | + 1,810,251 | + 246,073 | + 1,280,578 |
| Total Miscellaneous | − 13,445 | − 333,006 | + 2,078,958 | + 327,139 | + 2,059,646 |
| TOTAL LABOR, MATERIAL AND MISCELLANEOUS | − 1,540,219 | − 1,156,137 | + 7,464,620 | + 2,161,858 | + 6,930,122 |
| Depreciation | − 77,275 | − 839,370 | ......... | ......... | − 916,645 |
| Retirements | + 69,455 | + 22,025 | ......... | ......... | + 91,480 |
| TOTAL DEPRECIATION AND RETIREMENTS | − 7,820 | − 817,345 | ......... | ......... | − 825,165 |
| TOTAL RAILWAY OPERATING EXPENSES | − $1,548,039 | − $1,973,482 | + $7,464,620 | + $2,161,858 | + $6,104,957 |

## *PAYROLLS AND AVERAGE COMPENSATION*

| Year | Total Payrolls—Regular Employees | Company Contributions | | Total | Average Per Employee | Straight Time Rate | |
|---|---|---|---|---|---|---|---|
| | | Retirement and Unemployment Taxes | Health and Welfare Benefits | | | Average Per Hour | % Inc. Over 1939 |
| 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 | 1.580 | 117.9 |
| 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 |
| 1953..... | 138,117,562 | 7,441,326 | .......... | 145,558,888 | 4,675 | 1.895 | 161.4 |
| 1954..... | 126,272,397 | 7,035,232 | .......... | 133,307,629 | 4,768 | 1.945 | 168.3 |
| 1955..... | 126,447,937 | 7,276,300 | $ 624,381 | 134,348,618 | 4,809 | 1.959 | 170.2 |
| 1956..... | 134,534,522 | 8,581,092 | 1,403,449 | 144,519,063 | 5,273 | 2.130 | 193.8 |

## *WAGE AND LABOR RELATIONS*

Requests for wage increases and other benefits were filed on behalf of all employee groups in 1956. Settlements were reached with the following labor organizations as indicated:

*Non-Operating Employees (Clerks, Signalmen, Shop Craft Employees, Telegraphers, Maintenance of Way Employees, Carmen and Dining Car Employees [except Stewards])*

A 3-year wage agreement was entered into on November 1, 1956, during which there will be a moratorium on changes in rates of pay other than the following:

Hourly rates were increased 10 cents effective November 1, 1956, with a further increase of 7 cents per hour to be effective November 1, 1957, and an additional increase of 7 cents per hour to be effective November 1, 1958, together with a provision for cost of living adjustments every six months, beginning May 1, 1957, whereby rates of pay will increase or decrease one cent per hour for each one-half point change in the Bureau of Labor Statistics Consumers' Price Index, using the September, 1956 index of 117.1 as a base.

The agreement also provides that the railroad assume $4.25 per month for each qualifying employee represented by the organizations involved to cover the expense of health and welfare insurance for benefits to dependents of employees.

*Brotherhood of Locomotive Firemen and Enginemen*

A 3-year wage agreement entered into effective November 1, 1956, provides for an increase of 80 cents per basic day for all firemen except those on a five-day work week and for an increase of $1.28 per basic day for all firemen, hostlers and hostler helpers on the five-day week, with further increases successively on November 1 in the next two years of 56 cents per basic day, together with a cost of living adjustment provision similar to that described for the non-operating employees.

The agreement also provides for an employee-carrier financed hospital, medical and surgical plan, the adoption of which is optional with the organization. If adopted, payment would be made from the 56 cents per basic day increase effective November 1, 1957, plus an amount to be paid by the railroad within the limits of that wage increase.

*Porters*

These employees were awarded the same wage increase and other provisions as contained in the agreement for non-operating employees.

*Milwaukee Road Mechanical Foremen's Association*

The monthly rates of supervisors below the rank of general foreman in the Mechanical Department, whose duties are exclusively supervisory, were increased $24.33 effective November 21, 1956. These employees also received an additional increase of $4.25 per month in lieu of health and welfare insurance for benefits to their dependents.

Demands for wage increases, rule changes and other benefits made by the following groups have not been settled:

- Brotherhood of Locomotive Engineers
- Order of Railway Conductors and Brakemen
- Brotherhood of Railroad Trainmen
- Yardmasters, Train Dispatchers, and Parlor Car Conductors

The demands of the Brotherhood of Locomotive Engineers, Order of Railway Conductors and Brakemen and Parlor Car Conductors are in the process of mediation. The demands of the Brotherhood of Railroad Trainmen have received the benefit of mediation proceedings, which terminated without any agreement having been reached, and the matter was thereupon submitted to an emergency board appointed by the President of the United States to investigate the dispute. The demands of the Yardmasters and Train Dispatchers are in the process of negotiations between the carrier and the employees.

The added cost to the Company in 1956 resulting from all of the wage and health and welfare agreements which became effective in November, 1956, and assuming the groups with whom agreements have not been reached will be settled retroactively to November 1, 1956, on the same basis as those with whom agreements have been reached, amounts to $1,200,000. On an annual basis, the cost will amount to approximately $7,530,000.

On January 1, 1957, the rate of payroll taxes paid by the railroads toward the Railroad Retirement Fund for unemployment compensation was increased from 1½% of payroll (a maximum of $350.00 per month per employee) to 2%, all of which is assumed by the railroads. This increase is estimated at $570,000 per year.

Altogether, wage increases, health and welfare programs, payroll taxes on account of wage increases, and the increase in tax rate for unemployment compensation insurance will increase costs approximately $8,540,000 per annum.

## *FREIGHT RATES AND PASSENGER FARES*

In the 1955 report, reference was made to the action of the Interstate Commerce Commission in Ex Parte 196 authorizing an increase of approximately 5% in freight rates. With the exception of the states of Montana, North Dakota, and Minnesota, all other states in which the Company operates followed substantially the Interstate Commerce Commission order in Ex Parte 196. The state of Minnesota granted only partial relief while no relief was granted in Montana and North Dakota.

By reason of additional increases in wages and other operating costs and to improve the rate of return, the railroads filed with the Interstate Commerce Commission on September 27, 1956, a petition requesting a further 15% increase in all freight rates. The petition was filed by the Eastern and Western Lines and included a request for a freight increase of 5 cents per net ton on coal and coke. This petition was designated by the Interstate Commerce Commission as Ex Parte 206.

After the general wage increases, which became effective November 1, 1956, the Eastern and Western Lines filed a motion on November 6, 1956, asking for an additional emergency 7% increase, including a request for 10 cents per net ton additional on coal and coke within Eastern and Western Districts, and also on inter-territorial traffic between all territories including the South.

Following hearings, the Interstate Commerce Commission entered an order on December 17, 1956, authorizing a 7% increase in Eastern Territory, a 5% increase in Western Territory, 5% on all inter-territorial rates, including rates to and from the South, and allowing generally an increase of 10 cents per net ton on coal and 5 cents per net ton on lignite, subject to maximum increases on certain commodities. It is estimated that this will increase the freight revenue of the Company by about 4¼% or approximately $9,000,000 per year based on 1956 carloads.

On January 11, 1957, an amended petition was filed in the 15% case (Ex Parte 206) asking an increase of 22%, including the increase of 5% granted the Western Carriers on December 17, 1956, plus an additional 5 cents per net ton on coal, coke and lignite. Under present scheduling, the amended petition will be taken under advisement by the Commission on May 1, 1957.

In the report for 1955, reference was made to a series of proceedings pending before the Interstate Commerce Commission involving divisions of through rates and charges between the railroads in the different territories of the United States. The Eastern Railroads have entered into a compromise agreement with railroads in Western Trunk Line Territory, including the Milwaukee Road, as the result of which it is estimated that our division of revenue on traffic moving between that portion of our line east of the Montana-Dakota boundary and Eastern Territory will be increased over $1,000,000 per year. The remaining proceedings are still pending before the Interstate Commerce Commission and it is not anticipated that hearings will be completed and decision rendered for some time to come.

In the 1955 report, reference was made to the matter of increases in Chicago Suburban fares. The Interstate Commerce Commission ordered that the fare increases prescribed by them be placed in effect on April 20, 1956. Thereafter a suit was brought by the Illinois Commerce Commission and the Milwaukee Road Commuters' Association to set aside the Interstate Commerce Commission's order and enjoin the collection of the increased fares. On April 18th a motion for a temporary restraining order was denied by the court on condition that the Company would refund the excess fares collected on and after April 20, 1956, if the Interstate Commerce Commission order should not be sustained. On June 14, 1956, a three-Judge Court entered a final order setting aside the Interstate Commerce Commission's order and enjoining collection of the additional fares. On June 18, 1956, the three-Judge Court, by order, stayed the injunction prescribed on June 14, 1956, upon like conditions for impounding and refunding of the excess fares as prescribed in the Court's order of April 18, 1956. Thereafter an appeal was perfected to the United States Supreme Court, which court subsequently entered an order stating that it would take jurisdiction of the case and entertain briefs and arguments on the appeal. It is expected that there should be some determination of the case before the United States Supreme Court in mid-1957.

The Interstate Commerce Commission in Ex Parte 202 entered an order granting an increase of 5% in passenger fares on Eastern and Western railroads, effective May 1, 1956, and in Ex Parte 207 entered an order granting an additional increase of 5% in passenger fares in Western Territory, effective January 1, 1957. It is estimated that this will increase the passenger revenue of the Company by approximately $1,553,000 per year based on the number of passengers carried in 1956.

## *INCOME AND OTHER TAXES*

Tax accruals for 1956 totaled $18,287,000, made up as follows:

| | | |
|---|---|---|
| Federal income taxes applicable to 1956 | $ 394,725 | |
| Payroll taxes | 8,581,092 | |
| Property and other miscellaneous taxes | 9,756,908 | $18,732,725 |
| Less: | | |
| Federal income taxes (adjustments of prior years' taxes) | | 445,725 |
| Net amount | | $18,287,000 |

In computing Federal taxable income, effect was given to the deduction of $5,568,000, 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. Provision for Federal income taxes was thus reduced and net income for the year increased $2,895,360 above what it would have been if normal depreciation had been used in determining taxable net income. Such equipment and facilities are being depreciated in the accounts at normal rates under the straight-line method under an order of the Interstate Commerce Commission. The excess of amortization over normal depreciation of $5,568,000 will have to be charged against income as normal depreciation in subsequent years without being deducted from taxable income for those years.

## *LEGISLATION*

In the 1955 Report, reference was made to the fact that there was then pending before the 84th Congress measures designed to implement the so-called Cabinet Committee Report, which, if passed, would, among other matters, give the railroads greater flexibility in making rate adjustments to meet the competition of other forms of transportation.

In all other branches of business, production costs are fully as important a factor in competition as is the quality of the product. Under the Interstate Commerce Act as it now stands, the regulatory tendency has been to recognize the inherent advantages of any one form of transportation with respect only to such factors as speed and flexibility of service, but the factor of lower cost of service has been to a great extent ignored. The result has been that railroads, whose unit costs are lower than those of motor carriers, have been restrained from competitive rate reductions, where the reduced rates would not cover motor carrier costs, even though they would yield the railroad a profit.

The railroads seek legislation which would permit competitive reductions without regard to the effect upon competitors so long as such rates are compensatory to the party proposing them, and are not discriminatory against other shippers, communities or localities, and would place the business of producing transportation upon the same competitive basis as obtains with respect to the production of other commodities. The economy of our Country has grown and prospered upon the principle of competition with its resultant benefit of lower prices to the consuming public.

It is hoped the Congress will enact legislation at this session which will permit the railroads to take advantage of their cost superiority in those instances where they are the low cost agency.

In the closing days of the 84th Congress, legislation was enacted increasing railroad retirement benefits generally by 10%. No increase in tax or other arrangement was made to finance the increased benefits. There have already been introduced in the 85th Congress a number of bills proposing further substantial increases in annuities. Of necessity, the Congress in the present session must deal with the problem of financing the increased benefits granted last year and of providing funds for any possible further increases this year.

The 84th Congress also enacted the most gigantic road building legislation of all time, providing for a long-range Federal Aid program for interstate highway construction, at a cost to the Federal Government of in excess of $27,000,000,000, the Federal contributions to be supplemented by State contributions. The cost of the project is, in part, to be borne by user taxes provided for in the same Federal-Aid Highway Act.

## *INDUSTRIAL DEVELOPMENT*

The Industrial Department during the year effectively carried out its responsibility of bringing new industries to our line. Several of the large projects started in 1955 were completed, and potential rail shipments from these projects have become a reality. Improvements such as filling and installation of public utilities and tracks were provided in railroad owned districts at Franklin Park, Illinois; Cedar Rapids, Iowa; Moses Lake, Warden and Othello, Washington. These improvements assisted in locating 192 new industries on industrial sites along the Milwaukee Road.

In 1956, three large industries were located in one of the new industrial areas acquired during the past few years by the Milwaukee Land Company for industrial development. The acquisition of this industrial area permitted location of these industries, which otherwise might well have located on other rail lines.

Continued expansion of produce shipping and storage facilities and irrigation of additional land in the Columbia Basin area, Washington, increased shipments from that area in 1956. Shipments from these produce facilities exceeded 5,000 cars during the year. Studies are presently under way to improve the quality of potatoes in the Columbia Basin, which should further enhance this area as a produce shipping center of merit.

The Industrial Department has continued its program of acquiring new industrial land for the Railroad and its program of assisting private organizations in promoting new industrial districts. During the year 235 acres of industrial land were purchased by the Milwaukee Land Company.

The sale of 235 parcels of land produced a total consideration of $872,016, while $45,306 was received from the sale of retired buildings. Purchase of 50 parcels of land for operating purposes resulted in the expenditure of $61,035 during the year.

Management of leases by the Industrial Department resulted in an increase of $19,760 in rental income. At the end of 1956 there were 10,396 leases of land, buildings and other facilities, producing annual rental of $1,334,229.

## *SPOKANE GATEWAY CASE*

In the reports for 1954 and 1955, reference was made to the complaint filed by your Company with the Interstate Commerce Commission, seeking the establishment of joint through rates between it and the Spokane, Portland and Seattle Railway Company and its subsidiaries via Spokane, Washington, on the same level and to and from the same territory as those now enjoyed by the Northern Pacific Railway Company and the Great Northern Railway Company.

The proposed report of the Examiner was served on July 27, 1956, recommending the granting of essentially all the relief requested in the complaint. Exceptions to the proposed report were filed by the defendants as well as by your Company, and were argued before the full Commission on January 24, 1957. The decision of the Interstate Commerce Commission is now being awaited.

## *REDUCTION OF MORTGAGE BONDS*

In 1956, mortgage bonds and debentures in the principal amount of $2,259,700 were acquired and cancelled or are held in the Treasury.

The following table shows that in the period December 1, 1945 to December 31, 1956, mortgage bonds and debentures in the principal amount of $40,375,500 were acquired and cancelled or are held in the Treasury. The resulting reduction in annual interest requirements is $1,790,697.

| ITEM | Cancelled Through Sinking Fund | 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.. | $ 2,243,900 | $2,280,100 | $ 515,700 | $ 5,039,700 | 4% | $ 201,588 |
| General Mortgage 4½% Income Bonds, Series A................ | 16,128,200 | 610,000 | 405,600 | 17,143,800 | 4½ | 771,471 |
| General Mortgage 4½% Convertible Income Bonds, Series B......... | 10,903,800 | .......... | 5,087,200 | 15,991,000 | 4½ | 719,595 |
| Five Per Cent Income Debentures, Series A....................... | 300,000 | .......... | 300,000 | 600,000 | 5 | 30,000 |
| The Bedford Belt Ry. Co. First Mortgage Bonds........... | ........... | 17,000 | 2,000 | 19,000 | 4¼ | 808 |
| The Southern Indiana Ry. Co. First Mortgage Bonds........... | ........... | 34,000 | 56,000 | 90,000 | 4¼ | 3,825 |
| The Chicago, Terre Haute & Southeastern Ry. Co. First and Refunding Mortgage Bonds.............. | ........... | .......... | 64,000 | 64,000 | 4¼ | 2,720 |
| Income Mortgage Bonds........ | ........... | .......... | 1,428,000 | 1,428,000 | 4¼ | 60,690 |
| Totals.................. | $29,575,900 | $2,941,100 | $7,858,500 | $40,375,500 | ....... | $1,790,697 |

*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.

## LONG-TERM DEBT OUTSTANDING

Long-term debt outstanding in the hands of the public as of December 31, 1956, amounted to $274,132,980 compared with $277,312,017 as of December 31, 1955, a net decrease of $3,179,127.

| | | |
|---|---|---|
| *Increases:* | | |
| Equipment obligations covering purchase of equipmenr | | $ 8,928,400 |
| *Decreases:* | | |
| *Mortgage Bonds and Debentures:* | | |
| Purchased and cancelled during the year through operation of sinking funds— | | |
| First Mortgage 4% Bonds, Series A | $ 229,500 | |
| Less: Bonds held in Treasury at December 31, 1955, delivered to Mortgage Trustee for sinking fund and cancelled during the year | 19,500 | 210,000 |
| General Mortgage 4½% Income Bonds, Series A | $1,581,100 | |
| Less: Bonds held in Treasury at December 31, 1955, sold to Mortgage Trustee for sinking fund and cancelled during the year | 954,100 | 627,000 |
| General Mortgage 4½% Convertible Income Bonds, Series B | $1,509,300 | |
| Less: Bonds held in Treasury at December 31, 1955, sold to Mortgage Trustee for sinking fund and cancelled during the year | 1,509,100 | 200 |
| Five Per Cent Income Debentures, Series A | $ 300,000 | |
| Less: Debentures held in Treasury at December 31, 1955, deposited with Trustee for sinking fund and cancelled during the year | 300,000 | .......... |
| Purchased in the open market during the year and held in Treasury— | | |
| First Mortgage 4% Bonds, Series A | | 515,700 |
| General Mortgage 4½% Income Bonds, Series A | | 242,200 |
| General Mortgage 4½% Convertible Income Bonds, Series B | | 1,600 |
| Five Per Cent Income Debentures, Series A | | 300,000 |
| The Bedford Belt Ry. Co. First Mortgage Bonds | | 2,000 |
| The Southern Indiana Ry. Co. First Mortgage Bonds | | 12,000 |
| C.T.H. & S.E. Ry. Co. First and Refunding Mortgage Bonds | | 42,000 |
| C.T.H. & S.E. Ry. Co. Income Mortgage Bonds | | 307,000 |
| Payments of Equipment Trust Certificates | | 8,518,000 |
| Payments of Conditional Sale Agreements covering purchase of equipment | | 1,329,827 |
| Total Decrease | | $12,107,527 |
| Net Decrease | | $ 3,179,127 |

## SHAREHOLDERS OF RECORD

As of April 3, 1956, the record date for the 1956 Annual Meeting, there were 4962 holders of Series A Preferred Stock and 8254 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 | 2,016 | 141,541 | 3,675 | 436,088 |
| Women | 1,891 | 83,393 | 2,742 | 205,324 |
| Joint accounts | 552 | 28,457 | 1,193 | 92,988 |
| Fiduciaries, institutions and foundations, stock brokers, nominees and others | 503 | 265,261 | 644 | 1,388,814 |
| Total | 4,962 | 518,652 | 8,254 | 2,123,214 |

## *CAPITAL EXPENDITURES—1956*

The following is a summary of the capital expenditures made during 1956:

| | | |
|---|---|---|
| Road property | | $20,406,589 |
| Improvements on leased property | | 27,201 |
| New equipment | $13,973,783 | |
| Improvements to existing equipment | 2,234,090 | 16,207,873 |
| Total transportation properties | | $36,641,663 |
| Miscellaneous physical property | | 274,177 |
| Total properties | | $36,915,840 |

Equipment delivered during the year:

18—2400 H.P. Diesel-electric passenger locomotive units
10—1750 H.P. Diesel-electric road switching units
16—1600 H.P. Diesel-electric road switching units
100—70-ton steel covered hopper cars
50—50-ton steel box compartmentizer equipped cars
50—70-ton mechanically equipped refrigerator cars
100—all steel cabooses

## *CAPITAL EXPENDITURES—1957*

The 1957 budget for improvements to road property contemplates an estimated expenditure, chargeable to Capital Account, of $6,757,000. The major improvements include: Laying of 97 track miles of new rail and 81 track miles of secondhand rail; installation of four channel voice carrier system between Savanna, Illinois, and Perry and Council Bluffs, Iowa; installation of remote controlled electric interlocking at River Junction, Minnesota; conversion of substations to automatic operation at Two Dot, Loweth and Francis, Montana, and construction of a frame refrigerator icehouse and installation of car icing machine at Othello, Washiongton.

The budget provides for new equipment and improvements to existing equipment, the estimated cost of which, chargeable to Capital Account, is $14,090,000. New equipment includes:

1,000—50-ton steel box cars
100—70-ton steel covered hopper cars
35—50-ton airslide steel covered hopper cars
15—70-ton airslide steel covered hopper cars
2—Diesel-electric pile driving locomotive cranes

While it is quite early to forecast the volume of traffic through 1957, it is probable that the volume of freight traffic will be the same or a little better than 1956, and with prompt and adequate action by the Interstate Commerce Commission on freight rate increase applications, it is hoped the year 1957 will show improvement over the year 1956.

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Balance sheet, statements of income, retained income, railway operating revenues and expenses, and other statistical tables relating to the affairs of the company, are appended hereto.

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LEO T. CROWLEY
Chairman of the Board

J. P. KILEY
President

By order of the Board of Directors
March 21, 1957.

# INDEX TO TABLES

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have examined the financial statements of Chicago, Milwaukee, St. Paul and Pacific Railroad Company for the year ended December 31, 1956. 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 made similar examinations of the financial statements for the preceding four years.

In our opinion, the accompanying balance sheet and statements of income and retained income present fairly the financial position of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at December 31, 1956, and the results of its operations for the year then ended, in conformity with accounting principles and classifications prescribed or authorized by the Interstate Commerce Commission applied on a basis consistent with that followed during the prior periods covered by the financial statements submitted herewith, except as to the matter described in the final paragraph of Note D to the financial statements. We also have examined the statement of available net income and application thereof, and it is our opinion that such statement summarizes fairly the computations of "available net income" for the year ended December 31, 1956, in conformity with the provisions of the indentures identified therein.

ERNST & ERNST
Certified Public Accountants

Chicago, Illinois
February 27, 1957

## STATEMENT OF INCOME

| | 1956 | 1955 | 1954 | 1953 | 1952 |
|---|---|---|---|---|---|
| **Railway Operating Revenues** | | | | | |
| Freight | $209,719,695 | $205,818,267 | $197,504,960 | $215,384,759 | $222,399,895 |
| Passenger | 17,173,709 | 13,837,923 | 14,916,558 | 16,672,015 | 18,863,422 |
| Mail | 8,467,316 | 8,289,542 | 8,370,709 | 9,318,408 | 9,292,987 |
| Express | 3,968,087 | 3,821,639 | 3,641,119 | 3,865,852 | 4,367,616 |
| Switching | 6,423,837 | 6,295,810 | 5,741,531 | 6,247,121 | 6,028,235 |
| Other | 8,107,922 | 7,435,029 | 7,569,762 | 8,372,036 | 8,513,429 |
| Total Railway Operating Revenues | 253,860,566 | 245,498,210 | 237,744,639 | 259,860,191 | 269,465,584 |
| **Railway Operating Expenses** | | | | | |
| Maintenance of way and structures | 42,706,621 | 44,254,660 | 38,683,912 | 42,740,944 | 40,848,303 |
| Maintenance of equipment | 45,971,070 | 47,944,552 | 46,884,289 | 53,745,060 | 53,504,316 |
| Traffic | 6,186,575 | 5,813,700 | 5,827,880 | 5,881,112 | 5,755,326 |
| Transportation | 101,608,851 | 94,144,231 | 95,735,292 | 103,575,601 | 109,483,427 |
| Miscellaneous operations | 3,924,376 | 2,901,528 | 3,093,724 | 3,035,009 | 3,478,955 |
| General | 10,348,806 | 9,582,671 | 9,185,507 | 9,206,033 | 9,052,411 |
| Total Railway Operating Expenses | 210,746,299 | 204,641,342 | 199,410,604 | 218,183,759 | 222,122,738 |
| Net Revenue from Railway Operations | 43,114,267 | 40,856,868 | 38,334,035 | 41,676,432 | 47,342,846 |
| **Taxes and Rents** | | | | | |
| Federal taxes on income—Note A | (51,000) | 1,425,000 | (1,133,219) | 1,277,000 | 5,865,000 |
| Other taxes | 18,338,000 | 16,971,000 | 16,462,219 | 16,695,000 | 17,040,000 |
| Equipment rents | 4,839,601 | 4,176,312 | 5,873,693 | 6,444,879 | 4,435,473 |
| Joint facility rents | 2,642,732 | 2,504,031 | 2,562,824 | 2,595,865 | 2,572,765 |
| Total Taxes and Rents | 25,769,333 | 25,076,343 | 23,765,517 | 27,012,744 | 29,913,238 |
| Net Railway Operating Income | 17,344,934 | 15,780,525 | 14,568,518 | 14,663,688 | 17,429,608 |
| **Other Income and Deductions** | | | | | |
| Other income—Note C | 2,841,508 | 5,405,438 | 3,997,305 | 3,922,162 | 2,501,969 |
| Miscellaneous deductions from income | 308,114 | 199,121 | 169,170 | 198,788 | 150,886 |
| Other Income Less Deductions | 2,533,394 | 5,206,317 | 3,828,135 | 3,723,374 | 2,351,083 |
| Income Available for Fixed Charges | 19,878,328 | 20,986,842 | 18,396,653 | 18,387,062 | 19,780,691 |
| **Fixed Charges** | | | | | |
| Interest on long-term debt—fixed | 4,637,955 | 4,615,909 | 4,515,839 | 4,336,651 | 4,403,568 |
| Amortization of discount on long-term debt | 77,791 | 79,090 | 75,239 | 77,890 | 82,982 |
| Other fixed charges | 805 | 1,192 | 1,770 | 825 | 5,909 |
| Total Fixed Charges | 4,716,551 | 4,696,191 | 4,592,848 | 4,415,366 | 4,492,459 |
| Income After Fixed Charges | 15,161,777 | 16,290,651 | 13,803,805 | 13,971,696 | 15,288,232 |
| **Contingent Charges** | | | | | |
| Interest on mortgage bonds—contingent | 3,713,363 | 3,773,369 | 3,899,346 | 3,958,678 | 4,025,539 |
| Interest on income debentures | 2,962,500 | 2,985,000 | ........ | ........ | ........ |
| Total Contingent Charges | 6,675,863 | 6,758,369 | 3,899,346 | 3,958,678 | 4,025,539 |
| Net Income | $ 8,485,914 | $ 9,532,282 | $ 9,904,459 | $ 10,013,018 | $ 11,262,693 |
| **Earnings Applicable to Common Stock** | | | | | |
| Net income | $ 8,485,914 | $ 9,532,282 | $ 9,904,459 | $ 10,013,018 | $ 11,262,693 |
| Less dividend requirements on Preferred Stock | 2,593,255 | 2,593,255 | 5,593,255 | 5,593,255 | 5,593,255 |
| Earnings Applicable to Common Stock | $ 5,892,659 | $ 6,939,027 | $ 4,311,204 | $ 4,419,763 | $ 5,669,438 |
| Per share | $ 2.78 | $ 3.27 | $ 2.03 | $ 2.08 | $ 2.67 |

( ) Denotes credit.
See notes to financial statements.

## BALANCE SHEET

| Assets | December 31, 1956 | December 31, 1955 | Change During Year |
|---|---|---|---|
| **Current Assets** | | | |
| Cash—Note B | $ 37,907,995 | $ 26,587,197 | + $11,320,798 |
| United States Government securities—at cost (approximately market) | 5,350,000 | 25,780,072 | − 20,430,072 |
| Cash and securities reserved for payment of specific current liabilities | 1,247,903 | 1,005,963 | + 241,940 |
| Chicago Transit Authority revenue bonds—at cost (at market, $899,580) | 957,000 | ............... | + 957,000 |
| Receivables—due from railroads, shippers, and others | 17,683,531 | 14,204,945 | + 3,478,586 |
| Working fund advances and prepayments | 864,820 | 883,324 | − 18,504 |
| Material and supplies inventories—at cost | 23,420,254 | 20,689,197 | + 2,731,057 |
| Other current assets | 404,182 | 534,372 | − 130,190 |
| Total Current Assets | 87,835,685 | 89,685,070 | − 1,849,385 |
| **Restricted Cash and Securities** (held principally for debt retirement or investment in properties) | | | |
| Cash | 882,896 | 249,948 | + 632,948 |
| United States Government securities—at cost | ............... | 4,324,037 | − 4,324,037 |
| Chicago Transit Authority revenue bonds—at cost | ............... | 2,457,000 | − 2,457,000 |
| Total Restricted Cash and Securities | 882,896 | 7,030,985 | − 6,148,089 |
| **Investments**—at cost—Note C | | | |
| Capital stocks ($550,000), notes and accounts of wholly-owned subsidiaries | 3,242,000 | 3,242,000 | ............... |
| Investments in jointly-owned terminal, switching, and other companies: | | | |
| Capital stocks | 4,189,511 | 4,186,267 | + 3,244 |
| Bonds, notes and long-term advances | 9,122,819 | 8,925,943 | + 196,876 |
| Total Investments | 16,554,330 | 16,354,210 | + 200,120 |
| **Properties**—Note D | | | |
| Road and equipment: | | | |
| Road | 626,549,451 | 612,168,508 | + 14,380,943 |
| Equipment | 309,914,603 | 301,656,693 | + 8,257,910 |
| General expenditures | 38,890,316 | 39,213,994 | − 323,678 |
| Improvements on leased property | 635,567 | 623,883 | + 11,684 |
| | 975,989,937 | 953,663,078 | + 22,326,859 |
| Less: | | | |
| Acquisition adjustment | (161,498,649) | (162,191,293) | − ( 692,644) |
| Donations and grants | ( 9,382,820) | ( 1,176,535) | + ( 8,206,285) |
| Total Transportation Properties | 805,108,468 | 790,295,250 | + 14,813,218 |
| Accrued depreciation—road | ( 84,850,563) | ( 82,757,738) | + (2,092,825) |
| Accrued depreciation—equipment | (141,726,321) | (136,046,125) | + (5,680,196) |
| Accrued amortization of World War II defense projects—road | ( 2,219,760) | ( 2,250,034) | − ( 30,274) |
| Accrued amortization of World War II defense projects—equipment | ( 17,811,216) | ( 18,510,106) | − ( 698,890) |
| | (246,607,860) | (239,564,003) | + (7,043,857) |
| Total Transportation Properties Less Recorded Depreciation and Amortization | 558,500,608 | 550,731,247 | + 7,769,361 |
| Miscellaneous physical property (less accrued depreciation: 1956—$2,631,980; 1955—$2,509,005) | 5,896,796 | 5,788,227 | + 108,569 |
| Total Properties | 564,397,404 | 556,519,474 | + 7,877,930 |
| **Other Assets and Deferred Charges** | | | |
| Receivables (noncurrent) | 1,847,644 | 1,839,858 | + 7,786 |
| Discount on long-term debt | 894,274 | 894,134 | + 140 |
| Miscellaneous other assets and deferred charges | 1,526,067 | 1,235,532 | + 290,535 |
| Total Other Assets and Deferred Charges | 4,267,985 | 3,969,524 | + 298,461 |
| | $673,938,300 | $673,559,263 | + $ 379,037 |

( ) Denotes deduction.
See notes to financial statements.

BALANCE SHEET

| Liabilities | December 31, 1956 | December 31, 1955 | Change During Year |
|---|---|---|---|
| **Current Liabilities** | | | |
| Accounts and wages—Note B | $ 29,954,144 | $ 32,317,422 | − $ 2,363,278 |
| Interest and dividends | 9,291,181 | 9,300,745 | − 9,564 |
| Taxes (other than federal taxes on income) | 7,319,102 | 7,222,132 | + 96,970 |
| Federal taxes on income—Note A | 819,100 | 1,123,930 | − 304,830 |
| Other current liabilities | 861,078 | 412,737 | + 448,341 |
| Total Current Liabilities | 48,244,605 | 50,376,966 | − 2,132,361 |
| **Long-Term Debt** | | | |
| Mortgage bonds | 150,291,700 | 152,251,400 | − 1,959,700 |
| Five Per Cent Income Debentures, Series A, due January 1, 2055 | 59,400,000 | 59,700,000 | − 300,000 |
| Equipment obligations (maturities due within one year: 1956—$10,131,441; 1955—$9,564,615) | 64,441,280 | 65,360,707 | − 919,427 |
| Total Long-Term Debt | 274,132,980 | 277,312,107 | − 3,179,127 |
| **Reserves** | | | |
| For personal injury, loss and damage, and overcharge claims | 4,709,715 | 3,457,982 | + 1,251,733 |
| For vacation pay | 5,968,397 | 5,808,000 | + 160,397 |
| Total Reserves | 10,678,112 | 9,265,982 | + 1,412,130 |
| Other Liabilities and Deferred Credits | 2,497,896 | 1,915,633 | + 582,263 |
| **Stockholders' Equity** | | | |
| 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 | 212,321,400 | ............... |
| Preferred Stock—par value $100.00 per share, 5% participating—Note E: | | | |
| Authorized—1,150,000 shares | | | |
| Issued and outstanding—518,652 shares | 51,865,200 | 51,865,200 | ............... |
| | 264,186,600 | 264,186,600 | ............... |
| Retained income—Note E: | | | |
| Appropriated | 39,850,188 | 35,116,356 | + 4,733,832 |
| Unappropriated | 34,347,919 | 35,385,619 | − 1,037,700 |
| | 74,198,107 | 70,501,975 | + 3,696,132 |
| Total Stockholders' Equity | 338,384,707 | 334,688,575 | + 3,696,132 |
| **Contingent Liabilities** | | | |
| As guarantor at December 31, 1956, jointly with other railroads, for obligations totaling $119,896,000 of various terminal and switching companies. | | | |
| | $673,938,300 | $673,559,263 | + $ 379,037 |

See notes to financial statements.

## STATEMENT OF RETAINED INCOME

| | 1956 | 1955 | 1954 | 1953 | 1952 |
|---|---|---|---|---|---|
| Balance at January 1 | $70,501,975 | $70,318,150 | $72,234,649 | $69,261,887 | $64,800,595 |
| ADDITIONS | | | | | |
| Net income for the year | 8,485,914 | 9,532,282 | 9,904,459 | 10,013,018 | 11,262,693 |
| Discount, less premium, on mortgage bonds and debentures reacquired | 379,563 | 535,976 | 356,871 | 376,127 | 527,247 |
| Profits, less losses, on sales or retirements of land and nonoperating property | 692,935 | 682,581 | 297,616 | 256,493 | 364,605 |
| Liability for vacation pay at January 1, 1944, charged to acquisition adjustment | ... | ... | 974,362 | ... | ... |
| Dividends on preferred stock declared in prior years cancelled in 1952 | ... | ... | ... | ... | 100,360 |
| Miscellaneous credits, less charges | ... | ... | 33,823 | 43,592 | ... |
| | 80,060,387 | 81,068,989 | 83,801,780 | 79,951,117 | 77,055,500 |
| DEDUCTIONS | | | | | |
| Dividends paid on Preferred Stock: $5.00 per share each year | 2,593,255 | 5,593,255 | 5,593,255 | 5,593,255 | 5,593,255 |
| Dividends paid on Common Stock: 1956—$1.50; 1955—$2.50; 1954—$1.00; 1953—$1.00; 1952—$1.00 per share | 3,184,820 | 5,308,033 | 2,123,213 | 2,123,213 | 2,123,213 |
| Provision for estimated liability for vacation pay earned in 1954 and payable in 1955 | ... | (357,515) | 5,767,162 | ... | ... |
| Miscellaneous charges, less credits | 84,205 | 23,241 | ... | ... | 77,145 |
| | 5,862,280 | 10,567,014 | 13,483,630 | 7,716,468 | 7,793,613 |
| BALANCE AT DECEMBER 31 | $74,198,107 | $70,501,975 | $70,318,150 | $72,234,649 | $69,261,887 |
| Status of retained income at December 31: | | | | | |
| APPROPRIATED | | | | | |
| For investments in properties since January 1, 1944 | $38,767,663 | $34,134,804 | $34,134,804 | $34,134,804 | $31,164,857 |
| For sinking funds | 1,082,525 | 981,552 | 764,212 | 755,488 | 747,330 |
| | 39,850,188 | 35,116,356 | 34,899,016 | 34,890,292 | 31,912,187 |
| UNAPPROPRIATED | 34,347,919 | 35,385,619 | 35,419,134 | 37,344,357 | 37,349,700 |
| TOTAL | $74,198,107 | $70,501,975 | $70,318,150 | $72,234,649 | $69,261,887 |

## STATEMENT OF AVAILABLE NET INCOME AND APPLICATION THEREOF

| | 1956 | 1955 | 1954 | 1953 | 1952 |
|---|---|---|---|---|---|
| Income available for fixed charges | $19,878,328 | $20,986,842 | $18,396,653 | $18,387,062 | $19,780,691 |
| FIXED CHARGES | | | | | |
| Rent for leased roads and equipment | 708 | 708 | 708 | 708 | 708 |
| Interest on long-term debt: | | | | | |
| On First Mortgage 4% Bonds, Series A | 2,197,322 | 2,211,230 | 2,218,280 | 2,226,551 | 2,234,083 |
| On modified Terre Haute bonds | 564,872 | 569,613 | 575,071 | 579,306 | 583,314 |
| On equipment obligations | 1,875,761 | 1,835,066 | 1,722,488 | 1,530,794 | 1,586,171 |
| Interest on unfunded debt | 97 | 484 | 1,062 | 117 | 5,201 |
| Amortization of discount on long-term debt | 77,791 | 79,090 | 75,239 | 77,890 | 82,982 |
| TOTAL FIXED CHARGES | 4,716,551 | 4,696,191 | 4,592,848 | 4,415,366 | 4,492,459 |
| INCOME AFTER FIXED CHARGES | 15,161,777 | 16,290,651 | 13,803,805 | 13,971,696 | 15,288,232 |
| Add charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced | 385,633 | 395,919 | 438,544 | 152,499 | 387,331 |
| AVAILABLE NET INCOME—as defined in the First Mortgage and General Mortgage indentures | 15,547,410 | 16,686,570 | 14,242,349 | 14,124,195 | 15,675,563 |
| APPLICATION OF SUCH AVAILABLE NET INCOME | | | | | |
| Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A | 238,544 | 229,364 | 220,268 | 211,612 | 203,032 |
| Contingent interest on General Mortgage 4½% Income Bonds, Series A | 1,817,684 | 1,873,445 | 1,996,239 | 2,050,398 | 2,116,959 |
| Contingent interest on modified Terre Haute bonds | 303,747 | 307,902 | 310,932 | 315,957 | 315,987 |
| Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B | 1,591,932 | 1,592,022 | 1,592,175 | 1,592,323 | 1,592,593 |
| Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B | 543,393 | 543,393 | 543,393 | 543,393 | 543,393 |
| | 4,495,300 | 4,546,126 | 4,663,007 | 4,713,683 | 4,771,964 |
| REMAINING AVAILABLE NET INCOME | 11,052,110 | 12,140,444 | 9,579,342 | 9,410,512 | 10,903,599 |
| Deduct charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced | 385,633 | 395,919 | 438,544 | 152,499 | 387,331 |
| AVAILABLE NET INCOME—as defined in the Indenture relating to Five Per Cent Income Debentures, Series A | 10,666,477 | 11,744,525 | 9,140,798 | 9,258,013 | 10,516,268 |
| APPLICATION OF SUCH AVAILABLE NET INCOME | | | | | |
| Contingent interest on Five Per Cent Income Debentures, Series A | 2,962,500 | 2,985,000 | ... | ... | ... |
| Appropriated for sinking fund for retirement of Five Per Cent Income Debentures, Series A | 189,869 | 207,140 | ... | ... | ... |
| | 3,152,369 | 3,192,140 | ... | ... | ... |
| REMAINDER TRANSFERRED TO RETAINED INCOME—UNAPPROPRIATED | $ 7,514,108 | $ 8,552,385 | $ 9,140,798 | $ 9,258,013 | $10,516,268 |

( ) Denotes negative amount.
See notes to financial statements.

# *Notes to Financial Statements*

*Note A—Federal Taxes on Income*

The credit of $51,000 for federal taxes on income, as shown in the statement of income for 1956, represents adjustments applicable to prior years of $445,725, less provision of $394,725 for the year.

In computing the provisions for federal taxes on income, effect has been given to the additional deductions resulting from amortization applicable to defense facilities. Such deductions exceeded the corresponding normal provisions for depreciation included in the statement of income, and had the effect of reducing the provisions for federal taxes on income, as follows:

| | 1956 | 1955 | 1954 | 1953 | 1952 | Total 1951 to 1956 |
|---|---|---|---|---|---|---|
| Additional deductions...... | $5,568,000 | $7,587,000 | $5,939,000 | $4,124,000 | $4,618,000 | $28,816,000 |
| Tax reduction............. | 2,895,360 | 3,945,240 | 3,088,280 | 2,144,480 | 2,390,480 | 14,961,190 |

*Note B—Cash*

Cash, as well as accounts and wages payable, includes the amounts of checks and drafts issued but not presented for payment. Such amounts totaled $6,111,999 at December 31, 1956, and $7,727,575 at December 31, 1955.

*Note C—Investments*

Investments of $3,201,000 in wholly-owned subsidiaries, and other investments totaling $3,863,313 are pledged as collateral to mortgage bonds.

The Company's equity in net assets of the wholly-owned subsidiaries (Milwaukee Land Company and The Milwaukee Motor Transportation Company) as recorded on their books at December 31, 1956, exceeded the cost of the investments by $2,024,000.

Other income includes dividends of $1,000,000 in each of the years 1956, 1955, and 1954 from the Milwaukee Land Company, and interest for certain prior years on a note receivable from that company as follows: 1954—$1,184,400; 1953—$1,985,836; 1952—$897,078.

*Note D—Properties*

Road and equipment property ($975,989,937) 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 property classified as depreciable were begun as of January 1, 1942, and as of January 1, 1944, a provision for past depreciation was recorded at 30% of original cost. Depreciation of defense facilities acquired in 1950 and subsequent years is being provided for at normal rates (see Note A). Charges for depreciation and property retirements have been as follows: 1956—$14,991,868; 1955—$15,817,033; 1954—$15,257,374; 1953—$15,031,819; 1952—$15,442,858.

Effective January 1, 1956, the Company discontinued making provisions for depreciation of certain sub-classes of freight-train cars with respect to which the accrued depreciation, based upon the composite rates used, exceeded the cost of the respective assets. Interstate Commerce Commission approval of this action has been withheld pending a general review of all depreciation rates prescribed for the Company's equipment. The discontinuance, and the resultant change in the provision for federal taxes on income, had the effect of increasing net income for the year by approximately $522,000.

*Note E—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 for each of the three immediately preceding years. As of December 31, 1956, the Company had paid dividends of $5.00 a share on Preferred Stock for each of the years 1953, 1954, and 1955.

*Note F—Disposition of Net Income*

Net income has been transferred to retained income as follows:

| | 1956 | 1955 | 1954 | 1953 | 1952 |
|---|---|---|---|---|---|
| To retained income appropriated for sinking funds.... | $ 971,806 | $ 979,897 | $ 763,661 | $ 755,005 | $ 746,425 |
| To unappropriated retained income.................. | 7,514,108 | 8,552,385 | 9,140,798 | 9,258,013 | 10,516,268 |
| TOTAL................................ | $8,485,914 | $9,532,282 | $9,904,459 | $10,013,018 | $11,262,693 |

INVESTMENTS—DECEMBER 31, 1956

| Description | Number of Shares | Par Value | Ledger Amount |
|---|---|---|---|
| **Wholly-Owned Subsidiaries:** | | | |
| Capital Stocks: | | | |
| Milwaukee Land Company.....A | 5,000 | $ 500,000 | $ 500,000 |
| The Milwaukee Motor Transportation Company.....A | 500 | 50,000 | 50,000 |
| Total Capital Stocks | ..... | ..... | 550,000 |
| Note: | | | |
| Milwaukee Land Company.....A | ..... | 2,652,000 | 2,652,000 |
| Advance: | | | |
| The Milwaukee Motor Transportation Company..... | ..... | ..... | 40,000 |
| Total Investments—Wholly-Owned Subsidiaries | ..... | ..... | 3,242,000 |
| **Jointly-Owned Terminal, Switching, and Other Companies:** | | | |
| Capital Stocks: | | | |
| Chicago, Terre Haute & Southeastern Railway Company..... | 40,755.05 | 4,075,505 | 1 |
| Chicago Union Station Company.....A | 7,000 | 700,000 | 7,000 |
| Cowlitz, Chehalis & Cascade Railway.....A | 699.71+ | 3,499 | 3,499 |
| Davenport, Rock Island & North Western Railway Company.....A | 15,000 | 1,500,000 | 1,750,000 |
| Des Moines Union Railway Company.....A | 1,000 | 100,000 | 100,000 |
| Des Moines Union Railway Company.....B | 1,000 | 100,000 | 26,000 |
| Indiana Harbor Belt Railroad Company.....A | 15,200 | 1,520,000 | 1,520,000 |
| Kansas City Terminal Railway Company.....C | 1,833.33 | 183,333 | 183,333 |
| Minneapolis Eastern Railway Company.....A | 625 | 62,500 | 15,475 |
| Packers Car Line Company..... | 306 | 3,060 | 3,060 |
| Railway Express Agency, Incorporated..... | 26 | None | 2,600 |
| The Minnesota Transfer Railway Company.....A | 913 | 91,300 | 91,300 |
| The Pullman Company..... | 9,426 | 94,260 | 348,762 |
| The St. Paul Union Depot Company.....A | 1,036 | 103,600 | 130,475 |
| Miscellaneous..... | ..... | 8,021 | 8,006 |
| Total Capital Stocks | ..... | ..... | 4,189,511 |
| Note: | | | |
| Kansas City Terminal Railway Company.....A | ..... | 38,007 | 38,007 |
| Sale Agreements: | | | |
| Best Built Company..... | ..... | 61,750 | 61,750 |
| Cargill, Incorporated..... | ..... | 510,000 | 510,000 |
| Monarch Warehouses, Incorporated..... | ..... | 39,520 | 39,520 |
| Other companies and individuals..... | ..... | 53,300 | 53,300 |
| Total Sale Agreements | ..... | ..... | 664,570 |
| Advances: | | | |
| Chicago Union Station Company..... | ..... | ..... | 4,650,077 |
| Davenport, Rock Island & North Western Railway Company..... | ..... | ..... | 1,284,931 |
| Des Moines Union Railway Company..... | ..... | ..... | 847,851 |
| Kansas City Terminal Railway Company..... | ..... | ..... | 441,550 |
| Railway Express Agency, Incorporated..... | ..... | ..... | 751,804 |
| The Minnesota Transfer Railway Company..... | ..... | ..... | 262,227 |
| The St. Paul Union Depot Company..... | ..... | ..... | 181,802 |
| Total Advances | ..... | ..... | 8,420,242 |
| Total Jointly-Owned Terminal, Switching, and Other Companies | ..... | ..... | 13,312,330 |
| Total Investments | ..... | ..... | $16,554,330 |

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.

## INVESTMENT IN PROPERTIES DURING YEAR

| Account | Gross Expenditures | Net Charges* |
|---|---|---|
| Road: | | |
| Engineering | $ 1,210,395 | $ 1,019,042 |
| Land for transportation purposes | 235,232 | 58,482 |
| Other right-of-way expenditures | 3,464 | 3,419 |
| Grading | 1,156,502 | 719,575 |
| Bridges, trestles, and culverts | 7,218,332 | 6,328,480 |
| Ties | 561,520 | 193,525 |
| Rails | 504,744 | 53,501 |
| Other track material | 934,130 | 601,220 |
| Ballast | 165,593 | 14,101 |
| Track laying and surfacing | 968,046 | 674,287 |
| Fences, snowsheds, and signs | 58,045 | 42,899 |
| Station and office buildings | 1,057,321 | 546,579 |
| Roadway buildings | 34,971 | 16,339 |
| Water stations | 25,891 | (508,373) |
| Fuel stations | 63,622 | (281,358) |
| Shops and enginehouses | 938,991 | 296,393 |
| Wharves and docks | 24,971 | (57) |
| Communication systems | 448,409 | 377,296 |
| Signals and interlockers | 3,362,758 | 3,177,220 |
| Power plants | 38,668 | 32,946 |
| Power-transmission systems | 686,794 | 593,019 |
| Miscellaneous structures | 53,546 | 48,521 |
| Roadway machines | 703,911 | 627,430 |
| Roadway small tools | (297) | (297) |
| Public improvements—Construction | 105,566 | 79,847 |
| Shop machinery | 472,600 | 299,321 |
| Power-plant machinery | 144,180 | 138,922 |
| Unapplied construction material and supplies | (771,336) | (771,336) |
| Total Road | 20,406,569 | 14,380,943 |
| Equipment: | | |
| Steam locomotives | ..................... | (1,779,206) |
| Other locomotives | 9,034,551 | 8,974,433 |
| Freight-train cars | 5,607,947 | 1,445,506 |
| Passenger-train cars | 348,269 | (721,419) |
| Work equipment | 945,409 | 201,181 |
| Miscellaneous equipment | 271,697 | 137,415 |
| Total Equipment | 16,207,873 | 8,257,910 |
| General Expenditures | 20 | (323,678) |
| Improvements on Leased Property | 27,201 | 11,684 |
| Total Transportation Properties | 36,641,663 | 22,326,859 |
| Miscellaneous Physical Property | 274,177 | 227,455 |
| Total Properties | $36,915,840 | $22,554,314 |

*Gross expenditures less credits for property retired.

( ) Denotes credits.

## CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES AS OF DECEMBER 31, 1956

| Items | Principal Amount Outstanding Dec. 31, 1956 |
|---|---|
| **Chicago Union Station Company:** | |
| 1. First Mortgage Bonds, 3⅛%, Series F, due July 1, 1963 | $ 15,907,000 |
| 2. First Mortgage Bonds, 2⅞%, Series G, due July 1, 1963 | 35,373,000 |
| 3. Note 3½%, due November 1, 1957 | 700,000 |
| 4. Note 3½%, due November 1, 1957 | 500,000 |
| 5. Note 3½%, due November 1, 1957 | 750,000 |
| 6. Note 3¾%, due November 1, 1957 | 550,000 |
| | 53,780,000 |
| Principal and interest guaranteed jointly and severally by the Railroad Company and 3 other proprietors at time of issue. The Railroad Company with other proprietors has agreed that gross rental to be paid by them for use of Chicago Union Station facilities shall include a sum sufficient to pay interest on all of these securities and the payment into the Retirement Fund for First Mortgage bonds beginning in 1955, and to advance amounts required to pay at maturity principal of Items 3 to 6. | |
| **Indiana Harbor Belt Railroad Company:** | |
| 1. General Mortgage Gold Bonds, 4%, due July 1, 1957 | 3,225,000 |
| 2. General Mortgage Gold Bonds, 4½%, due July 1, 1957 | 4,900,000 |
| 3. Equipment Trust Certificates, 2⅜%, due annually May 1, 1957 to May 1, 1959 | 615,000 |
| 4. Equipment Trust Certificates, 2⅜%, due annually September 15, 1957 to September 15, 1964 | 1,584,000 |
| 5. Equipment Trust Certificates, 2¼%, due annually February 15, 1957 to February 15, 1965 | 1,080,000 |
| | 11,404,000 |
| The Railroad Company is obligated to the extent of 20% to protect The Michigan Central R. R. Co. and The N. Y. C. R. R. Co. on their guaranties of principal of and interest on the 4% Bonds. The Railroad Company and other proprietors are obligated under an agreement, in the event of default by the Indiana Harbor Belt R. R. Co. to loan to the Belt Railroad, in proportion to their stock holdings, to the extent necessary, the principal of and interest on Items 1 and 2. The Railroad Company and other proprietors severally guarantee, in proportion to their stock holdings, the payment by the Belt Railroad of the principal of and interest or dividends on equipment obligations, Items 3 to 5. | |
| **Kansas City Terminal Railway Company:** | |
| 1. First Mortgage Serial Bonds, due annually October 1, 1957 to October 1, 1974 | 41,474,000 |
| 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. 3¾% Sinking Fund Promissory Notes, due June 1, 1976 | 1,624,000 |
| 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) an annual sinking fund for these Notes equal to $41,412 payable on or before May 20 of each year and (b) semi-annual installments of interest on the Notes. | |
| **The St. Paul Union Depot Company:** | |
| 1. First and Refunding Mortgage Bonds, 3⅛%, Series B, due October 1, 1971 | 11,614,000 |
| 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. | |
| Total | $119,896,000 |

## LONG-TERM DEBT, DECEMBER 31, 1956

| Description | Date of Issue | Date of Maturity | Amount Originally Issued or Assumed | Amount as of Dec. 31, 1956 | Amount Held by Company | Amount Actually Outstanding | Interest: Rate Per Cent | Interest: Payable | Interest: Accrued During Year |
|---|---|---|---|---|---|---|---|---|---|
| First mortgage bonds, Series A | Jan. 1, 1944 | Jan. 1, 1994 | $ 59,515,100 | $ 54,991,100 | $ 515,700 | $ 54,475,400 | 4 | J. & J. | $ 2,197,322 |
| General mortgage income bonds, Series A | Jan. 1, 1944 | Jan. 1, 2019 | 57,256,600 | 40,518,400 | 405,600 | 40,112,800 | 4½ | April | 1,817,684 |
| General mortgage convertible income bonds, Series B | Jan. 1, 1944 | Jan. 1, 2044 | 51,422,100 | 40,462,900 | 5,087,200 | 35,375,700 | 4½ | April | 1,591,932 |
| Five per cent income debentures, Series A | Jan. 1, 1955 | Jan. 1, 2055 | 60,000,000 | 59,700,000 | 300,000 | 59,400,000 | 5 | M. & S. | 2,962,500 |
| The Bedford Belt Ry. Co. first mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 350,000 | 333,000 | * 102,000 | 231,000 | 4¼ | J.A. & J. | 9,840 |
| The Southern Indiana Ry. Co. first mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 7,287,000 | 7,253,000 | 56,000 | 7,197,000 | 4¼ | J.A. & J. | 306,199 |
| Chicago, Terre Haute and Southeastern Ry. Co.: | | | | | | | | | |
| First and refunding mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 9,571,000 | 9,571,000 | ** 1,579,000 | 7,992,000 | 4¼ | J.A. & J. | 340,168 |
| Income mortgage bonds | Jan. 1, 1946 | Jan. 1, 1994 | 6,335,800 | 6,335,800 | 1,428,000 | 4,907,800 | 4¼ | J.A. & J. | 212,412 |
| Equipment obligations (See details below) | | | 123,873,400 | 64,441,280 | ............ | 64,441,280 | | | 1,875,761 |
| Total long-term debt | | | $375,611,000 | $283,606,480 | $ 9,473,500 | $274,132,980 | | | $11,313,818 |

*$100,000 pledged under Chicago, Terre Haute and Southeastern Railway Company First and refunding mortgage.
**$1,515,000 pledged under Chicago, Milwaukee, St. Paul and Pacific Railroad Company First mortgage.

## EQUIPMENT OBLIGATIONS, DECEMBER 31, 1956

| Description | Date of Lease or Agreement | Date of Final Maturity | Original Cost of Equipment | Amount Originally Issued | Amount Outstanding Dec. 31, 1956 | Principal Payable During 1957 | Interest: Rate Per Cent | Interest: Payable | Interest: Accrued During Year |
|---|---|---|---|---|---|---|---|---|---|
| Equipment Trust Certificates: | | | | | | | | | |
| Series Z | July 1, 1947 | July 1, 1957 | $ 8,190,967 | $ 6,000,000 | $ 600,000 | $ 600,000 | 1⅞ | J. & J. | $ 14,061 |
| Series AA | Oct. 1, 1947 | Oct. 1, 1957 | 3,065,949 | 2,240,000 | 224,000 | 224,000 | 1⅞ | A. & O. | 6,300 |
| Series BB | Apr. 1, 1948 | Apr. 1, 1958 | 3,530,422 | 2,640,000 | 396,000 | 264,000 | 2⅛ | A. & O. | 11,220 |
| Series CC | Feb. 1, 1948 | Feb. 1, 1958 | 6,798,971 | 5,040,000 | 756,000 | 504,000 | 2¼ | F. & A. | 20,790 |
| Series DD | June 1, 1948 | June 1, 1958 | 9,514,365 | 7,120,000 | 1,068,000 | 712,000 | 2 | J. & D. | 30,853 |
| Series EE | July 1, 1948 | July 1, 1958 | 5,361,471 | 3,820,000 | 764,000 | 382,000 | 2 | J. & J. | 17,190 |
| Series FF | Oct. 1, 1948 | Oct. 1, 1958 | 8,936,781 | 6,600,000 | 1,320,000 | 660,000 | 2¼ | A. & O. | 37,125 |
| Series GG | Jan. 1, 1949 | Jan. 1, 1959 | 6,094,321 | 4,540,000 | 1,135,000 | 454,000 | 2⅛ | J. & J. | 26,532 |
| Series HH | Apr. 1, 1949 | Apr. 1, 1964 | 8,112,742 | 6,060,000 | 3,030,000 | 404,000 | 2⅜ | A. & O. | 76,760 |
| Series JJ | Sept. 1, 1949 | Sept. 1, 1964 | 7,604,384 | 5,640,000 | 3,008,000 | 376,000 | 2⅛ | M. & S. | 67,249 |
| Series KK | Oct. 1, 1949 | Oct. 1, 1964 | 6,026,868 | 4,500,000 | 2,400,000 | 300,000 | 2¼ | A. & O. | 57,375 |
| Series LL | June 1, 1950 | June 1, 1965 | 6,289,514 | 4,650,000 | 2,635,000 | 310,000 | 2¼ | J. & D. | 63,937 |
| Series MM | Nov. 1, 1950 | Nov. 1, 1965 | 7,251,863 | 5,430,000 | 3,258,000 | 362,000 | 2½ | M. & N. | 86,729 |
| Series NN | June 1, 1951 | June 1, 1961 | 7,254,678 | 5,300,000 | 2,385,000 | 530,000 | 2⅞ | J. & D. | 78,726 |
| Series OO | Oct. 1, 1951 | Oct. 1, 1966 | 10,053,530 | 7,500,000 | 5,000,000 | 500,000 | 2⅞ | A. & O. | 150,937 |
| Series PP | Mar. 1, 1952 | Mar. 1, 1967 | 3,215,855 | 2,400,000 | 1,680,000 | 160,000 | 2⅞ | M. & S. | 50,217 |
| Series QQ | Sept. 1, 1952 | Sept. 1, 1967 | 5,441,323 | 3,990,000 | 2,926,000 | 266,000 | 3⅛ | M. & S. | 94,901 |
| Series RR | Jan. 1, 1954 | Jan. 1, 1969 | 10,379,112 | 7,650,000 | 6,375,000 | 510,000 | 3⅛ | J. & J. | 203,204 |
| Series SS | July 1, 1954 | July 1, 1969 | 9,931,620 | 7,800,000 | 6,760,000 | 520,000 | 2¾ | J. & J. | 189,475 |
| Series TT | Nov. 1, 1954 | Nov. 1, 1969 | 9,141,903 | 7,200,000 | 6,240,000 | 480,000 | 2⅞ | M. & N. | 187,450 |
| Series UU | Jan. 1, 1956 | Jan. 1, 1971 | 9,655,380 | 7,500,000 | 7,250,000 | 500,000 | 3⅜ | J. & J. | 245,392 |
| Conditional Sale Agreements: | | | | | | | | | |
| The First National Bank of Chicago, Assignee of the Sellers: | | | | | | | | | |
| Fairbanks, Morse & Co. | July 1, 1946 | Apr. 1, 1957 | 2,675,000 | 2,000,000 | 96,788 | 96,788 | 1.55 | J.A.J.&O. | 2,741 |
| Fairbanks, Morse & Co. | July 1, 1951 | Jan. 1, 1960 | 3,629,985 | 2,718,000 | 1,111,141 | 354,577 | 3.10 | J.A.J.&O. | 38,468 |
| Pacific Car & Foundry Co. | May 1, 1956 | Nov. 1, 1964 | 1,843,205 | 1,428,400 | 1,395,188 | 156,304 | 3.95 | F.M.A.&N. | 27,752 |
| First Wisconsin National Bank of Milwaukee and Northwestern National Bank of Minneapolis, Assignees of the Sellers: | | | | | | | | | |
| General Motors Corpn. (Electro-Motive Div.) | Feb. 25, 1953 | May 1, 1961 | 1,543,977 | 1,155,000 | 683,460 | 144,037 | 3 | F.M.A.&N. | 22,436 |
| Fairbanks, Morse & Co. | July 15, 1953 | Nov. 1, 1961 | 531,102 | 396,000 | 258,473 | 48,652 | 3 | F.M.A.&N. | 8,407 |
| American Locomotive Co. | July 15, 1953 | Nov. 1, 1961 | 529,935 | 396,000 | 258,473 | 48,652 | 3 | F.M.A.&N. | 8,407 |
| Baldwin-Lima-Hamilton Corporation | July 15, 1953 | Nov. 1, 1961 | 357,568 | 264,000 | 172,315 | 32,435 | 3 | F.M.A.&N. | 5,605 |
| Seattle-First National Bank, Assignee of the Sellers: | | | | | | | | | |
| Baldwin-Lima-Hamilton Corporation | Sept. 1, 1953 | Nov. 1, 1961 | 357,568 | 264,000 | 173,154 | 32,359 | 3.35 | F.M.A.&N. | 6,284 |
| General Motors Corpn. (Electro-Motive Div.) | Sept. 1, 1953 | Nov. 1, 1961 | 1,670,914 | 1,236,000 | 810,674 | 151,501 | 3.35 | F.M.A.&N. | 29,420 |
| American Locomotive Co. | Sept. 1, 1953 | Feb. 1, 1962 | 529,935 | 396,000 | 271,614 | 48,136 | 3.35 | F.M.A.&N. | 9,818 |
| Total equipment obligations | | | $165,521,208 | $123,873,400 | $ 64,441,280 | $ 10,131,441 | | | $ 1,875,761 |

### Payments Maturing in Years Ending:

| | |
|---|---|
| December 31, 1957 | $10,131,441 |
| December 31, 1958 | 8,504,218 |
| December 31, 1959 | 6,529,895 |
| December 31, 1960 | 5,963,442 |
| December 31, 1961 | 5,627,802 |
| December 31, 1962 | $ 4,892,290 |
| December 31, 1963 | 4,885,877 |
| December 31, 1964 | 4,646,315 |
| December 31, 1965 | 3,453,000 |
| December 31, 1966 | 2,936,000 |
| December 31, 1967 | $ 2,356,000 |
| December 31, 1968 | 2,010,000 |
| December 31, 1969 | 1,755,000 |
| December 31, 1970 | 500,000 |
| December 31, 1971 | 250,000 |
| Total | $64,441,280 |

## MILES OF ROAD BY STATES, DECEMBER 31, 1956

| State | Road Operated: Owned Solely Main Line | Owned Solely Branch Line | Owned Jointly Main Line | Owned Jointly Branch Line | Leased | Trackage Rights | Total |
|---|---|---|---|---|---|---|---|
| Idaho | 112.76 | 110.83 | ........... | ........... | ........... | 9.11 | 232.70 |
| Illinois | 432.99 | 118.64 | 2.40 | .14 | ........... | 132.31 | 686.48 |
| Indiana | 156.57 | 36.79 | ........... | ........... | ........... | ........... | 193.36 |
| Iowa | #1,199.85 | 525.65 | .08 | .04 | .10 | 66.51 | 1,792.23 |
| Kansas | ........... | ........... | ........... | ........... | ........... | 7.05 | 7.05 |
| Michigan | 57.82 | 121.35 | ........... | .25 | ........... | .98 | 180.40 |
| Minnesota | 764.52 | 360.48 | 5.03 | 22.70 | ........... | 194.10 | 1,346.83 |
| Missouri | 130.02 | ........... | 9.44 | ........... | ........... | 15.10 | 154.56 |
| Montana | 747.53 | 473.29 | ........... | 29.99 | ........... | .46 | 1,251.27 |
| Nebraska | ........... | ........... | ........... | ........... | ........... | 5.62 | 5.62 |
| North Dakota | 102.50 | 263.29 | ........... | 1.10 | ........... | ........... | 366.89 |
| South Dakota | 1,039.37 | 695.26 | ........... | ........... | ........... | ........... | 1,734.63 |
| Washington | 314.69 | 474.27 | 26.88 | 50.02 | ........... | 201.10 | 1,066.96 |
| Wisconsin | 1,039.31 | 482.92 | ........... | 16.34 | ........... | 70.51 | 1,609.08 |
| Total | 6,097.93 | 3,662.77 | 43.83 | 120.58 | .10 | 702.85 | 10,628.06 |

#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, 1956

| Items | Owned Solely | Owned Jointly | Leased | Trackage Rights | Total |
|---|---|---|---|---|---|
| Miles of Road (First Main Track): | | | | | |
| Operated | *9,760.70 | 164.41 | .10 | 702.85 | 10,628.06 |
| Not operated | 3.62 | ........... | ........... | ........... | 3.62 |
| Additional Main Tracks: | | | | | |
| Operated | 750.73 | 14.17 | .41 | 312.72 | 1,078.03 |
| Not operated | ........... | ........... | ........... | ........... | ........... |
| Yard Tracks and Sidings: | | | | | |
| Operated | *3,344.30 | 259.07 | 2.19 | 495.57 | 4,101.13 |
| Not operated | 3.03 | 32.93 | ........... | ........... | 35.96 |
| Total operated | 13,855.73 | 437.65 | 2.70 | 1,511.14 | 15,807.22 |
| Total not operated | 6.65 | 32.93 | ........... | ........... | 39.58 |
| Grand Total | 13,862.38 | 470.58 | 2.70 | 1,511.14 | 15,846.80 |

*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

### RAILWAY OPERATING REVENUES

| Transportation | 1956 | 1955 | Increase | Decrease |
|---|---|---|---|---|
| Freight | $209,719,695 | $205,818,267 | $3,901,428 | ................ |
| Passenger | 17,173,709 | 13,837,923 | 3,335,786 | ................ |
| Baggage | 35,652 | 27,121 | 8,531 | ................ |
| Sleeping car | 493 | 65,161 | ................ | $ 64,668 |
| Parlor and chair car | 169,597 | 186,562 | ................ | 16,965 |
| Mail | 8,467,316 | 8,289,542 | 177,774 | ................ |
| Express | 3,968,087 | 3,821,639 | 146,448 | ................ |
| Other passenger-train | 115,818 | 110,563 | 5,255 | ................ |
| Milk | 73,970 | 87,488 | ................ | 13,518 |
| Switching | 6,423,837 | 6,295,810 | 128,027 | ................ |
| Total Transportation Revenue | 246,148,174 | 238,540,076 | 7,608,098 | ................ |
| **Incidental** | | | | |
| Dining and buffet | 2,220,675 | 1,792,673 | 428,002 | ................ |
| Station, train, and boat privileges | 67,285 | 43,052 | 24,233 | ................ |
| Storage—Freight | 12,259 | 17,605 | ................ | 5,346 |
| Storage—Baggage | 5,653 | 5,008 | 645 | ................ |
| Demurrage | 895,244 | 753,137 | 142,107 | ................ |
| Communication | 94,481 | 108,947 | ................ | 14,466 |
| Rents of buildings and other property | 230,420 | 231,417 | ................ | 997 |
| Miscellaneous | 1,263,480 | 1,060,954 | 202,526 | ................ |
| Total Incidental Operating Revenue | 4,789,497 | 4,012,793 | 776,704 | ................ |
| **Joint Facility** | | | | |
| Joint facility—Credit | 2,937,730 | 2,959,172 | ................ | 21,442 |
| Joint facility—Debit | (14,835) | (13,831) | (1,004) | ................ |
| Total Joint Facility Operating Revenue | 2,922,895 | 2,945,341 | ................ | 22,446 |
| Total Railway Operating Revenues | $253,860,566 | $245,498,210 | $8,362,356 | ................ |

( ) Denotes contra items.

### RAILWAY OPERATING EXPENSES

| Maintenance of Way and Structures | 1956 | 1955 | Increase | Decrease |
|---|---|---|---|---|
| Superintendence | $ 3,012,933 | $ 2,768,894 | $ 244,039 | ................ |
| Roadway maintenance | 3,294,310 | 3,617,076 | ................ | $ 322,766 |
| Tunnels and subways | 36,154 | 16,850 | 19,304 | ................ |
| Bridges, trestles, and culverts | 1,685,014 | 1,527,752 | 157,262 | ................ |
| Ties | 3,313,146 | 3,231,876 | 81,270 | ................ |
| Rails | 632,412 | 1,837,013 | ................ | 1,204,601 |
| Other track material | 2,327,417 | 2,412,334 | ................ | 84,917 |
| Ballast | 448,609 | 683,946 | ................ | 235,337 |
| Track laying and surfacing | 9,570,067 | 9,832,554 | ................ | 262,487 |
| Fences, snowsheds, and signs | 636,616 | 577,266 | 59,350 | ................ |
| Station and office buildings | 1,507,077 | 1,579,105 | ................ | 72,028 |
| Roadway buildings | 171,597 | 171,350 | 247 | ................ |
| Water stations | 45,643 | 62,506 | ................ | 16,863 |
| Fuel stations | 42,892 | 59,222 | ................ | 16,330 |
| Shops and enginehouses | 857,105 | 999,689 | ................ | 142,584 |
| Storage warehouses | 1,206 | 280 | 926 | ................ |

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

| | 1956 | 1955 | INCREASE | DECREASE |
|---|---|---|---|---|
| MAINTENANCE OF WAY AND STRUCTURES | | | | |
| Wharves and docks | $ 34,935 | $ 40,486 | | $ 5,551 |
| Communication systems | 963,930 | 1,086,044 | | 122,114 |
| Signals and interlockers | 1,753,785 | 1,666,706 | $ 87,079 | |
| Power plants | 27,262 | 36,860 | | 9,598 |
| Power-transmission systems | 345,310 | 335,114 | 10,196 | |
| Miscellaneous structures | 11,943 | 9,970 | 1,973 | |
| Road property—Depreciation | 4,543,101 | 4,620,376 | | 77,275 |
| Retirements—Road | 501,907 | 432,452 | 69,455 | |
| Roadway machines | 732,626 | 662,943 | 69,683 | |
| Dismantling retired road property | 473,421 | 235,961 | 237,460 | |
| Small tools and supplies | 820,955 | 748,673 | 72,282 | |
| Removing snow, ice, and sand | 665,709 | 688,841 | | 23,132 |
| Public improvements—Maintenance | 868,771 | 944,059 | | 75,288 |
| Injuries to persons | 419,269 | 352,254 | 67,015 | |
| Insurance | 59,547 | 58,536 | 1,011 | |
| Stationery and printing | 77,048 | 67,226 | 9,822 | |
| Other expenses | 435,040 | 238,753 | 196,287 | |
| Right-of-way expenses | 42,484 | 40,829 | 1,655 | |
| Maintaining joint tracks, yards, and other facilities—Debit | 3,034,999 | 3,221,633 | | 186,634 |
| Maintaining joint tracks, yards, and other facilities—Credit | (687,619) | (610,769) | (76,850) | |
| TOTAL MAINTENANCE OF WAY AND STRUCTURES | 42,706,621 | 44,254,660 | | 1,548,039 |
| MAINTENANCE OF EQUIPMENT | | | | |
| Superintendence | 1,625,300 | 1,561,948 | 63,352 | |
| Shop machinery | 607,035 | 550,424 | 56,611 | |
| Power-plant machinery | 152,144 | 199,772 | | 47,628 |
| Shop and power-plant machinery—Depreciation | 282,157 | 282,485 | | 328 |
| Dismantling retired shop and power-plant machinery | 6,785 | 7,952 | | 1,167 |
| Steam locomotives—Repairs | 2,915 | 84,258 | | 81,343 |
| Other locomotives—Repairs | 12,652,948 | 11,897,799 | 755,149 | |
| Freight-train cars—Repairs | 13,882,128 | 15,358,801 | | 1,476,673 |
| Passenger-train cars—Repairs | 5,102,479 | 5,265,548 | | 163,069 |
| Floating equipment—Repairs | (1,229) | 24,281 | (25,510) | |
| Work equipment—Repairs | 510,719 | 694,938 | | 184,219 |
| Miscellaneous equipment—Repairs | 131,337 | 119,751 | 11,586 | |
| Dismantling retired equipment | 70,754 | 45,348 | 25,406 | |
| Retirements—Equipment | (156,328) | (178,353) | | (22,025) |
| Equipment—Depreciation | 9,821,031 | 10,660,073 | | 839,042 |
| Injuries to persons | 374,411 | 372,432 | 1,979 | |
| Insurance | 112,830 | 138,232 | | 25,402 |
| Stationery and printing | 41,820 | 42,283 | | 463 |
| Other expenses | 460,534 | 398,553 | 61,981 | |
| Joint maintenance of equipment expenses—Debit | 321,200 | 450,073 | | 128,873 |
| Joint maintenance of equipment expenses—Credit | (29,900) | (32,046) | | (2,146) |
| TOTAL MAINTENANCE OF EQUIPMENT | 45,971,070 | 47,944,552 | | 1,973,482 |
| TRAFFIC | | | | |
| Superintendence | 1,457,638 | 1,353,280 | 104,358 | |
| Outside agencies | 3,428,925 | 3,040,656 | 388,269 | |
| Advertising | 728,395 | 929,731 | | 201,336 |
| Traffic associations | 244,622 | 192,161 | 52,461 | |
| Industrial and immigration bureaus | 71,194 | 64,551 | 6,643 | |
| Insurance | 825 | 831 | | 6 |
| Stationery and printing | 224,271 | 207,762 | 16,509 | |
| Other expenses | 30,705 | 24,728 | 5,977 | |
| TOTAL TRAFFIC EXPENSES | $ 6,186,575 | $ 5,813,700 | $ 372,875 | |

( ) Denotes contra items.

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

| | 1956 | 1955 | INCREASE | DECREASE |
|---|---|---|---|---|
| TRANSPORTATION | | | | |
| Superintendence | $ 2,634,183 | $ 2,437,425 | $ 196,758 | |
| Dispatching trains | 981,722 | 904,196 | 77,526 | |
| Station employees | 14,925,804 | 14,104,058 | 821,746 | |
| Weighing, inspection, and demurrage bureaus | 318,825 | 297,182 | 21,643 | |
| Station supplies and expenses | 1,144,378 | 1,027,474 | 116,904 | |
| Yardmasters and yard clerks | 3,843,295 | 3,517,268 | 326,027 | |
| Yard conductors and brakemen | 10,110,660 | 9,276,756 | 833,904 | |
| Yard switch and signal tenders | 711,932 | 646,964 | 64,968 | |
| Yard enginemen | 6,517,905 | 6,099,926 | 417,979 | |
| Yard switching fuel | 967,703 | 931,744 | 35,959 | |
| Yard switching power purchased | 24,157 | 25,819 | | $ 1,662 |
| Water for yard locomotives | 14,585 | 14,804 | | 219 |
| Lubricants for yard locomotives | 95,825 | 123,448 | | 27,623 |
| Other supplies for yard locomotives | 53,138 | 51,013 | 2,125 | |
| Enginehouse expenses—Yard | 651,044 | 758,187 | | 107,143 |
| Yard supplies and expenses | 365,973 | 338,957 | 27,016 | |
| Operating joint yards and terminals—Debit | 5,426,025 | 4,417,110 | 1,008,915 | |
| Operating joint yards and terminals—Credit | (627,290) | (598,426) | (28,864) | |
| Train enginemen | 10,183,706 | 9,715,664 | 468,042 | |
| Train fuel | 8,709,302 | 7,799,279 | 910,023 | |
| Train power purchased | 1,226,931 | 1,222,787 | 4,144 | |
| Water for train locomotives | 151,209 | 165,495 | | 14,286 |
| Lubricants for train locomotives | 1,041,953 | 818,108 | 223,845 | |
| Other supplies for train locomotives | 182,497 | 160,084 | 22,413 | |
| Enginehouse expenses—Train | 1,484,894 | 1,614,208 | | 129,314 |
| Trainmen | 13,186,388 | 12,364,933 | 821,455 | |
| Train supplies and expenses | 6,825,858 | 6,411,041 | 414,817 | |
| Operating sleeping cars | 414,438 | 392,524 | 21,914 | |
| Signal and interlocker operation | 919,515 | 885,128 | 34,387 | |
| Crossing protection | 854,075 | 947,417 | | 93,342 |
| Drawbridge operation | 224,267 | 201,638 | 22,629 | |
| Communication system operation | 992,714 | 912,628 | 80,086 | |
| Operating floating equipment | 14,414 | 212,039 | | 197,625 |
| Stationery and printing | 385,877 | 347,204 | 38,673 | |
| Other expenses | 667,336 | 351,259 | 316,077 | |
| Operating joint tracks and facilities—Debit | 1,235,286 | 1,190,839 | 44,447 | |
| Operating joint tracks and facilities—Credit | (697,445) | (645,713) | (51,732) | |
| Insurance | 95,153 | 106,025 | | 10,872 |
| Clearing wrecks | 289,467 | 277,486 | 11,981 | |
| Damage to property | 129,325 | 112,878 | 16,447 | |
| Damage to live stock on right-of-way | 64,793 | 78,082 | | 13,289 |
| Loss and damage—Freight | 2,607,495 | 2,421,779 | 185,716 | |
| Loss and damage—Baggage | 5,119 | 4,441 | 678 | |
| Injuries to persons | 2,254,420 | 1,703,073 | 551,347 | |
| TOTAL TRANSPORTATION EXPENSES | 101,608,851 | 94,144,231 | 7,464,620 | |
| MISCELLANEOUS OPERATIONS | | | | |
| Dining and buffet service | 3,746,903 | 2,734,260 | 1,012,643 | |
| Operating joint miscellaneous facilities—Debit | 177,473 | 167,268 | 10,205 | |
| TOTAL MISCELLANEOUS OPERATIONS | 3,924,376 | 2,901,528 | 1,022,848 | |
| GENERAL | | | | |
| Salaries and expenses of general officers | 916,346 | 832,050 | 84,296 | |
| Salaries and expenses of clerks and attendants | 6,473,151 | 5,953,546 | 519,605 | |
| General office supplies and expenses | 648,167 | 554,458 | 93,709 | |
| Law expenses | 657,634 | 638,301 | 19,333 | |
| Insurance | 2,084 | 2,959 | | 875 |
| Pensions and gratuities | 658,633 | 595,812 | 62,821 | |
| Stationery and printing | 312,446 | 302,887 | 9,559 | |
| Valuation expenses | 44,961 | 34,576 | 10,385 | |
| Other expenses | 433,519 | 460,709 | | 27,190 |
| General joint facilities—Debit | 209,140 | 215,792 | | 6,652 |
| General joint facilities—Credit | (7,275) | (8,419) | | (1,144) |
| TOTAL GENERAL EXPENSES | 10,348,806 | 9,582,671 | 766,135 | |
| GRAND TOTAL RAILWAY OPERATING EXPENSES | $210,746,299 | $204,641,342 | $6,104,957 | |

() Denotes contra items.

## NET RAILWAY OPERATING INCOME ITEMS—SHOWING PERCENTAGES OF RAILWAY OPERATING REVENUES

| Items | 1956 Amount | 1956 Per Cent Ry. Oper. Revs. | 1955 Amount | 1955 Per Cent Ry. Oper. Revs. | 1954 Amount | 1954 Per Cent Ry. Oper. Revs. |
|---|---|---|---|---|---|---|
| Railway Operating Revenues: | | | | | | |
| Freight | $209,719,695 | 82.61 | $205,818,267 | 83.84 | $197,504,960 | 83.08 |
| Passenger | 17,173,709 | 6.76 | 13,837,923 | 5.64 | 14,916,558 | 6.27 |
| Mail | 8,467,316 | 3.34 | 8,289,542 | 3.38 | 8,370,709 | 3.52 |
| Express | 3,968,087 | 1.56 | 3,821,639 | 1.56 | 3,641,119 | 1.53 |
| Switching | 6,423,837 | 2.53 | 6,295,810 | 2.56 | 5,741,531 | 2.42 |
| All other transportation | 395,530 | .16 | 476,895 | .19 | 937,072 | .39 |
| Incidental | 4,789,497 | 1.89 | 4,012,793 | 1.63 | 3,985,823 | 1.68 |
| Joint facility—Net Cr. | 2,922,895 | 1.15 | 2,945,341 | 1.20 | 2,646,867 | 1.11 |
| Total | 253,860,566 | 100.00 | 245,498,210 | 100.00 | 237,744,639 | 100.00 |
| Railway Operating Expenses: | | | | | | |
| *Maintenance of way and structures | 42,706,621 | 16.82 | 44,254,660 | 18.03 | 38,683,912 | 16.27 |
| #Maintenance of equipment | 45,971,070 | 18.11 | 47,944,552 | 19.53 | 46,884,289 | 19.72 |
| Traffic expenses | 6,186,575 | 2.44 | 5,813,700 | 2.37 | 5,827,880 | 2.45 |
| Transportation expenses | 101,608,851 | 40.02 | 94,144,231 | 38.35 | 95,735,292 | 40.27 |
| Miscellaneous operations | 3,924,376 | 1.55 | 2,901,528 | 1.18 | 3,093,724 | 1.30 |
| General expenses | 10,348,806 | 4.08 | 9,582,671 | 3.90 | 9,185,507 | 3.87 |
| Total | 210,746,299 | 83.02 | 204,641,342 | 83.36 | 199,410,604 | 83.88 |
| Net Revenue From Railway Operations | 43,114,267 | 16.98 | 40,856,868 | 16.64 | 38,334,035 | 16.12 |
| Railway Tax Accruals: | | | | | | |
| Federal income | (51,000) | (.02) | 1,425,000 | .58 | (1,133,219) | (.48) |
| Property, payroll and other | 18,338,000 | 7.22 | 16,971,000 | 6.91 | 16,462,219 | 6.92 |
| Total | 18,287,000 | 7.20 | 18,396,000 | 7.49 | 15,329,000 | 6.44 |
| Equipment Rents—Net Dr. | 4,839,601 | 1.91 | 4,176,312 | 1.70 | 5,873,693 | 2.47 |
| Joint Facility Rents—Net Dr. | 2,642,732 | 1.04 | 2,504,031 | 1.02 | 2,562,824 | 1.08 |
| Net Railway Operating Income | $ 17,344,934 | 6.83 | $ 15,780,525 | 6.43 | $ 14,568,518 | 6.13 |
| *Includes for depreciation, amortization and retirement charges—Road | $ 5,045,008 | 1.99 | $ 5,052,828 | 2.06 | $ 5,113,910 | 2.15 |
| #Includes for depreciation, amortization and retirement charges—Equipment | $ 9,946,860 | 3.92 | $ 10,764,205 | 4.38 | $ 10,143,464 | 4.27 |

## RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1956

| 1956 | 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 | $ 19,212,257 | $ 17,621,416 | $ 1,590,841 | $ 1,547,000 | $ 43,841 | $ 357,492 | $ 230,708 | $ (544,359) |
| February | 19,248,449 | 16,990,632 | 2,257,817 | 1,544,000 | 713,817 | 255,131 | 212,051 | 246,635 |
| March | 20,737,224 | 17,449,638 | 3,287,586 | 1,528,000 | 1,759,586 | 304,637 | 203,668 | 1,251,281 |
| April | 20,058,930 | 17,322,109 | 2,736,821 | 1,527,000 | 1,209,821 | 218,658 | 218,464 | 772,699 |
| May | 21,670,940 | 18,402,695 | 3,268,245 | 1,599,000 | 1,669,245 | 314,099 | 196,532 | 1,158,614 |
| June | 21,193,709 | 17,518,556 | 3,675,153 | 1,577,000 | 2,098,153 | 394,541 | 245,422 | 1,458,190 |
| July | 20,605,568 | 17,056,257 | 3,549,311 | 1,604,000 | 1,945,311 | 498,911 | 199,709 | 1,246,691 |
| August | 24,097,716 | 18,209,421 | 5,888,295 | 1,648,000 | 4,240,295 | 585,831 | 232,937 | 3,421,527 |
| September | 22,129,283 | 17,839,041 | 4,290,242 | 1,568,000 | 2,722,242 | 750,451 | 235,259 | 1,736,532 |
| October | 23,682,916 | 18,494,966 | 5,187,950 | 2,194,000 | 2,993,950 | 468,662 | 222,073 | 2,303,215 |
| November | 20,882,111 | 16,823,763 | 4,058,348 | 1,477,000 | 2,581,348 | 330,181 | 187,995 | 2,063,172 |
| December | 20,341,463 | 17,017,805 | 3,323,658 | 474,000 | 2,849,658 | 361,007 | 257,914 | 2,230,737 |
| Total | $253,860,566 | $210,746,299 | $ 43,114,267 | $ 18,287,000 | $ 24,827,267 | $ 4,839,601 | $ 2,642,732 | $ 17,344,934 |

( ) Denotes contra items.

REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE

| Year | Tons Carried | Ton Miles | Average Haul—Miles | Freight Revenue Total | Freight Revenue Per Ton | Freight Revenue Per Ton Mile (Cents) |
|---|---|---|---|---|---|---|
| 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 | 222,648,097 | 4.50 | 1.391 |
| 1953 | 46,810,989 | 15,413,226,569 | 329.27 | 215,622,726 | 4.61 | 1.399 |
| 1954 | 43,123,214 | 14,178,678,856 | 328.79 | 197,712,105 | 4.58 | 1.394 |
| 1955 | 45,481,060 | 15,561,748,530 | 342.16 | 205,993,029 | 4.53 | 1.324 |
| 1956 | 45,351,213 | 15,612,344,863 | 344.25 | 209,886,542 | 4.63 | 1.344 |

REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE

| Year | Passengers Carried | Passenger Miles | Average Distance Traveled —Miles | Passenger Revenue Total | Passenger Revenue Per Passenger | Passenger Revenue Per Passenger Mile (Cents) |
|---|---|---|---|---|---|---|
| | | | Other Than Commutation | | | |
| 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 |
| 1953 | 3,158,639 | 658,842,799 | 208.58 | 15,396,026 | 4.87 | 2.337 |
| 1954 | 3,057,733 | 599,281,006 | 195.99 | 13,582,309 | 4.44 | 2.266 |
| 1955 | 3,003,108 | 571,128,913 | 190.18 | 12,413,340 | 4.13 | 2.173 |
| 1956 | 3,266,663 | 696,906,549 | 213.34 | 15,758,692 | 4.82 | 2.261 |
| | | | Commutation | | | |
| 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 |
| 1953 | 3,823,231 | 88,929,041 | 23.26 | 1,316,554 | .34 | 1.480 |
| 1954 | 3,920,824 | 93,543,801 | 23.86 | 1,374,494 | .35 | 1.469 |
| 1955 | 4,176,751 | 98,901,556 | 23.68 | 1,463,125 | .35 | 1.479 |
| 1956 | 4,150,616 | 100,135,407 | 24.13 | 1,474,073 | .36 | 1.472 |
| | | | Total | | | |
| 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 | 18,895,324 | 2.61 | 2.280 |
| 1953 | 6,981,870 | 747,771,840 | 107.10 | 16,712,580 | 2.39 | 2.235 |
| 1954 | 6,978,557 | 692,824,807 | 99.28 | 14,956,803 | 2.14 | 2.159 |
| 1955 | 7,179,859 | 670,030,469 | 93.32 | 13,876,465 | 1.93 | 2.071 |
| 1956 | 7,417,279 | 797,041,956 | 107.46 | 17,232,765 | 2.32 | 2.162 |

## STATISTICS OF OPERATIONS

| Items | Freight Trains | | Passenger Trains | | Total Transportation Service | |
|---|---|---|---|---|---|---|
| | 1956 | 1955 | 1956 | 1955 | 1956 | 1955 |
| **Rail-Line** | | | | | | |
| Average miles of road operated | 10,629 | 10,633 | 4,607 | 4,723 | 10,637 | 10,641 |
| **Train Miles** | | | | | | |
| Ordinary (with locomotives) | 11,793,447 | 12,201,944 | 8,804,608 | 8,147,879 | 20,598,055 | 20,349,823 |
| Light (with locomotives) | 36,323 | 46,857 | | | 36,323 | 46,857 |
| Total (with locomotives) | 11,829,770 | 12,248,801 | 8,804,608 | 8,147,879 | 20,634,378 | 20,396,680 |
| Motor car trains | | | 120,093 | 120,251 | 120,093 | 120,251 |
| Total train miles | 11,829,770 | 12,248,801 | 8,924,701 | 8,268,130 | 20,754,471 | 20,516,931 |
| **Locomotive Miles** | | | | | | |
| Principal | 11,833,102 | 12,253,036 | 8,804,608 | 8,147,879 | 20,637,710 | 20,400,915 |
| Helper | 188,706 | 199,063 | 4,536 | 27,979 | 193,242 | 227,042 |
| Light | 226,174 | 252,874 | 63,018 | 67,312 | 289,192 | 320,186 |
| Train switching | 1,025,818 | 1,090,044 | | | 1,025,818 | 1,090,044 |
| Yard switching | 6,993,626 | 7,165,670 | 516,095 | 479,819 | 7,509,721 | 7,645,489 |
| Total locomotive miles | 20,267,426 | 20,960,687 | 9,388,257 | 8,722,989 | 29,655,683 | 29,683,676 |
| **Car Miles** | | | | | | |
| Loaded freight cars | 525,494,673 | 529,168,784 | 90,944 | 84,835 | 525,585,617 | 529,253,619 |
| Empty freight cars | 291,457,875 | 287,721,248 | 2,760 | 1,162 | 291,460,635 | 287,722,410 |
| Total loaded and empty freight cars | 816,952,548 | 816,890,032 | 93,704 | 85,997 | 817,046,252 | 816,976,029 |
| Caboose | 11,729,774 | 12,056,756 | 18,106 | 16,537 | 11,747,880 | 12,073,293 |
| Total freight car miles | 828,682,322 | 828,946,788 | 111,810 | 102,534 | 828,794,132 | 829,049,322 |
| Passenger coaches | 70,750 | 177,622 | 27,630,104 | 23,393,952 | 27,700,854 | 23,571,574 |
| Sleeping and parlor cars (Company) | | 74,484 | 1,892,136 | 3,223,452 | 1,892,136 | 3,297,936 |
| Sleeping cars (Pullman) | 68,560 | 122,624 | 17,069,103 | 10,603,608 | 17,137,663 | 10,726,232 |
| Club, lounge, dining and observation cars | 2,637 | 7,998 | 10,937,684 | 6,826,360 | 10,940,321 | 6,834,358 |
| Combination passenger and head end cars | 1,000,685 | 1,088,833 | 408,936 | 657,962 | 1,409,621 | 1,746,795 |
| Mail, express and baggage cars | 2,467,546 | 2,378,452 | 28,825,292 | 28,026,913 | 31,292,838 | 30,405,365 |
| Business cars | 36,794 | 40,754 | 160,866 | 182,219 | 197,660 | 222,973 |
| Crew cars (other than caboose) | | | 163,081 | 171,288 | 163,081 | 171,288 |
| Total passenger car miles | 3,646,972 | 3,890,767 | 87,087,202 | 73,085,754 | 90,734,174 | 76,976,521 |
| Grand total car miles | 832,329,294 | 832,837,555 | 87,199,012 | 73,188,288 | 919,528,306 | 906,025,843 |
| **Gross Ton Miles** | | | | | | |
| Locomotives and tenders (thousands) | 3,699,028 | 3,754,396 | 2,737,697 | 2,297,353 | 6,436,725 | 6,051,749 |
| Freight cars, contents, and cabooses (thousands) | 36,007,910 | 36,015,144 | 4,232 | 3,812 | 36,012,142 | 36,018,956 |
| Passenger cars, and contents (thousands) | 195,745 | 213,140 | 5,373,120 | 4,434,568 | 5,568,865 | 4,647,708 |
| Total freight and passenger (thousands) | 36,203,655 | 36,228,284 | 5,377,352 | 4,438,380 | 41,581,007 | 40,666,664 |
| **Train Hours** | | | | | | |
| Train hours in road service | 620,692 | 643,314 | 199,810 | 192,550 | 820,502 | 835,864 |
| **Revenue and Nonrevenue Freight Traffic** | | | | | | |
| Tons of revenue freight | | | | | 45,351,213 | 45,481,060 |
| Tons of nonrevenue freight | | | | | 1,470,325 | 1,485,994 |
| Total tons of freight | | | | | 46,821,538 | 46,967,054 |
| Net ton miles revenue freight (thousands) | | | | | 15,612,345 | 15,561,749 |
| Net ton miles nonrevenue freight (thousands) | | | | | 545,927 | 587,670 |
| Total net ton miles of freight (thousands) | 16,155,912 | 16,147,212 | 2,360 | 2,207 | 16,158,272 | 16,149,419 |
| **Revenue Passenger Traffic** | | | | | | |
| Passengers carried | | | | | 7,417,279 | 7,179,859 |
| Passenger miles | | | | | 797,041,956 | 670,030,469 |
| **Motor Vehicle Operations Excluded Above** | | | | | | |
| Net ton miles revenue freight (thousands) | | | | | 1,953 | 2,029 |
| Passengers carried | | | | | 6,370 | 6,709 |
| Passenger miles | | | | | 1,130,766 | 1,371,661 |

STATISTICS OF OPERATIONS—CONCLUDED

| ITEMS | 1956 | 1955 | 1954 | 1953 | 1952 | 1951 |
|---|---|---|---|---|---|---|
| FREIGHT TRAIN STATISTICS AND AVERAGES | | | | | | |
| Gross ton miles, trailing (thousands) | 36,203,655 | 36,228,284 | 33,951,476 | 36,730,763 | 37,980,712 | 38,801,906 |
| Eastbound | 19,734,331 | 19,787,705 | 18,518,625 | 19,663,555 | 20,120,294 | 20,553,344 |
| Westbound | 16,469,324 | 16,440,579 | 15,432,851 | 17,067,208 | 17,860,418 | 18,248,562 |
| Steam | 135 | 133,258 | 1,630,515 | 6,502,008 | 9,403,255 | 14,552,224 |
| Diesel-electric | 32,597,742 | 32,536,016 | 29,179,033 | 26,994,636 | 25,214,256 | 20,961,092 |
| Electric | 3,605,778 | 3,559,010 | 3,141,928 | 3,234,119 | 3,363,201 | 3,288,590 |
| Per cent steam | ........... | .4% | 4.8% | 17.7% | 24.8% | 37.5% |
| Per cent Diesel-electric | 90.0% | 89.8% | 85.9% | 73.5% | 66.4% | 54.0% |
| Per cent electric | 10.0% | 9.8% | 9.3% | 8.8% | 8.8% | 8.5% |
| Loaded freight cars per train | 44.6 | 43.4 | 42.2 | 42.1 | 39.4 | 38.7 |
| Empty freight cars per train | 24.7 | 23.5 | 24.6 | 23.1 | 22.0 | 19.9 |
| Total freight cars per train | 69.3 | 66.9 | 66.8 | 65.2 | 61.4 | 58.6 |
| Gross tons per train | 3,070 | 2,969 | 2,903 | 2,871 | 2,717 | 2,644 |
| Net tons per train | 1,370 | 1,323 | 1,269 | 1,276 | 1,219 | 1,218 |
| Net tons per loaded car | 30.7 | 30.5 | 30.1 | 30.3 | 31.0 | 31.5 |
| Miles per car per day (serviceable freight) | 38.7 | 37.7 | 34.9 | 36.3 | 37.4 | 36.3 |
| Net ton miles per freight car-day | 715 | 702 | 620 | 675 | 713 | 731 |
| Train speed (train miles per train hour) | 19.1 | 19.0 | 18.3 | 17.7 | 17.1 | 16.4 |
| Gross ton miles (trailing) per train hour | 58,328 | 56,315 | 53,014 | 50,439 | 46,186 | 43,015 |
| PASSENGER TRAIN STATISTICS AND AVERAGES | | | | | | |
| Passenger car miles (excluding motor) | 86,613,202 | 72,582,117 | 79,508,739 | 85,057,114 | 88,925,558 | 91,674,778 |
| Steam | 13,184 | 16,967 | 1,851,183 | 5,271,801 | 9,619,474 | 18,647,747 |
| Diesel-electric | 81,157,901 | 66,905,429 | 69,380,723 | 69,859,772 | 69,000,345 | 62,605,038 |
| Electric | 5,442,117 | 5,659,721 | 8,276,833 | 9,925,541 | 10,305,739 | 10,421,993 |
| Per cent steam | ........... | ........... | 2.3% | 6.2% | 10.8% | 20.3% |
| Per cent Diesel-electric | 93.7% | 92.2% | 87.3% | 82.1% | 77.6% | 68.3% |
| Per cent electric | 6.3% | 7.8% | 10.4% | 11.7% | 11.6% | 11.4% |
| Cars per train (excluding motor) | 9.84 | 8.91 | 8.83 | 9.31 | 9.43 | 9.31 |
| Revenue passengers per train | 89.4 | 81.2 | 75.6 | 79.8 | 85.2 | 84.4 |
| Revenue passengers per car | 16.8 | 17.5 | 16.2 | 16.6 | 17.0 | 17.0 |
| Train speed (train miles per train hour) | 44.7 | 42.9 | 41.5 | 41.0 | 40.2 | 39.3 |
| YARD SWITCHING STATISTICS | | | | | | |
| Yard switching hours | 1,251,620 | 1,274,248 | 1,278,517 | 1,415,895 | 1,541,310 | 1,596,488 |
| Steam | 7 | 11,279 | 113,008 | 260,762 | 365,274 | 615,944 |
| Diesel-electric | 1,235,025 | 1,246,748 | 1,149,502 | 1,139,343 | 1,157,667 | 961,876 |
| Electric | 16,588 | 16,221 | 16,007 | 15,790 | 18,369 | 18,668 |
| Per cent steam | ........... | .9% | 8.8% | 18.4% | 23.7% | 38.6% |
| Per cent Diesel-electric | 98.7% | 97.8% | 89.9% | 80.5% | 75.1% | 60.2% |
| Per cent electric | 1.3% | 1.3% | 1.3% | 1.1% | 1.2% | 1.2% |
| DENSITY STATISTICS | | | | | | |
| Per mile of road per day (freight service): | | | | | | |
| Train miles, ordinary | 3.0 | 3.1 | 3.0 | 3.3 | 3.6 | 3.8 |
| Net ton miles | 4,153 | 4,161 | 3,824 | 4,197 | 4,366 | 4,593 |
| Per mile of road per day (passenger service): | | | | | | |
| Train miles | 5.3 | 4.8 | 5.1 | 5.0 | 4.9 | 4.7 |
| Car miles | 51.7 | 42.5 | 44.9 | 45.8 | 44.7 | 42.0 |

REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1956 AND 1955

| Commodities | 1956 | | 1955 | | Increase + or Decrease − | | |
|---|---|---|---|---|---|---|---|
| | Tons Carried | Percent of Total | Tons Carried | Percent of Total | | Tons | Percent |
| **Products of Agriculture:** | | | | | | | |
| Wheat | 1,732,882 | 3.8 | 1,786,188 | 3.9 | − | 53,306 | 3.0 |
| Corn | 1,157,066 | 2.6 | 1,605,649 | 3.5 | − | 448,583 | 27.9 |
| Barley and rye | 864,942 | 1.9 | 813,018 | 1.8 | + | 51,924 | 6.4 |
| Oats | 244,674 | .5 | 382,133 | .8 | − | 137,459 | 36.0 |
| Flour, meal and mill products | 1,197,272 | 2.6 | 1,238,777 | 2.7 | − | 41,505 | 3.4 |
| Citrus fruits | 58,032 | .1 | 62,589 | .2 | − | 4,557 | 7.3 |
| Other fruits, fresh and frozen | 139,515 | .3 | 129,262 | .3 | + | 10,253 | 7.9 |
| Potatoes, other than sweet | 314,324 | .7 | 290,898 | .7 | + | 23,426 | 8.1 |
| Other vegetables, fresh and frozen | 138,830 | .3 | 120,754 | .3 | + | 18,076 | 15.0 |
| Sugar beets | 127,177 | .3 | 131,525 | .3 | − | 4,348 | 3.3 |
| Other products of agriculture | 1,569,537 | 3.5 | 1,690,457 | 3.7 | − | 120,920 | 7.2 |
| Total | 7,544,251 | 16.6 | 8,251,250 | 18.2 | − | 706,999 | 8.6 |
| **Animals and Products:** | | | | | | | |
| Cattle, calves, sheep and goats | 295,025 | .7 | 299,287 | .6 | − | 4,262 | 1.4 |
| Swine | 65,543 | .2 | 90,425 | .2 | − | 24,882 | 27.5 |
| Fresh meats | 510,294 | 1.1 | 529,896 | 1.1 | − | 19,602 | 3.7 |
| Poultry, eggs, butter and cheese | 147,144 | .3 | 168,082 | .4 | − | 20,938 | 12.5 |
| Wool, hides and leather | 165,712 | .4 | 162,645 | .4 | + | 3,067 | 1.9 |
| Other animals and products | 288,146 | .6 | 312,571 | .7 | − | 24,425 | 7.8 |
| Total | 1,471,864 | 3.3 | 1,562,906 | 3.4 | − | 91,042 | 5.8 |
| **Products of Mines:** | | | | | | | |
| Bituminous coal | 6,857,663 | 15.1 | 6,568,055 | 14.4 | + | 289,608 | 4.4 |
| Coke | 369,585 | .8 | 423,142 | .9 | − | 53,557 | 12.7 |
| Ores and concentrates | 417,429 | .9 | 293,053 | .7 | + | 124,376 | 42.4 |
| Gravel and sand | 1,919,418 | 4.3 | 1,859,116 | 4.1 | + | 60,302 | 3.2 |
| Stone, broken, ground or crushed | 963,494 | 2.1 | 814,437 | 1.8 | + | 149,057 | 18.3 |
| Stone, rough and finished | 99,056 | .2 | 110,619 | .2 | − | 11,563 | 10.5 |
| Asphalt | 282,230 | .6 | 301,417 | .7 | − | 19,187 | 6.4 |
| Salt | 188,636 | .4 | 188,345 | .4 | + | 291 | .2 |
| Other products of mines | 1,166,381 | 2.6 | 1,077,443 | 2.4 | + | 88,938 | 8.3 |
| Total | 12,263,892 | 27.0 | 11,635,627 | 25.6 | + | 628,265 | 5.4 |
| **Products of Forests:** | | | | | | | |
| Logs, posts, poles and cordwood | 2,671,580 | 5.8 | 2,858,932 | 6.3 | − | 187,352 | 6.6 |
| Pulpwood | 1,044,766 | 2.3 | 878,540 | 1.9 | + | 166,226 | 18.9 |
| Lumber and mill products | 2,338,078 | 5.2 | 2,423,654 | 5.3 | − | 85,576 | 3.5 |
| Veneer and built-up wood | 410,623 | .9 | 430,753 | 1.0 | − | 20,130 | 4.7 |
| Other products of forests | 306,252 | .7 | 244,333 | .5 | + | 61,919 | 25.3 |
| Total | 6,771,299 | 14.9 | 6,836,212 | 15.0 | − | 64,913 | .9 |
| **Manufacturers and Miscellaneous:** | | | | | | | |
| Refined petroleum and products | 1,384,967 | 3.0 | 1,419,776 | 3.1 | − | 34,809 | 2.5 |
| Sugar, table syrups and molasses | 270,679 | .6 | 284,549 | .6 | − | 13,870 | 4.9 |
| Iron and steel products | 2,646,207 | 5.8 | 2,548,699 | 5.6 | + | 97,508 | 3.8 |
| Machinery and boilers | 315,953 | .7 | 271,415 | .6 | + | 44,538 | 16.4 |
| Cement | 1,195,770 | 2.6 | 1,125,587 | 2.5 | + | 70,183 | 6.2 |
| Brick, building tile and artificial stone | 253,274 | .6 | 287,050 | .6 | − | 33,776 | 11.8 |
| Lime and plaster | 130,159 | .3 | 126,774 | .3 | + | 3,385 | 2.7 |
| Agricultural implements, tractors and parts | 213,557 | .5 | 261,814 | .6 | − | 48,257 | 18.4 |
| Autos, trucks, parts and tires | 583,865 | 1.3 | 761,931 | 1.7 | − | 178,066 | 23.4 |
| Beverages | 955,894 | 2.1 | 896,716 | 2.0 | + | 59,178 | 6.6 |
| Ice | 39,998 | .1 | 42,399 | .1 | − | 2,401 | 5.7 |
| Fertilizers | 390,039 | .9 | 419,128 | .9 | − | 29,089 | 6.9 |
| Paper and paper products | 1,223,492 | 2.7 | 1,145,187 | 2.5 | + | 78,305 | 6.8 |
| Canned food products | 914,308 | 2.0 | 865,903 | 1.9 | + | 48,405 | 5.6 |
| Scrap iron and scrap steel | 890,698 | 2.0 | 827,516 | 1.8 | + | 63,182 | 7.6 |
| Building paper, roofing and woodwork | 445,897 | 1.0 | 472,916 | 1.0 | − | 27,019 | 5.7 |
| Other manufactures and miscellaneous | 5,186,210 | 11.4 | 5,160,636 | 11.4 | + | 25,574 | .5 |
| Total | 17,040,967 | 37.6 | 16,917,996 | 37.2 | + | 122,971 | .7 |
| Grand Total Carload Traffic | 45,092,273 | 99.4 | 45,203,991 | 99.4 | − | 111,718 | .2 |
| All L.C.L. Freight | 258,940 | .6 | 277,069 | .6 | − | 18,129 | 6.5 |
| Grand Total, Carload and L.C.L. Traffic | 45,351,213 | 100.0 | 45,481,060 | 100.0 | − | 129,847 | .3 |

NUMBER OF EMPLOYEES AND COMPENSATION

| 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 |
| 1953 | 31,138 | 138,117,562 | 4,436 | 145,500 | 138,263,062 | 131,304,863 | 6,958,199 |
| 1954 | 27,961 | 126,272,397 | 4,516 | 143,400 | 126,415,797 | 120,564,532 | 5,851,265 |
| 1955 | 27,936 | 126,447,937 | 4,526 | 139,330 | 126,587,267 | 120,732,130 | 5,855,137 |
| 1956 | 27,408 | 134,534,522 | 4,909 | 123,452 | 134,657,974 | 126,936,601 | 7,721,373 |

NUMBER OF EMPLOYEES AND COMPENSATION BY STATES 1956

| 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 | 7,134 | $ 35,749,055 | $5,011 | $ 24,519 | $ 35,773,574 |
| Iowa | 2,818 | 13,457,445 | 4,776 | 12,426 | 13,469,871 |
| Wisconsin | 7,344 | 34,211,812 | 4,658 | 32,645 | 34,244,457 |
| Minnesota | 3,613 | 17,956,908 | 4,970 | 10,978 | 17,967,886 |
| Michigan | 169 | 886,520 | 5,246 | 602 | 887,122 |
| Missouri | 442 | 2,093,521 | 4,736 | 8,910 | 2,102,431 |
| Indiana | 347 | 1,940,236 | 5,591 | 7,590 | 1,947,826 |
| South Dakota | 1,263 | 5,933,388 | 4,698 | 3,923 | 5,937,311 |
| North Dakota | 143 | 619,770 | 4,334 | 2,508 | 622,278 |
| Montana | 1,766 | 9,199,417 | 5,209 | 19,064 | 9,218,481 |
| Idaho | 169 | 763,052 | 4,515 | 0 | 763,052 |
| Washington | 2,034 | 10,742,446 | 5,281 | 287 | 10,742,733 |
| All other | 166 | 980,952 | 5,909 | 0 | 980,952 |
| Total | 27,408 | $134,534,522 | $4,909 | $123,452 | $134,657,974 |

## EQUIPMENT OWNED

| | Jan. 1, 1956 Number | Added (New) | Retired | All Other Including Reclassifications | December 31, 1956 | |
|---|---|---|---|---|---|---|
| | | | | | Number | Capacity |
| **Locomotives** | | | | | | Tractive Pwr. (Pounds) |
| Diesel-Electric (Units): | | | | | | |
| Freight | 200 | | | + 12 | 212 | 12,712,757 |
| Passenger | 82 | 18 | | − 12 | 88 | 5,220,598 |
| Multiple purpose | 195 | 26 | | | 221 | 13,662,315 |
| Switching | 286 | | | | 286 | 16,967,617 |
| Electric (Units): | | | | | | |
| Freight | 83 | | | | 83 | 5,172,875 |
| Passenger | 14 | | | | 14 | 1,322,972 |
| Switching | 3 | | | | 3 | 123,000 |
| Steam: | | | | | | |
| Freight | 8 | | 8 | + 1 | 1 | 36,568 |
| Passenger | | | | | | |
| Switching | | | | | | |
| Total | 871 | 44 | 8 | + 1 | 908 | 55,218,702 |
| **Freight Cars** | | | | | | Tons |
| Box | 29,095 | 51 | 811 | + 26 | 28,361 | 1,314,488 |
| Gondola | 9,964 | | 445 | + 50 | 9,569 | 536,990 |
| Hopper | 4,644 | 100 | 122 | | 4,622 | 263,880 |
| Ballast | 975 | | 105 | | 870 | 60,900 |
| Ore | 794 | | | | 794 | 55,580 |
| Stock | 3,368 | | 13 | | 3,355 | 134,190 |
| Flat | 5,144 | | 444 | − 50 | 4,650 | 227,024 |
| Refrigerator | 594 | 50 | 1 | | 643 | 28,710 |
| Tank | 38 | | 5 | | 33 | 1,650 |
| Caboose | 583 | 110 | 138 | | 555 | |
| Total | 55,199 | 311 | 2,084 | + 26 | 53,452 | 2,623,412 |
| **Passenger Cars** | | | | | | Passengers |
| Coaches | 328 | | 21 | + 13 | 320 | 23,514 |
| Sleepers | 67 | | | − 7 | 60 | 1,437 |
| Parlor | 19 | | | − 5 | 14 | 530 |
| Parlor cafe | 8 | | | − 2 | 6 | 240 |
| Dining | 33 | | | | 33 | 1,568 |
| Tap, lounge & observation | 12 | | | | 12 | 1,064 |
| Baggage, express and mail | 417 | | 39 | | 378 | |
| Passenger and baggage | 41 | | 17 | + 1 | 25 | 720 |
| Passenger, mail and baggage | 10 | | 2 | | 8 | 196 |
| Rail motor cars | 2 | | | | 2 | |
| Total | 937 | | 79 | | 858 | 29,269 |
| **Company Service Equipment** | | | | | | |
| Business cars | 14 | | 3 | | 11 | |
| Ballast and dump cars | 80 | | 1 | | 79 | |
| Derrick cars | 18 | | | | 18 | |
| Boarding outfit cars | 308 | | 122 | + 3 | 189 | |
| Snow removing cars | 185 | | 38 | + 25 | 172 | |
| Other company service equipment | 2,040 | | 449 | +248 | 1,839 | |
| Total | 2,645 | | 613 | +276 | 2,308 | |
| **Floating Equipment** | | | | | | |
| Car floats | 4 | | | | 4 | |
| **Highway Vehicles** | | | | | | |
| Passenger automobiles | 234 | 24 | 32 | | 226 | |
| Trucks | 304 | 50 | 35 | | 319 | |
| Other | 75 | 7 | 3 | | 79 | |
| Total | 613 | 81 | 70 | | 624 | |

| | Ledger Value | | Increase or Decrease |
|---|---|---|---|
| | December 31, 1956 | December 31, 1955 | |
| Locomotives | $121,701,513 | $114,506,286 | Inc. $7,195,227 |
| Freight cars | 147,753,785 | 146,308,279 | Inc. 1,445,506 |
| Passenger cars | 32,272,413 | 33,009,349 | Dec. 736,936 |
| Work equipment | 6,453,912 | 6,252,731 | Inc. 201,181 |
| Floating equipment | 278,731 | 278,731 | |
| Miscellaneous equipment | 1,470,091 | 1,332,676 | Inc. 137,415 |
| Total | $309,930,445 | $301,688,052 | Inc. $8,242,393 |

## MILWAUKEE LAND COMPANY INCOME ACCOUNT

| Income | 1956 | 1955 | Increase | Decrease |
|---|---|---|---|---|
| **Townsite Division** | | | | |
| Sales: | | | | |
| Real estate | $ 381,805 | $ 61,120 | $320,685 | ............ |
| Cost of real estate sold | (207,401) | (47,331) | (160,070) | ............ |
| Gross Profit from Sales | 174,404 | 13,789 | 160,615 | ............ |
| Other Income | | | | |
| Rents | 26,001 | 12,927 | 13,074 | ............ |
| Interest | 46,840 | 22,660 | 24,180 | ............ |
| All other | 692 | 590 | 102 | ............ |
| Total Other Income | 73,533 | 36,177 | 37,356 | ............ |
| Total Income—Townsite Division | 247,937 | 49,966 | 197,971 | ............ |
| **Timber Division** | | | | |
| Sales: | | | | |
| Timber land and timber | 1,705,101 | 1,722,825 | ............ | 17,724 |
| Cost of land and timber sold | (67,144) | (86,628) | ............ | $ (19,484) |
| Gross Profit From Sales | 1,637,957 | 1,636,197 | 1,760 | ............ |
| Other Income | | | | |
| Rents and royalties | 7,150 | 11,021 | ............ | 3,871 |
| Interest | 58,866 | 55,444 | 3,422 | ............ |
| Total Other Income | 66,016 | 66,465 | ............ | 449 |
| Total Income—Timber Division | 1,703,973 | 1,702,662 | 1,311 | ............ |
| Total Income—Townsite and Timber Divisions | 1,951,910 | 1,752,628 | 199,282 | ............ |
| **Expenses** | | | | |
| **Townsite Division** | | | | |
| Salaries and office expenses | 5,949 | 6,829 | ............ | 880 |
| Taxes | 13,970 | 10,859 | 3,111 | ............ |
| Interest | 64,044 | 64,044 | ............ | ............ |
| All other | 3,989 | 1,109 | 2,880 | ............ |
| Total Expenses—Townsite Division | 87,952 | 82,841 | 5,111 | ............ |
| **Timber Division** | | | | |
| Salaries and office expenses | 48,229 | 43,232 | 4,997 | ............ |
| Real estate expense | 77,414 | 48,860 | 28,554 | ............ |
| Timber cutting contracts expense | 38,876 | 35,457 | 3,419 | ............ |
| Fire protection | 19,341 | 20,191 | ............ | 850 |
| Taxes | 432,249 | 388,755 | 43,494 | ............ |
| Interest | 95,076 | 95,076 | ............ | ............ |
| All other | 5,670 | 14,261 | ............ | 8,591 |
| Total Expenses—Timber Division | 716,855 | 645,832 | 71,023 | ............ |
| Total Expenses—Townsite and Timber Divisions | 804,807 | 728,673 | 76,134 | ............ |
| Net Income | $1,147,103 | $1,023,955 | $123,148 | ............ |

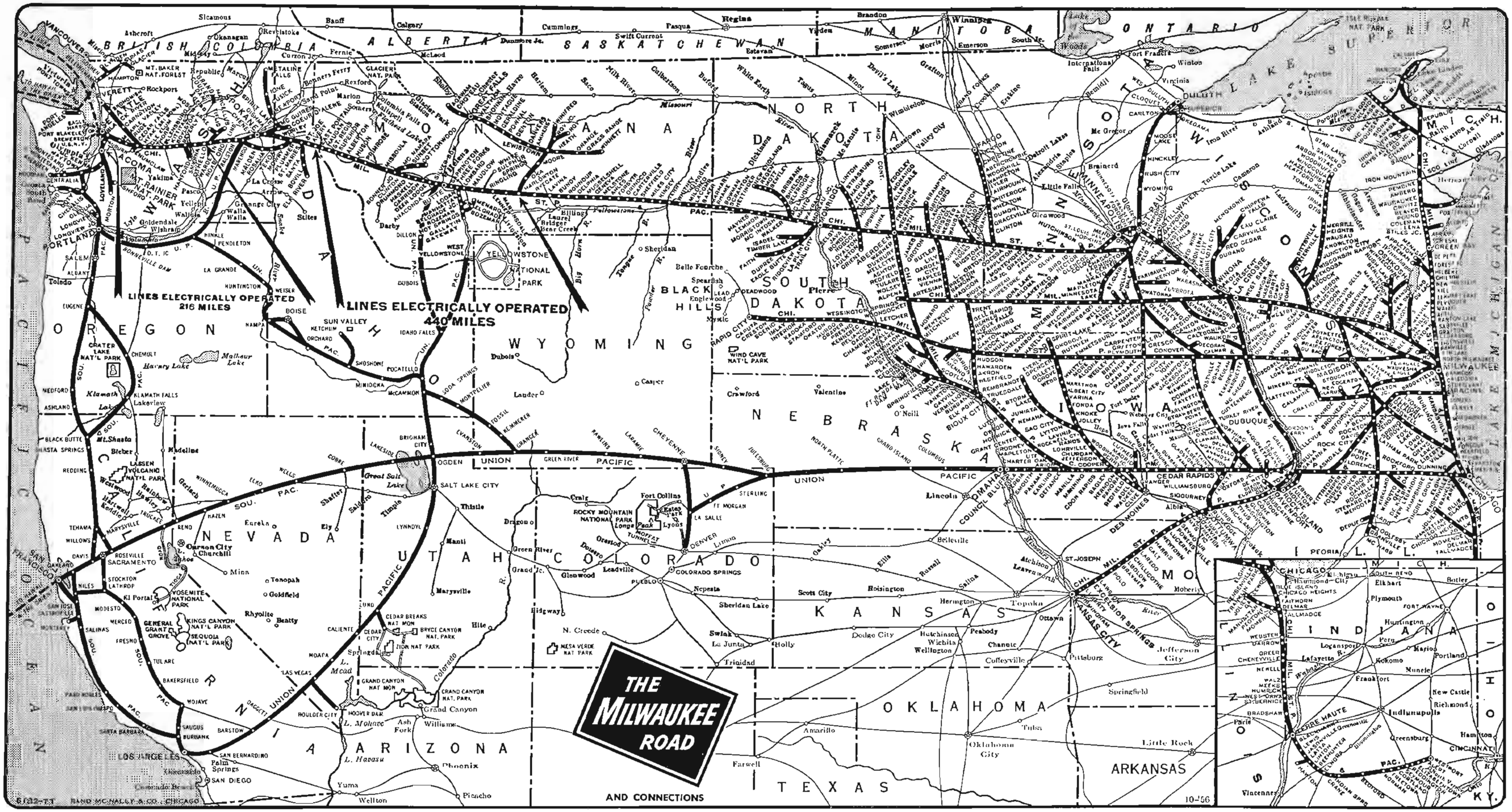
## MILWAUKEE LAND COMPANY STATEMENT OF RETAINED INCOME

| | 1956 | 1955 | Increase | Decrease |
|---|---|---|---|---|
| Balance at January 1 | $1,877,171 | $1,649,338 | $227,833 | ............ |
| Additions: | | | | |
| Net income for the year | 1,147,103 | 1,023,955 | 123,148 | ............ |
| Miscellaneous credits | ............ | 243,118 | ............ | $243,118 |
| | 3,024,274 | 2,916,411 | 107,863 | ............ |
| Deductions: | | | | |
| Dividends paid | 1,000,000 | 1,000,000 | ............ | ............ |
| Miscellaneous debits | ............ | 39,240 | ............ | 39,240 |
| | 1,000,000 | 1,039,240 | ............ | 39,240 |
| Balance at December 31 | $2,024,274 | $1,877,171 | $147,103 | ............ |

( ) Denotes reverse items.

## MILWAUKEE LAND COMPANY—BALANCE SHEET

| | December 31, 1956 | December 31, 1955 | Change During Year |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash | $ 654,264 | $ 760,651 | − $106,387 |
| United States Government securities | ............... | 544,000 | − 544,000 |
| Accounts receivable | 52,702 | 57,888 | − 5,186 |
| Notes and purchase contracts | 1,182,663 | 839,332 | + 343,331 |
| Interest receivable | 73,921 | 46,592 | + 27,329 |
| Total Current Assets | 1,963,550 | 2,248,463 | − 284,913 |
| **Investments** | | | |
| Capital stocks | 1,725 | 1,725 | ............... |
| C. M. St. P. & P. R. R. Co. mortgage bonds | 1,159,454 | 700,917 | + 458,537 |
| Other investments | ............... | 5,000 | − 5,000 |
| Total Investments | 1,161,179 | 707,642 | + 453,537 |
| **Other Assets** | | | |
| Timber sale contracts | 262,500 | 200,000 | + 62,500 |
| Other assets | 1 | 1 | ............... |
| Total Other Assets | 262,501 | 200,001 | + 62,500 |
| **Properties** | | | |
| Timber land and timber | 1,686,851 | 1,669,907 | + 16,944 |
| Real estate | 881,831 | 933,876 | − 52,045 |
| Automobiles less accrued depreciation | 7,540 | 6,383 | + 1,157 |
| Furniture and fixtures less accrued depreciation | 1,280 | 637 | + 643 |
| Total Properties | 2,577,502 | 2,610,803 | − 33,301 |
| | $5,964,732 | $5,766,909 | + $197,823 |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Accounts payable | $ 29,355 | $ 11,718 | + $ 17,637 |
| Interest payable | 92,820 | 92,820 | ............... |
| Taxes (other than federal taxes on income) | 81,276 | 69,592 | + 11,684 |
| Federal taxes on income | 329,000 | 293,200 | + 35,800 |
| Total Current Liabilities | 532,451 | 467,330 | + 65,121 |
| **Other Liabilities** | | | |
| Note payable—C. M. St. P. & P. R. R. Co | 2,652,000 | 2,652,000 | ............... |
| Advances on coal leases and cutting contracts | 251,953 | 223,083 | + 28,870 |
| Other liabilities | 4,054 | 47,325 | − 43,271 |
| Total Other Liabilities | 2,908,007 | 2,922,408 | − 14,401 |
| **Stockholders' Equity** | | | |
| Capital stock: | | | |
| Common stock—par value $100 per share: | | | |
| Authorized—5,000 shares | | | |
| Issued and outstanding—5,000 shares | 500,000 | 500,000 | ............... |
| Retained income | 2,024,274 | 1,877,171 | + 147,103 |
| Total Stockholders' Equity | 2,524,274 | 2,377,171 | + 147,103 |
| | $5,964,732 | $5,766,909 | + $197,823 |




CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

THE MILWAUKEE ROAD

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