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1939
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1939

TWELFTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY

Henry A. Scandrett, Walter J. Cummings, George I. Haight, Trustees

FOR THE

YEAR ENDED DECEMBER 31, 1939

1939

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FOR THE

YEAR ENDED DECEMBER 31, 1939

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT, as stated in the report for the year 1935, were appointed Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, by order entered October 17, 1935, amended November 29, 1935, effective on the first day of the month next succeeding the date of ratification of their appointment by the Interstate Commerce Commission. Their appointment was ratified by the Interstate Commerce Commission on December 28, 1935, and the Trustees took title to and control of the property on January 1, 1936.

OFFICERS FOR THE TRUSTEES

J. T. GILLICK	Chief Operating Officer	CHICAGO
E. B. FINEGAN	Chief Traffic Officer	CHICAGO
A. N. WHITLOCK	Counsel for Trustees	CHICAGO
C. S. JEFFERSON	General Solicitor	CHICAGO
D. C. CURTIS	Chief Purchasing Officer	CHICAGO
H. B. EARLING	Western Representative	SEATTLE
R. J. MARONY	New York Fiscal Representative	NEW YORK
J. W. SEVERS	Assistant to Trustee	CHICAGO
F. H. JOHNSON	Public Relations Officer	CHICAGO
T. W. BURTNESSE	Secretary	CHICAGO
W. V. WILSON	Comptroller	CHICAGO
J. DICKIE	Treasurer	CHICAGO
R. P. ROCKEFELLER	Assistant Treasurer	CHICAGO
S. GREENGARD	Assistant Treasurer	SEATTLE
INA C. TREWIN	Assistant Secretary	CHICAGO
J. WELCH	Ass't Secretary—Ass't Treasurer	NEW YORK
L. G. WEIFFENBACH	Ass't Secretary—Ass't Treasurer	NEW YORK
O. N. HARSTAD	General Manager—Lines East	CHICAGO
N. A. RYAN	General Manager—Lines West	SEATTLE
W. H. PENFIELD	Chief Engineer	CHICAGO

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DIRECTORS

TERM EXPIRES MAY 14, 1940

LOUIS M. ATHERTON	BOSTON
MORTIMER N. BUCKNER	NEW YORK
HARRY E. BYRAM	NEW YORK
HOWLAND S. DAVIS	NEW YORK
#FAIRMAN R. DICK	NEW YORK
JOSHUA GREEN	NEW YORK
LAWRENCE HOWE	SEATTLE
ROBERT J. MARONY	CHICAGO
HARVEY C. ORTON	NEW YORK
WILLIAM C. OSBORN	CHICAGO
EDWARD A. PIERCE	NEW YORK
PHILIP J. ROOSEVELT	NEW YORK
ROBERT T. SWAINE	NEW YORK

EXECUTIVE COMMITTEE

HARRY E. BYRAM	ROBERT J. MARONY
HOWLAND S. DAVIS	WILLIAM C. OSBORN
#FAIRMAN R. DICK	ROBERT T. SWAINE

GENERAL OFFICERS OF THE CORPORATION

H. E. BYRAM	Chairman of the Board	NEW YORK
J. T. GILLICK	Vice President	CHICAGO
H. B. EARLING	Vice President	SEATTLE
R. J. MARONY	Vice President	NEW YORK
C. S. JEFFERSON	General Solicitor	CHICAGO
H. H. FIELD	Special Counsel	CHICAGO
R. T. SWAINE F. H. WOOD D. C. SWATLAND }	Counsel for the Board of Directors	NEW YORK
W. V. WILSON	Comptroller	CHICAGO
J. DICKIE	Treasurer	CHICAGO
R. P. ROCKEFELLER	Assistant Treasurer	CHICAGO
S. GREENGARD	Assistant Treasurer	SEATTLE
T. W. BURTNESSE	Secretary	CHICAGO
INA C. TREWIN	Assistant Secretary	CHICAGO
J. WELCH	Asst. Secretary—Asst. Treasurer	NEW YORK
L. G. WEIFFENBACH	Asst. Secretary—Asst. Treasurer	NEW YORK
G. GRIFFIN	Transfer Agent	NEW YORK
W. H. PENFIELD	Chief Engineer	CHICAGO

#Resigned March 18, 1940.

THE
TWELFTH ANNUAL REPORT
 OF
**CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
 RAILROAD COMPANY**

Henry A. Scandrett, Walter J. Cummings, George I. Haight, Trustees

FOR THE YEAR ENDED DECEMBER 31, 1939

On April 12, 1939, the Interstate Commerce Commission heard oral arguments on the several proposed plans of reorganization, which have been referred to in annual reports for previous years. No further developments in the proceedings for reorganization of the Company occurred in 1939.

On February 12, 1940, the Interstate Commerce Commission approved a plan of reorganization for the Company, to be made effective as of January 1, 1939. The total capitalization of the present company, including Terre Haute bonds and taking the no-par value common stock at \$100 per share, as determined by the Commission, was \$744,760,713, and the annual charges on the principal of the total debt were \$23,739,279. Under the Commission's Plan the new capital structure and annual charges, subject to adjustment for changes in the present capital structure subsequent to December 31, 1938, will be substantially as follows:

	Principal Amount	Annual Charges
Total fixed interest debt.....	\$108,780,470	\$ 4,269,654
Payment to additions and better- ments fund, mandatory.....		2,500,000
Contingent interest debt.....	115,257,480	5,219,480
Sinking fund payments.....		543,394
5% preferred stock.....	108,675,971	\$12,532,528
Common stock of no-par value, shown at \$100 a share.....	215,819,400	5,433,798
Total.....	\$548,533,321	\$17,966,326

The Trustees regret that the Commission found the equity of the Company's preferred and common stockholders is of no value and that the stockholders are not entitled to participate in the plan.

The plan provides that the liens of the Terre Haute bonds will not be disturbed but will be modified, that the terms of the

bonds will be changed so as to bear fixed interest at the rate of 2.75% per annum and contingent interest in addition at the rate of 1.5% per annum; that the guaranty on the income bonds assumed by the debtor be declared null and void and that the lease to the Railroad Company shall be modified accordingly. If substantially all the Terre Haute bondholders do not accept the suggested modifications of the bonds and a revision of the present lease, the plan provides that the lease be terminated.

The provisions of the plan with respect to other securities of the Company, in general, are as follows:

Equipment obligations are to remain undisturbed, except that maturities of certain series will be extended, as is now being done under orders of the court.

Loans from Reconstruction Finance Corporation will be partly paid off from cash in the hands of the Trustee of the Company's First and Refunding Mortgage, and the remainder of the indebtedness is to be discharged by the issuance of new First Mortgage 4% bonds.

Holders of Milwaukee & Northern Railroad First Mortgage bonds will receive 70% in new First Mortgage bonds and 30% in Series "A" General Mortgage 4½% Income Bonds. Holders of Milwaukee & Northern Railroad Consolidated Mortgage Bonds and Chicago, Milwaukee & St. Paul Railway Company General Mortgage bonds will receive for principal and unpaid interest to December 31, 1938, 25% in new First Mortgage bonds, 35% in General Mortgage Income Bonds, Series "A", 20% in General Mortgage 4½% Series "B" Convertible Bonds, and 20% in Preferred Stock.

Holders of Fifty-Year Mortgage Bonds will receive for principal and unpaid interest to December 31, 1938, 15% in General Mortgage Series "B" Convertible Bonds, 60% in Preferred Stock, and 25% in new No-Par Common Stock.

Holders of Convertible Adjustment Mortgage Bonds will receive 9.78 shares of Common Stock for each \$1,000 bond, and holders of Chicago, Milwaukee and Gary Railway First Mortgage Bonds will receive 11.87 shares of Common Stock for each \$1,000 bond. Holders of unsecured claims will receive 0.7 share of Common Stock for each \$1,000 of claim.

INCOME for the year available for fixed charges amounted to \$9,455, 449, an increase as compared with the income for 1938 of \$3,353,583.

Fixed interest on funded debt and interest on unpaid matured funded debt amounted to \$13,407,685; as compared with \$13,575,280 for 1938.

Rents for lease of road and other fixed charges amounted to \$1,331,462, as compared with \$1,379,172 for 1938.

Deficit after fixed charges was \$5,283,698; as compared with \$8,852,585 for 1938.

RAILWAY OPERATING REVENUES were \$106,875,380, an increase over 1938 of \$7,438,534, or 7.5%.

OPERATING EXPENSES were \$85,511,814, an increase over 1938 of \$4,838,627, or 6.0%.

FREIGHT REVENUE amounted to \$88,622,160, an increase of \$6,403,103, or 7.8%.

With the exception of August, each month's freight revenues were above the corresponding month's revenues of 1938. Beginning with the month of September, and lasting through October, there was a sharp upturn in traffic, which was handled without congestion or delay, demonstrating the capacity and ability of the railroad to meet successfully the demands upon it.

Increases and decreases in 1939, as compared with 1938, in revenue and tonnage by general classes of commodities were as follows:

Class of Commodities	Revenue	Percent	Tonnage	Percent
	+Increase -Decrease	+Increase -Decrease	+Increase -Decrease	+Increase -Decrease
Products of	\$			
Agriculture...	- 951,893	- 6.13	- 365,855	- 5.94
Animals and				
Products.....	- 223,641	- 2.53	+ 12,315	+ .75
Products of				
Mines.....	+ 855,430	+ 6.43	+1,118,143	+10.84
Products of				
Forests.....	+2,328,542	+25.44	+ 699,152	+20.58
Manufactures &				
Miscellaneous	+4,255,152	+14.13	+1,453,573	+16.44
Less Carload...	+ 139,513	+ 2.64	- 10,233	- 1.72

The average revenue per ton of freight in 1939 was \$2.62, as compared with \$2.66 in 1938; the average distance haul in 1939, 273 miles, as compared with 274 miles in 1938, and the average revenue per ton mile in 1939 was 9.6 mills, as compared with 9.7 mills in 1938.

The decrease in revenue and tonnage from products of agriculture is due mainly to storage of corn and wheat subject to loans obtained by farmers from the Commodity Credit Corporation.

The principal decrease in revenue from animals and products, notwithstanding an increase in tonnage, is due to decreased proportions on interline shipments.

PASSENGER TRAIN REVENUE, which includes mail, express, sleeping car and other earnings on passenger trains, in addition to the revenue from passengers carried, in 1939, amounted to \$13,111,046, as compared with \$12,810,605 in 1938, an increase of \$300,441, or 2.35%.

Revenue from passenger traffic in 1939 was \$7,893,798, an increase, as compared with 1938, of \$95,968, or 1.2%.

On January 21, 1939, new daytime fast train service between Chicago and Minneapolis was inaugurated. The new service consists of two trains: one northbound and one southbound, named "Morning Hiawathas". The equipment of the new trains includes high-speed, streamline locomotives purchased in 1938 and new, modern steel passenger-train cars constructed in the Company's shops at Milwaukee. The schedule, including eighteen intermediate stops, is eight hours to Minneapolis; and from Minneapolis including eight intermediate stops, is six hours and fifty minutes. The trains have been very successful and the earnings substantial. No train mileage was added as these trains replaced slower trains.

Effective December 15, 1939, station to station round trip coach fares were reduced from 1.9 cents per mile to 1.8 cents per mile.

Excluding commutation passengers, the average miles per passenger carried in 1939 was 168, as compared with 165 in 1938; the average revenue per passenger in 1939 was \$3.125, as compared with \$3.104 in 1938, and the average revenue per passenger mile in 1939 was 1.86 cents, as compared with 1.88 cents in 1938.

OPERATING EXPENSES:

Maintenance of Way and Structures expenses were \$18,293,695, as compared with \$14,824,274 for 1938, an increase of \$3,469,421, or 23.4%. The principal causes for this increase are as follows: Rail was relaid on 189 miles of track, as compared with 48 miles in 1938; angle bars were renewed on 247 miles of track, as compared with 206 miles in 1938; 266 miles of track were reballasted, as compared with 131 miles in 1938; tie renewals were 41.7% greater in 1939 than in 1938.

Maintenance of Equipment expenses were \$19,816,655, as compared with \$19,131,875 for 1938, an increase of \$684,780, or 3.6%.

Traffic expenses were \$2,739,990, as compared with \$2,762,213 for 1938, a decrease of \$22,223, or 0.8%.

Transportation expenses were \$40,267,212, as compared with \$39,623,468 for 1938, an increase of \$643,744, or 1.6%.

Miscellaneous Operations, which include dining and buffet service, accounted for \$945,121, as compared with \$908,809 in 1938, an increase of \$36,312, or 4.0%.

General expenses were \$3,800,744, as compared with \$3,721,030 for 1938, an increase of \$79,714, or 2.1%.

RAILWAY TAX ACCRUALS in 1939 amounted to \$8,297,000, as compared with \$8,705,000 in 1938, a decrease of \$408,000, or 4.7%. This decrease represents the net of \$111,928, or 3.7% increase in payroll taxes, and \$519,928, or 9.1% decrease in all other taxes.

EQUIPMENT RENTS for 1939 were \$2,438,838, as compared with \$2,317,945 for 1938, an increase of \$120,893, or 5.2%. Rent for private cars for 1939 was \$2,876,236, against \$2,802,658 for 1938, an increase of \$73,578, or 2.6%. Other equipment rents net resulted in a credit for 1939 of \$437,398, as compared with a credit in 1938 of \$484,713, a decrease of \$47,315, or 9.8%.

FINANCE: In the annual report to the stockholders for the year 1934 explanation was made of the litigation regarding operating taxes in the State of Washington for the years 1926 to 1932, inclusive, the Company claiming that the valuations upon which the taxes were based were excessive. As a result of the litigation, reassessments acceptable to the Company were made and agreements entered into with the various interested counties to pay \$2,157,020 in twenty equal semi-annual installments with interest at the rate of 6% per annum on the unpaid balance. The remaining unpaid principal installments, as of February 28, 1939, amounted to \$1,184,858.54 which, under the terms of the agreements could be paid in full at any time with interest up to the date of payment. On March 1, 1939, a bank loan of \$1,184,000, with interest at the rate of 2% per annum, was obtained, and the balance of the unpaid installments of taxes was paid in full. The loan is secured by the Trustees' promissory note, dated March 1, 1939, payable in eight quarterly installments of \$148,000 each. This transaction will result in a saving in interest charges of \$168,862.

As of April 1, 1939, Equipment Trust Certificates, Series T, were issued in the principal amount of \$1,920,000 and sold May 12, 1939, at 100.50% of par. They bear interest at the rate of 3% per annum from April 1, 1939, payable semi-annually on April 1 and October 1, and mature in fifteen equal installments of \$128,000 on April 1 in each of the years 1940 to 1954, inclusive.

The proceeds of these certificates were applied to the cost of construction in the shops at Milwaukee by the Trustees, as Builders, of 1105-50-Ton 40' 6" all-steel, wood-lined, box cars, and 75 all-steel, wood-lined cabooses, all of which are now in service.

On December 15, 1939, \$508,000, principal amount, of Equipment Trust Certificates, Series U, in temporary form were sold to the Reconstruction Finance Corporation, which contracted for the purchase of the entire authorized issue of \$5,080,000 at par, plus accrued dividends. These certificates, when issued in definitive form, will bear interest at the rate of 2½% per annum from December 1, 1939, payable semi-annually on June 1 and December 1, and will mature in ten equal annual installments of \$508,000 each on December 1 in each of the years 1940 to 1949, inclusive.

Part of the proceeds of these certificates will be applied to the purchase of ten high-speed 4-8-4 steam freight locomotives, 70,000 lbs. tractive effort, and the balance will be used for construction in the shops at Milwaukee by the Trustees, as Builders, of 2000-50-ton all-steel, wood-lined, box cars.

As a result of investigations to provide more efficient and economical switching operations at Milwaukee, Wisconsin, and at Cedar Rapids and Sioux City, Iowa, the Trustees entered into Conditional Sale Agreements for the purchase of seven Diesel switching locomotives at a cost of \$481,388. These agreements provide for equal monthly payments of \$5,646.48 to extinguish the purchase cost and 3% interest thereon, in ninety-six consecutive months. The initial estimates of savings in acquiring these locomotives were substantially more than the monthly payments within the purchase period. Actual savings recorded since their acquisition indicate that the savings will exceed those estimated.

AGRICULTURAL AND COLONIZATION DEPARTMENT: To increase agricultural tonnage, water conservation and irrigation development, projects recommended for construction by Federal and State agencies have been promoted and advanced in all our northwestern states. During 1939 particular attention was given to the following localities and projects: In South Dakota, Rapid Valley-Pactola Project approved for early construction will assure water for 12,000 acres. In Montana, the Upper Musselshell Project near Harlowton has been completed and water for 30,000 acres will be available in 1940. Buffalo Rapids Project No. 2 adjacent to Terry has been approved with allotment for construction and when completed will result in irrigation of 10,000 acres. In Washington, the proposed irrigation development of the Columbia Basin, which promises great benefit to our railroad, required consideration and action on many problems and received effective aid by this Department in the organization of irrigation districts.

Co-operation was given the U. S. Bureau of Reclamation in planning and furthering development and settlement of 213 farms on the Sun River Project near Great Falls, Montana.

During the year work was successfully carried on resulting in increased acreages of soy beans, malting barley, flax, table stock and seed potatoes, green and seed peas, alfalfa, crested wheat and other grasses and vegetables for fresh and canning markets; also to obtain maximum distribution of western range grown livestock to "on line" middle-western and eastern feeder markets.

OPERATED MILEAGE AT CLOSE OF YEAR:

	1939	1938	Increase + Decrease - 1939 under 1938
Miles of Road.....	10,889.66	10,941.94	- 52.28
Miles of Additional Main Tracks.....	1,208.08	1,208.44	- .36
Miles of Yard Tracks and Sidings.....	4,131.81	4,166.08	- 34.27
	<u>16,229.55</u>	<u>16,316.46</u>	<u>- 86.91</u>

INCOME

The following is a condensed income account for the year 1939 as compared with 1938.

CONDENSED INCOME ACCOUNT
YEAR ENDED DECEMBER 31, 1939

	YEAR 1939	COMPARISON WITH 1938 + Increase - Decrease
RAILWAY OPERATING INCOME:		
Railway operating revenues.....	\$106,875,380.50	\$+ 7,438,534.66
Railway operating expenses.....	85,511,814.22	+ 4,838,627.76
Net revenue from railway operations.....	\$ 21,363,566.28	\$+ 2,599,906.90
Railway tax accruals:		
Unemployment Insurance and Railroad Retirement Acts—Taxes.....	3,129,946.31	+ 111,928.55
Other Taxes.....	5,167,053.69	+ 519,928.55
Total.....	\$ 8,297,000.00	\$- 408,000.00
Railway operating income.....	\$ 13,066,566.28	\$+ 3,007,906.90
Equipment rents—Debit balance.....	2,438,838.23	+ 120,893.34
Joint facility rents—Debit balance.....	2,503,533.65	+ 37,358.06
Net railway operating income.....	\$ 8,124,194.40	\$+ 2,849,655.50
NON-OPERATING INCOME:		
Rents from lease of road and equipment.....	\$ 231,810.07	\$+ 198,865.57
Rents received—Other (net after expenses).....	581,024.90	+ 31,437.59
Dividends on stocks.....	434,783.46	+ 278,371.46
Income from funded securities:		
Interest on bonds, notes and certificates.....	90,351.63	- 234.47
Interest on advances to affiliated companies.....	17,440.91	- 753.86
Income from unfunded securities and accounts.....	62,412.63	+ 29,920.07
Income from sinking and other reserve funds.....		- 35,000.00
Release of premiums on funded debt.....	12,082.95	+ 514.01
Miscellaneous income.....	1,993.49	+ 996.23
Total.....	\$ 1,431,900.04	\$+ 503,088.58
Net railway and non-operating income.....	\$ 9,556,094.44	\$+ 3,352,744.08
DEDUCTIONS:		
Rents paid—Other.....	\$ 26,805.02	\$- 881.25
Miscellaneous tax accruals.....	29,134.41	- 4,014.40
Miscellaneous income charges.....	44,705.72	+ 4,056.50
Total.....	\$ 100,645.15	\$- 839.15
Income available for fixed charges.....	\$ 9,455,449.29	\$+ 3,353,583.23
FIXED CHARGES:		
Rent for leased roads and equipment.....	\$ 1,110,854.00	\$- 1,198.68
Interest on funded debt—Fixed interest.....	12,593,954.50	- 321,071.35
*Interest on unfunded debt.....	1,008,880.36	+ 108,398.38
Amortization of discount on funded debt.....	25,458.41	- 1,432.26
Total fixed charges.....	\$ 14,739,147.27	\$- 215,303.91
Net income before deduction for interest on Convertible Adjustment Mortgage Bonds [deficit].....	\$ 5,283,697.98	\$- 3,568,887.14
Contingent charges:		
Interest on Convertible Adjustment Mortgage Bonds (5% accrued).....	9,143,684.65	
Net income [deficit].....	\$ 14,427,382.63	\$- 3,568,887.14
Debit balance transferred to Profit and Loss.....	\$ 14,427,382.63	\$- 3,568,887.14

*Includes \$813,731.00 interest accrued on matured funded debt, see page 32.

CAPITAL STOCK

On December 31, 1938, the share capital of the Company consisted of 1,193,073 shares of Preferred Stock, par value \$100.00 per share, and 1,174,060 shares of Common Stock, without par value.

There has been no change during the year.

The Capital Stock outstanding as of December 31, 1939, was as follows:

Preferred Stock 1,193,073 Shares.....	\$119,307,300.00
Common Stock 1,174,060 Shares.....(No par value)	

FUNDED DEBT, MATURED AND UNMATURED AND TRUSTEES' SECURITIES

Funded Debt and Trustees' Securities outstanding in the hands of the public as of December 31, 1939, amounted to \$478,076,175.86, as compared with \$479,188,891.44 outstanding as of December 31, 1938, or a decrease of \$1,112,715.58. This difference is explained as follows:

INCREASE:

Equipment Trust Certificates Series T, issued to acquire 1105—50 ton box cars and 75 cabooses..	\$1,920,000.00
Equipment Trust Certificates Series U principal amount authorized \$5,080,000, to acquire 10 steam freight locomotives and 2000—50 ton box cars. Issued in 1939.....	508,000.00
Conditional Sale Agreements for purchase of 7 Diesel switching locomotives assigned to First National Bank of Chicago, Illinois:	
American Locomotive Company Agreement dated April 1, 1939, for purchase of two 600 horse power Diesel switching locomotives..	124,700.00
Electro-Motive Corporation Agreement dated April 1, 1939 for purchase of two 1000 horse power and two 600 horse power Diesel switching locomotives.....	294,090.00
Electro-Motive Corporation Agreement dated August 1, 1939 for purchase of one 600 horse power Diesel switching locomotive.....	62,598.00
Promissory Note dated March 1, 1939 payable in 8 quarterly installments issued to provide funds for payment of deferred installments of State of Washington taxes for the years 1926 to 1932, inclusive.....	1,184,000.00
Total Increase carried forward.....	\$4,093,388.00

Total Increase brought forward.....\$4,093,388.00

DECREASE:

Equipment Trust Certificates paid as follows:

Series A.....	##	\$ 323,400.00	
" C.....	#	714,400.00	
" D.....	#	610,400.00	
" E.....	#	169,000.00	
" F.....	#	328,000.00	
" G.....	#	67,000.00	
" H.....	#	45,000.00	
" J.....	#	557,400.00	
" K.....	#	141,000.00	
" L.....	#	227,200.00	
" M.....	xx	132,000.00	
" N.....	xx	12,000.00	
" O.....	xx	384,000.00	
" P.....	xx	212,000.00	
" Q.....	xx	177,000.00	
" R.....	xx	128,000.00	
" S.....	xx	149,000.00	\$4,376,800.00

#Payment of 20% installments on 1935, 1936, 1937, 1938 and 1939 maturities.
xx1939 maturities paid in full.

Reconstruction Finance Corporation Registered Collateral Note paid.....	290,000.00
General American Tank Car Corporation Sub-Lease, principal paid during the year.....	72,977.45
Principal payments on Conditional Sale Agreements for purchase of Diesel switching locomotives:	
Agreement dated April 1, 1939.....	6,948.89
Agreement dated April 1, 1939.....	13,639.64
Agreement dated August 1, 1939.....	1,737.60
Payments of principal on Promissory Note dated March 1, 1939.....	444,000.00
Total Decrease.....	\$5,206,103.58
Net Decrease.....	\$1,112,715.58

The net increase of Investment in Road and Equipment during the year was \$4,141,441. This increase was due to gross additions and betterments to road property of \$5,423,939 and of equipment, \$3,929,246, a total of \$9,353,185, less retirements and conversions of \$5,211,744.

SHORT TERM NOTES

Name of Creditor	Date of Issue	Date of Maturity	Amount as of Dec. 31, 1938	Amount as of Dec. 31, 1939
xReconstruction Finance Corporation.....	12/29/34	12/29/35	\$2,700,000.00	\$2,700,000.00
xReconstruction Finance Corporation.....	1/31/35	12/29/35	800,000.00	800,000.00
Total.....			\$3,500,000.00	\$3,500,000.00

x For total indebtedness to Reconstruction Finance Corporation, see Note ⑩ on page 33.

ADDITIONS AND BETTERMENTS

RAIL:

29,653 gross tons of new rail and 26,233 gross tons of second hand rail were used in relaying light rail with heavier rail in main and side tracks.

BALLAST:

Additional ballast was applied on 217 miles of track, requiring 205,427 cubic yards of gravel, 13,300 cubic yards of crushed granite and 2,794 cubic yards of cinders.

ROADWAY PROTECTION:

A total of 61,059 lineal feet of drain tile was installed in wet cuts to improve track conditions and reduce maintenance costs.

BRIDGES, TRESTLES AND CULVERTS:

Open deck untreated timber bridges totaling 6,501 lineal feet were filled or replaced with structures of a more permanent character and 315 lineal feet of steel bridge superstructures were replaced with similar structures of heavier design.

ELIMINATION OF GRADE CROSSINGS:

The Federal Aid Grade Crossing Program, which has been carried on for several years by the various State Highway Departments working in conjunction with the United States Bureau of Public Roads was continued during the year and a total of 20 projects were completed, the cost of which was financed largely with Federal funds.

STATION FACILITIES AND ROADWAY STRUCTURES:

The first floor of the passenger station at Minneapolis, Minnesota, was completely modernized and a new women's toilet room and record room was constructed on the second floor.

The facilities at the Snoqualmie Ski Bowl located at Hyak, Washington, were enlarged and improved by the construction of additional shelters, also the construction of two new ski jumps with towing equipment.

Alterations and improvements to existing freight houses to provide additional facilities for lessees and shippers were made at Kansas City, Missouri; Minneapolis, Minnesota; Spokane, Lynden and Seattle, Washington. A new 75'x100' two-story frame warehouse building was constructed at Butte, Montana.

Stock handling facilities at Kirkland, Illinois, were improved by the acquisition of two 70'x336' sheep sheds, office building and other appurtenances, including ten acres of land. Extensive improvements were also made to the stockyards at Lanark, Illinois.

Team yard facilities in the Reed Street Yard at Milwaukee, Wisconsin, were improved and enlarged by the construction of permanent driveways.

The existing snowshed at Keechelus, Washington, was extended 475' to protect the track from slides which occur at this point.

WATER STATIONS:

A new well was drilled and put into operation at Bird Island, Minnesota, and water treating plants were completed at Nahant, Perry and Council Bluffs, Iowa.

Steel water storage tanks of 100,000 gallons capacity were constructed at Bristol and Canton, South Dakota, and a 50,000 gallon capacity tank was constructed at LaCrosse, Wisconsin.

COALING STATIONS:

A modern 50-ton mechanical coaling station was erected at Wabasha, Minnesota.

SIGNALS AND INTERLOCKERS:

The centralized traffic control type interlocking at Sturtevant, Wisconsin, was enlarged and an automatic type interlocking was

installed at the crossing with the M. & St. L. Railroad at Perry, Iowa.

Gate and signal protection was installed at railroad crossings at Clinton, and Spencer, Iowa; Menominee, Michigan; Montgomery, Minnesota and Plymouth, Wisconsin.

Automatic block signals of three indication "Searchlight" type were installed between Marquette Yard and Monona, Iowa, a distance of 13.3 miles.

Additional rock slide protection fences were installed between Pocono and Zane, Idaho.

Spring switches with the necessary signal protection were installed at Coon Rapids, Dedham and Nahant, Iowa; Glencoe and Hector, Minnesota and Aberdeen, South Dakota.

A total of 59 highway and street crossings were protected by the installation of automatic signals or gates, 37 of the installations being carried out under the Federal Aid programs.

COMMUNICATION SYSTEMS:

Additional telephone circuits of the carrier type were placed in service between Chicago, Illinois, and Minneapolis, Minnesota, and between Butte, Montana, and Spokane and Seattle, Washington.

A telephone train dispatching system was provided between Portage and Madison, Wisconsin.

SHOPS AND ENGINEHOUSES:

A two-story modern brick and concrete office building was constructed at Western Avenue, Chicago, Illinois, to provide quarters for Mechanical Department forces.

The power plant at West Clinton, Indiana, was converted from steam to electrical operation to permit the purchase of electric power and shut down of the steam plant except for heating purposes.

A 25-ton overhead traveling crane was installed at the Car Department Blacksmith Shop at Milwaukee, Wisconsin, to facilitate the handling of material for construction of new equipment.

A 615 horse power "Sterling" boiler was installed in the Power House at Western Avenue, Chicago, Illinois, replacing two smaller boilers.

The roundhouse at Avery, Idaho, was extended and engine pits enlarged in order to house and maintain Class S1 power.

At Milwaukee, Wisconsin, the Locomotive Department machine shop was enlarged to provide facilities for servicing heavier power.

EQUIPMENT:

Seven Diesel switch locomotives were purchased under conditional sale agreements and placed in service during the year. Seventy-five cabooses and 1,000 box cars subject to Equipment Trust Agreement, Series "T", and 83 box cars for replacement of vacancies under Equipment Trust Series "A", "C", "D", "E", "F", "J", "L", "M", "O" and "Q" were constructed in the Company's shops at Milwaukee.

Air conditioning equipment was installed in five cars. Feed-water heaters were installed in 12 freight locomotives. Power reverse gears were installed in 84 locomotives.

LINE ABANDONED

The following line was abandoned during the year with the approval of the Interstate Commerce Commission:

Wauzeka to LaFarge, Wisconsin..... 51.45 miles.

INVESTMENT IN ROAD AND EQUIPMENT
AND
MISCELLANEOUS PHYSICAL PROPERTY

The expenditures chargeable to Investment in Road and Equipment and Miscellaneous Physical Property during the year ended December 31, 1939 and the Total Investment in Road and Equipment and Total Miscellaneous Physical Property December 31, 1939, were as follows:

	C.M.St.P.& P. R. R.	C.T.H.& S.E. Ry.
ROAD:		
Additions and Betterments—Road:		
Land for transportation purposes.....	\$ 18,817.67	
Grading.....	317,383.01	\$ 1,337.95
Tunnels and subways.....	445.42	
Bridges, trestles and culverts.....	1,381,479.95	33,448.28
Ties.....	86,728.11	6,899.60
Rails.....	413,780.40	6,470.69
Other track material.....	1,049,864.85	24,422.04
Ballast.....	174,810.26	2,496.91
Track laying and surfacing.....	105,504.78	7,075.42
Fences, snowsheds and signs.....	78,265.91	2,168.84
Station and office buildings.....	346,707.47	791.49
Roadway and miscellaneous buildings.....	28,180.64	205.26
Water and fuel stations.....	200,002.64	1,029.26
Shops and enginehouses.....	242,779.03	14,386.42
Telegraph and telephone lines.....	46,959.30	6,661.96
Signals and interlockers.....	263,267.12	15,788.70
Power plants and transmission systems.....	56,082.07	6,462.27
Public improvements—Construction.....	59,269.74	
Roadway machinery and tools.....	84,976.35	272.18
Shop machinery.....	347,968.05	8,653.00
Miscellaneous.....	120,666.59	2,426.42
Gross Additions and Betterments—Road.....	\$ 5,423,939.36	\$ 140,996.69
Credit:		
Road property retired.....	\$ 3,565,565.96	\$ 165,883.62
Net Additions and Betterments—Road.....	\$ 1,858,373.40	\$Cr. 24,886.93
EQUIPMENT:		
Equipment purchased and constructed:		
7 Diesel electric switch locomotives, purchased.....	\$ 483,556.71	
1082 Box cars, constructed.....	2,523,142.74	
75 Cabooses, constructed.....	228,356.51	
1 Scow pile driver, constructed.....	12,091.95	
15 Snow plow cars, constructed.....	32,664.23	
1 Box car, constructed.....		\$ 2,510.07
Gross Additions and Betterments— Equipment—Carried Forward.....	\$ 3,279,812.14	\$ 2,510.07

INVESTMENT IN ROAD AND EQUIPMENT AND MISCELLANEOUS
PHYSICAL PROPERTY (Concluded)

	C.M.St.P.& P. R. R.	C.T.H.& S.E. Ry.
Net Additions and Betterments—Road Brought Forward.....	\$ 1,858,373.40	\$Cr. 24,886.93
Gross Additions and Betterments— Equipment—Brought Forward.....	\$ 3,279,812.14	\$ 2,510.07
MISCELLANEOUS EQUIPMENT:		
3 Tractors and six trailers.....	8,302.69	
1 Team of horses.....	200.00	
25 Automobiles and trucks.....	21,973.09	
Other Additions and Betterments to Equipment: Miscellaneous conversions of equip- ment.....	132,908.25	1,766.59
Other improvements to equipment....	486,049.56	4,627.54
Gross Additions and Betterments— Equipment.....	\$ 3,929,245.73	\$ 8,904.20
Credit—Equipment retired or converted.....	\$ 1,646,178.03	\$ 88,607.88
Net Additions and Betterments—Equip- ment.....	\$ 2,283,067.70	\$Cr. 79,703.68
Net Additions and Betterments—Road and Equipment.....	\$ 4,141,441.10	\$Cr. 104,590.61
Road and Equipment, December 31, 1938.....	\$ 697,077,711.36	\$ 27,828,477.83
Road and Equipment, December 31, 1939.....	\$ 701,219,152.46	\$ 27,723,887.22
MISCELLANEOUS PHYSICAL PROPERTY:		
Net Increase in Non-Operating Property.....	\$ 163,280.26	\$ 184.79
Net Increase in Track Material Loaned Account.....	62,393.07	
Net Increase in Miscellaneous Physical Property.....	\$ 225,673.33	\$ 184.79
Miscellaneous Physical Property, De- cember 31, 1938.....	\$ 5,990,265.42	\$ 240,106.83
Miscellaneous Physical Property, De- cember 31, 1939.....	\$ 6,215,938.75	\$ 240,291.62

The Trustees record with sorrow the death on November 7, 1939, of Mr. W. W. K. Sparrow, Officer in Charge of Finance, Accounting and Real Estate.

Mr. Sparrow entered the service of the Chicago, Milwaukee & St. Paul Railway Company in September, 1918, serving as its Chief Engineer during the period of Federal Control. On June 1, 1920 he was appointed Assistant to President in charge of Federal valuation and settlement with the United States Railroad Administration for claims arising out of Federal control, and later his jurisdiction was enlarged to include the Accounting and Real Estate Departments. In 1923 he was elected Vice President, in charge of Financial, Accounting and Real Estate Departments. He served as a director of this Company from January 1928 to June 1938. On January 1, 1936 he was appointed Officer in Charge of Finance, Accounting and Real Estate for the Trustees.

He was a man of outstanding ability and gave long and efficient service to the Milwaukee Road.

General Balance Sheet, Profit and Loss Account, detailed statements of Railway Operating Revenues, Expenses and Income, and other tables relating to the affairs of the Railroad are appended hereto.

The Trustees record their appreciation of the co-operation and the loyal and efficient services rendered by the officers and employees throughout the year.

HENRY A. SCANDRETT,
WALTER J. CUMMINGS,
GEORGE I. HAIGHT,
Trustees.

April 15, 1940

GENERAL BALANCE SHEET

ASSET SIDE	AS OF DECEMBER 31, 1939	COMPARISON WITH DECEMBER 31, 1938 + Increase - Decrease
INVESTMENTS:		
Road and equipment.....	\$701,219,152.46	\$+ 4,141,441.10
Improvements on leased railway property	\$ 404,971.99	\$- 6,328.83
Deposits in lieu of mortgaged property sold	\$ 384,552.79	\$+ 313,712.63
Miscellaneous physical property.....	\$ 6,215,938.75	\$+ 225,673.33
Investments in affiliated companies:		
#Stocks.....	\$ 5,169,143.87	\$+ 7,000.00
Bonds.....	1,497,801.00	—
Notes.....	8,694,531.49	— 355,146.19
Advances.....	5,609,175.02	+ 171,273.28
	\$ 20,970,651.38	\$- 176,872.91
Other investments:		
Stocks.....	\$ 8,410.40	—
Bonds.....	201,532.00	\$- 54.00
Notes.....	49,760.02	— 9,157.35
Advances.....	2,500.00	— 350.00
Miscellaneous.....	170.00	— 45.00
	\$ 262,372.42	\$- 9,606.35
Total Investments.....	\$729,457,639.79	\$+ 4,488,018.97
CURRENT ASSETS:		
Cash.....	\$ 11,934,419.19	\$- 1,472,271.28
Special deposits.....	2,234,974.90	+ 1,709,013.85
Loans and bills receivable.....	163.90	— 2,206.71
Traffic and car-service balances receivable	848,894.26	+ 310,120.72
Due from agents and conductors.....	1,336,384.03	+ 249,221.80
Miscellaneous accounts receivable.....	2,675,682.62	+ 213,426.12
Material and supplies.....	9,906,453.97	+ 710,772.77
Interest and dividends receivable.....	13,578.39	— 4,217.36
Other current assets.....	42,157.02	+ 5,103.57
Total Current Assets.....	\$ 28,392,708.28	\$+ 1,718,963.48
DEFERRED ASSETS:		
Working fund advances.....	\$ 43,356.90	\$- 8,734.36
Other deferred assets.....	3,212,668.24	+ 206,455.92
Total Deferred Assets.....	\$ 3,256,025.14	\$+ 197,721.56
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance.....	\$ 17,311.22	\$- 322.25
Discount on funded debt.....	337,559.48	— 25,405.35
Other unadjusted debits.....	2,571,010.05	— 313,544.94
Total Unadjusted Debits.....	\$ 2,925,880.75	\$- 339,272.54
GRAND TOTAL.....	\$764,032,253.96	\$+ 6,065,431.47

#See Note on page 34 referring to stocks of affiliated companies.

GENERAL BALANCE SHEET

LIABILITY SIDE	AS OF DECEMBER 31, 1939	COMPARISON WITH DECEMBER 31, 1938 + Increase - Decrease
CAPITAL STOCK:		
Common Stock:		
In hands of public (1,174,060 shares—no par value)...	\$105,098,771.19	\$- 1,753.53
Preferred Stock:		
In hands of public (1,193,073 shares).....	119,307,300.00	—
Total Capital Stock.....	\$224,406,071.19	\$- 1,753.53
GOVERNMENTAL GRANTS:		
Grants in aid of construction.....	\$ 2,158,219.42	\$+ 699,669.34
FUNDED DEBT UNMATURED:		
Bonds:		
Fixed interest bearing.....	\$269,261,096.00	\$- 7,158,000.00
Contingent interest bearing.....	182,873,693.00	—
Reconstruction Finance Corp. Collateral Notes.....	1,421,000.00	— 290,000.00
Equipment obligations.....	9,633,462.49	— 2,426,977.45
Total.....	\$463,189,251.49	\$- 9,874,977.45
Less Bonds Held In Treasury Or Pledged (Page 30).....	21,078,000.00	—
Total Funded Debt Unmatured In Hands Of Public	\$442,111,251.49	\$- 9,874,977.45
TRUSTEES' SECURITIES:		
Equipment obligations.....	\$ 14,169,061.87	\$+ 1,837,061.87
Cont'l. Ill. Nat'l. Bk. & Trust Co. Promissory Note.....	740,000.00	+ 740,000.00
Total Trustees' Securities.....	\$ 14,909,061.87	\$+ 2,577,061.87
Total Capital Stock, Governmental Grants, Funded Debt And Trustees' Securities.....	\$683,584,603.97	\$- 6,599,999.77
CURRENT LIABILITIES:		
Loans and bills payable.....	\$ 3,500,000.00	—
Traffic and car-service balances payable.....	2,862,941.72	\$+ 346,460.15
Payrolls and vouchers.....	6,123,743.35	+ 220,798.25
Miscellaneous accounts payable.....	560,475.44	+ 29,322.59
Interest matured unpaid (\$2,857,177.87 due Jan. 1, 1940)	48,000,929.51	+10,204,744.48
Funded debt matured unpaid (See page 32). \$21,414,862.50	359,000.00	—
**Less Bonds Pledged.....	21,055,862.50	+ 6,185,200.00
Unmatured interest accrued.....	2,602,437.30	— 38,724.53
Unmatured rents accrued.....	298,984.19	— 8,664.03
Other current liabilities.....	680,121.23	+ 110,941.15
Total Current Liabilities.....	\$ 85,685,495.24	\$+17,050,078.06
DEFERRED LIABILITIES:		
Adjustment Mtge. Bond interest accrued—Unmatured.	\$ 88,693,741.10	\$+ 9,143,684.65
Other deferred liabilities.....	3,585,049.65	— 181,397.91
Total Deferred Liabilities.....	\$ 92,278,790.75	\$+ 8,962,286.74
UNADJUSTED CREDITS:		
Tax liability.....	\$ 4,151,974.34	\$- 1,491,269.76
Premium on funded debt.....	75,336.83	— 10,264.21
Accrued depreciation—Equipment.....	58,963,577.64	+ 4,322,692.57
Other unadjusted credits.....	4,327,649.04	+ 724,449.50
Total Unadjusted Credits.....	\$ 67,518,537.85	\$+ 3,545,608.10
CORPORATE SURPLUS:		
Additions to property through income and surplus.....	\$ 550,620.46	\$+ 7,448.42
Funded debt retired through income and surplus.....	43,104.16	—
Total Appropriated Surplus.....	\$ 593,724.62	\$+ 7,448.42
Profit and loss, debit balance.....	165,628,898.47	+16,899,990.08
Total Corporate Surplus (deficit).....	\$165,035,173.85	\$+16,899,541.66
GRAND TOTAL.....	\$764,032,253.96	\$+ 6,065,431.47

\$12,332,000 Equipment Obligations of Trustees as of Dec. 31, 1938 were included in 1938 report under "Funded Debt Unmatured—Equipment Obligations."

**Includes \$301,000.00 Bellingham Bay & British Columbia R. R. Co. Bonds pledged as part security for Reconstruction Finance Corp. Loan and \$58,000.00 Milw. and Nor. R. R. Co. Bonds pledged under the First and Refunding Mortgage.

LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES
AS OF DECEMBER 31, 1939

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
Bedford Belt Ry. Co. First Mtge. Bonds.....	5%	July 1, 1938	\$ 250,000*
Southern Indiana Ry. Co. First Mtge. Bonds.....	4%	Feb. 1, 1951	7,287,000
C. T. H. & S. E. Ry. Co. First & Refdg. Mtge. Bonds.....	5%	Dec. 1, 1960	8,056,000#
C. T. H. & S. E. Ry. Co. Income Mtge. Bonds.....	5%	Dec. 1, 1960	6,338,000
Total			\$ 21,929,000*

*Does not include \$100,000 of Bonds pledged under the C. T. H. & S. E. Ry. Co. First & Refunding Mortgage.

#Does not include \$1,515,000 of Bonds pledged under the C. M. St. P. & P. R. R. Co. First & Refunding Mortgage.

Chicago, Milwaukee, St. Paul and Pacific Railroad Company assumed the obligations of Chicago, Milwaukee and St. Paul Railway Company under the Lease dated July 1, 1921, from Chicago, Terre Haute and Southeastern Railway Company, which lease provides, among other things, for payment by the lessee of interest on and principal of all of the above mentioned bonds (but the lessee may refund with new bonds of the lessor any of said bonds upon the maturity thereof) and also for the guaranty by the lessee, as therein set forth, by endorsement on the Income Mortgage Bonds of the payment of the principal with interest thereon from July 1, 1921, at the rate of 5% per annum. \$6,333,900 principal amount of the Income Mortgage Bonds have been so endorsed up to December 31, 1939.

CHICAGO UNION STATION COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage Bonds, Series "D"	4%	July 1, 1963	\$ 16,000,000
Guaranteed Bonds.....	4%	Apr. 1, 1944	827,000
Total			\$ 16,827,000

These bonds are guaranteed, both as to principal and interest, jointly and severally, by endorsement, by:

- Chicago, Burlington & Quincy Railroad Company.
- Chicago, Milwaukee, St. Paul and Pacific Railroad Co.
- The Pennsylvania Railroad Company.
- The Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co.

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage Bonds, Series "E"	3 1/2%	July 1, 1963	\$ 44,000,000
Guaranteed Bonds.....	3 1/2%	Sept. 1, 1951	6,895,000
Total			\$ 50,895,000

These bonds are guaranteed, both as to principal and interest, jointly and severally, by endorsement, by:

- Chicago, Burlington & Quincy Railroad Company.
- Henry A. Scandrett, Walter J. Cummings and George I. Haight, as Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Co.
- The Pennsylvania Railroad Company.
- The Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co.

Under a certain operating agreement as from time to time supplemented and modified, with Chicago Union Station Company, the last above named Companies and Trustees have agreed that the gross annual rental to be paid by them for the use of the Chicago Union Station and facilities shall include a sum sufficient to pay interest on all of the above-mentioned four issues of Bonds, and also have agreed to advance to the Station Company, in proportion to their ownership of capital stock of the Station Company, the amount of the sinking fund payments required under the Trust Indentures pursuant to which the above-mentioned 4% Guaranteed Bonds due April 1, 1944, and 3 1/2% Guaranteed Bonds due September 1, 1951, were issued, with the provision that each such sinking fund requirement may be satisfied by delivery of Guaranteed Bonds of the respective issues taken at their principal amount.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 25% of the capital stock of Chicago Union Station Company.

(Continued on page 25)

LIABILITIES WITH RESPECT TO SECURITIES OF OTHER
COMPANIES—Continued

INDIANA HARBOR BELT RAILROAD COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
General Mortgage Gold Bonds.....	4%	July 1, 1957	\$ 4,225,000
General Mortgage Gold Bonds.....	4 1/2%	July 1, 1957	5,000,000
Total			\$ 9,225,000

Pursuant to an agreement dated April 13, 1911, between Chicago and North Western Railway Company, Chicago, Milwaukee and St. Paul Railway Company (to the obligations of which Chicago, Milwaukee, St. Paul and Pacific Railroad Company has succeeded), The Michigan Central Railroad Company and The Lake Shore and Michigan Southern Railway Company (now The New York Central Railroad Company):

(1) Chicago, Milwaukee, St. Paul and Pacific Railroad Company and Chicago and North Western Railway Company are obligated, each to the extent of 20%, to protect The Michigan Central Railroad Company and The New York Central Railroad Company on their joint and several guaranties endorsed on the above mentioned \$4,225,000 of 4% Bonds which had been issued by Indiana Harbor Belt Railroad Company prior to said agreement;

(2) Each of said proprietary companies agreed, as between themselves, to endorse its unrestricted joint and several guaranty upon bonds thereafter issued by the Belt Railroad Company (but Chicago, Milwaukee, St. Paul and Pacific Railroad Company has not executed any endorsement of guaranty upon the above mentioned \$5,000,000 of 4 1/2% Bonds, which were issued after said agreement by the Belt Railroad Company); and

(3) Said proprietary companies agreed, each with the other, in the event of default by the Belt Railroad Company, to advance and loan to the Belt Railroad Company, in proportion to their respective stock holdings, among other things, to the extent necessary, the principal of and interest on the above mentioned General Mortgage Bonds.

Said agreement also provides that if any one or two of the proprietary companies shall fail to advance to the Belt Railroad Company its or their proportion of the moneys which it or they have agreed to advance to make up any deficit, the remaining proprietary companies shall provide the money necessary to make good the amount, in the relative proportion of their stock holdings. If any three of the parties shall so fail to make such advances, the remaining fourth party may, at its option, advance the total amount. The making of such advances by the other party or parties shall not release the party or parties which shall so fail and the party or parties so failing will, upon demand, fully reimburse said party or parties making said advances in its or their place and will indemnify and save them and each of them harmless from all losses arising therefrom.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 20% of the capital stock of Indiana Harbor Belt Railroad Company, the Trustee of Chicago and North Western Railway Company owns 20%, and The Michigan Central Railroad Company and The New York Central Railroad Company each own 30%.

KANSAS CITY TERMINAL RAILWAY COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage 50-Year Bonds.....	4%	Jan. 1, 1960	\$ 49,304,000#

#Does not include \$696,000 of bonds held in treasury of Kansas City Terminal Railway Co.

Under a certain operating agreement as from time to time supplemented and modified, the following companies are obligated to pay to the Terminal Company, or in case of default under the mortgage to the mortgage trustee, in equal shares the principal of and interest on the above bonds:

- The Atchison, Topeka and Santa Fe Ry. Co.
- The Chicago and Alton Railroad Company (Predecessor of The Alton R. R. Co.).
- Chicago, Burlington & Quincy R. R. Co.
- Chicago Great Western Railroad Co.
- Chicago, Milwaukee, St. Paul and Pacific R. R. Co.
- The Chicago, Rock Island and Pacific Ry. Co.
- The Kansas City Southern Railway Co.
- Missouri-Kansas-Texas Railroad Co.
- Missouri Pacific Railroad Co.
- St. Louis-San Francisco Ry. Co.
- Union Pacific Railroad Co.
- Wabash Railway Co.

In case of default by any one or more of the proprietary companies, the remaining proprietary companies (or company) not in default are obligated to pay a ratable portion (or the whole) of the sum so in default.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 8-1/3% of the capital stock of Kansas City Terminal Railway Company, and each of the other eleven proprietary companies own a like amount.

(Concluded on page 26)

LIABILITIES WITH RESPECT TO SECURITIES OF OTHER
COMPANIES—Concluded

THE MINNESOTA TRANSFER RAILWAY COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First Mortgage Bonds.....	3½%	June 1, 1956	\$ 1,941,000

Under the provisions of the by-laws of The Minnesota Transfer Railway Company, which said Company covenanted in its First Mortgage would not be rescinded, each of the stockholders contributes its proportion, based upon its stock ownership, to (a) a semi-annual sinking fund for the above bonds equal to one-half of 1% of the face value of all the bonds issued under said First Mortgage, and (b) semi-annual installments of interest on the bonds. The owners of the stock are:

Chicago, Burlington & Quincy Railroad Co.
Patrick H. Joyce and Luther M. Walter, Trustees of the Property of Chicago Great Western R. R. Co.
Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company.
Frank O. Lowden, James E. Gorman and Joseph B. Fleming, Trustees of the Property of The Chicago, Rock Island and Pacific Ry. Co.
Great Northern Ry. Co.
The Minneapolis & St. Louis R. R. Co.
G. W. Webster and J. Chapman, Trustees of the Property of Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.
Northern Pacific Ry. Co.
Chicago, St. Paul, Minneapolis and Omaha Ry. Co.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 11-1/9% of the capital stock of The Minnesota Transfer Railway Company and each of the other eight proprietors owns a like amount.

THE ST. PAUL UNION DEPOT COMPANY

	Int. Rate	Date of Maturity	Amount Outstanding
First and Refunding Gold Bonds, Series "A".....	5%	Jan. 1, 1972	\$ 14,862,000#
Consolidated Mortgage Bonds.....	5%	May 1, 1944	150,000
	4%	May 1, 1944	100,000
Total.....			\$ 15,112,000

#Does not include \$138,000 of bonds held in treasury of The St. Paul Union Depot Company.

The above mentioned First and Refunding Bonds are guaranteed as to both principal and interest, jointly and severally, by endorsement by the following companies:

Chicago, Burlington & Quincy R. R. Co.
Chicago Great Western Railroad Company.
Chicago, Milwaukee and St. Paul Ry. Co. (Predecessor of C. M. St. P. & P. R. R. Co.).
The Chicago, Rock Island and Pacific Ry. Co.
Chicago, St. Paul, Minneapolis and Omaha Ry. Co.
Great Northern Railway Company.
The Minneapolis & St. Louis Railroad Company.
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.
Northern Pacific Railway Company.

Under an operating agreement, as supplemented, each of the above proprietary companies is obligated to pay its proportion, based upon stock ownership, of the principal of, and its proportion, based upon user, of the interest on, the above mentioned First and Refunding Bonds. Under such operating agreement, as supplemented, each of the proprietary companies is also obligated to pay its proportion, based upon user, of the interest on the above mentioned Consolidated Mortgage Bonds. In case of default by any one or more of the proprietary companies, the remaining proprietary companies (or company) not in default are obligated to pay the ratable portion (or the whole) of the sum so in default.

Chicago, Milwaukee, St. Paul and Pacific Railroad Company has not expressly assumed the obligations of its predecessor Chicago, Milwaukee and St. Paul Railway Company under the operating agreement or the guaranty, but such agreements were not disaffirmed in the reorganization proceedings of such predecessor company, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company has continued to make the payments thereunder.

The Trustees of Chicago, Milwaukee, St. Paul and Pacific Railroad Company own 11-1/9% of the capital stock of The St. Paul Union Depot Company, and each of the other eight proprietary companies own a like amount.

PROFIT AND LOSS ACCOUNT

DECEMBER 31, 1939

DEBITS

Debit balance at beginning of year.....	\$148,728,908.39
Debit balance transferred from Income.....	14,427,382.63
Surplus appropriated for investment in physical property...	7,448.42
Debits from retired road and equipment.....	2,398,308.52
Miscellaneous debits.....	97,936.20
Total Debits.....	<u>\$165,659,984.16</u>

CREDITS

Credits from retired road and equipment.....	\$ 16,559.11
Donations.....	7,448.42
Miscellaneous credits.....	7,078.16
Total Credits.....	<u>\$ 31,085.69</u>
Debit balance, December 31, 1939, carried to General Balance Sheet.....	<u>\$165,628,898.47</u>

STATEMENT OF PRINCIPAL AND INTEREST ON FUNDED AND UNFUNDED DEBT WHICH HAS BEEN AUTHORIZED BY THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, FOR PAYMENT DURING THE YEAR ENDED DECEMBER 31, 1939.

Description of Payments Authorized by Court

	Authorized for Payment by Court	
	Principal	Interest
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY		
BONDS:		
General Mortgage—final 1/3 of interest matured July 1 and October 1, 1935 and January 1, 1936, Milwaukee & Northern First Mortgage interest matured June 1 and Dec. 1, 1938 and June 1, 1939.		\$ 1,891,894.58
EQUIPMENT TRUST CERTIFICATES:		142,897.50
Series A: 20% installments on principal matured July 15, 1935, 1936 and 1937, and interest matured January 15 and July 15, 1939.	\$ 328,400.00	32,340.00
Series C: 20% installments on principal matured April 1, 1935, 1936, 1937 and 1938 (principal excludes \$200 or 20% of \$1,000 Certificate due April 1, 1935, purchased Jan. 9, 1935, before maturity) and interest matured April 1 and October 1, 1939.	719,800.00	79,194.50
Series D: 20% installments on principal matured Aug. 1, 1935, 1936, 1937, 1938 and 1939, and interest matured Feb. 1 and Aug. 1, 1939.	618,000.00	123,600.00
Series E: 20% installments on principal matured July 1, 1935, 1936, 1937, 1938 and 1939, and interest matured January 1 and July 1, 1939.	169,000.00	53,235.00
Series F: 20% installments on principal matured July 1, 1935, 1936, 1937, 1938 and 1939, and interest matured January 1 and July 1, 1939.	328,000.00	103,320.00
Series G: 20% installments on principal matured July 1, 1935, 1936, 1937, 1938 and 1939, and interest matured January 1 and July 1, 1939.	67,000.00	15,075.00
Series H: 20% installments on principal matured July 1, 1935, 1936, 1937, 1938 and 1939, and interest matured January 1 and July 1, 1939.	45,000.00	10,125.00
Series J: 20% installments on principal matured June 1, 1935, 1936, 1937, 1938 and 1939, and interest matured June 1 and December 1, 1939.	558,000.00	209,250.00
Series K: 20% installments on principal matured November 1, 1935, 1936, 1937, 1938 and 1939, and interest matured May 1 and November 1, 1939.	141,000.00	50,760.00
Series L: 20% installments on principal matured March 1, 1936, 1937, 1938 and 1939, and interest matured March 1 and September 1, 1939.	227,200.00	107,352.00
Series M: Principal and interest matured March 1 and September 1, 1939.	182,000.00	44,330.00
Series O: Principal matured May 1, 1939, and interest matured May 1 and Nov. 1, 1939.	12,000.00	3,120.00
Series P: Principal matured Sept. 1, 1939, and interest matured March 1 and September 1, 1939.	384,000.00	114,360.00
Series Q: Principal matured Jan. 1, 1939, and interest matured Jan. 1 and July 1, 1939.	212,000.00	100,170.00
Series R: Principal matured Mar. 1, 1939, and interest matured Mar. 1 and Sept. 1, 1939.	177,000.00	77,658.75
Series S: Principal matured Aug. 1, 1939, and interest matured Feb. 1 and Aug. 1, 1939.	128,000.00	67,200.00
Series T: Principal matured April 1, 1939, and interest matured April 1 and Oct. 1, 1939.	149,000.00	81,018.75
Interest matured October 1, 1939.		22,240.00
OTHER EQUIPMENT OBLIGATIONS:		
Austin-Western Road Machinery Co. Equipment Lease—Monthly rental payments—January 27 to March 27, 1939, inclusive.	3,874.70	25.30
General American Tank Car Corporation Equipment Sub-lease—Monthly rental payments—January 1 to December 1, 1939, inclusive.	72,977.45	33,571.55
Conditional Sale Agreements—Assigned to First National Bank of Chicago.		
American Locomotive Co., dated April 1, 1939—Monthly payments June 1 to December 1, 1939, inclusive.	6,948.89	2,107.77
Electro-Motive Corp., dated April 1, 1939—Monthly payments July 1 to December 1, 1939, inclusive.	13,639.64	3,793.44
Electro-Motive Corp., dated August 1, 1939—Monthly payments September 1 to December 1, 1939, inclusive.	1,737.60	574.70
NOTES:		
Reconstruction Finance Corporation Loans—Interest matured Jan. 31, Feb. 1, Feb. 27, June 1, June 16, June 22, June 29, June 30, July 31, Aug. 1, Aug. 27, Dec. 1, Dec. 16, Dec. 22, Dec. 29 and Dec. 30, 1939.		459,978.46
Federal Emergency Administrator of Public Works Loan—Assigned to Reconstruction Finance Corporation—Principal matured Jan. 1, 1939, and interest matured Jan. 1 and July 1, 1939.	290,000.00	62,640.00
Continental Illinois National Bank & Trust Co. Loan, Principal and interest matured June 1, September 1 and December 1, 1939.	444,000.00	15,836.00
Total C. M. St. P. & P. R. R. Co.	\$ 5,223,578.28	\$ 3,907,658.30
CHICAGO, TERRE HAUTE & SOUTHEASTERN RY. COMPANY		
Bedford Belt First Mortgage:		
Interest matured January 1 and July 1, 1939.		\$ 12,500.00
Southern Indiana First Mortgage:		
Interest matured February 1 and August 1, 1939.		291,480.00
First and Refunding Mortgage:		
Interest matured June 1 and December 1, 1939.		402,800.00
Income Mortgage:		
Interest matured March 1 and September 1, 1939.		316,800.00
Total C. T. H. & S. E. Ry. Co.		\$ 1,023,580.00
Grand Total	\$ 5,223,578.28	\$ 4,931,238.30

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

FUNDED DEBT UNMATURED, DECEMBER 31, 1939

DESCRIPTION OF SECURITIES	DATE OF MATURITY	TOTAL	IN TREASURY OR COMPANY	PLEDGED	IN HANDS OF PUBLIC	INTEREST		
						RATE %	PAYABLE	ACCUM'D DURING THE YEAR—CHARGED TO INCOME
Fixed Interest Bearing:								
Gen Mfg.—C.M. & St. P. Ry Co.—A	May 1, 1989	\$ 48,241,000.00			\$ 48,241,000.00	4	Jan. & July	\$ 1,929,640.00
Gen Mfg.—C.M. & St. P. Ry Co.—B	May 1, 1989	8,950,000.00			8,950,000.00	3 1/2	Jan. & July	313,250.00
Gen Mfg.—C.M. & St. P. Ry Co.—C	May 1, 1989	42,597,000.00			42,597,000.00	4 1/2	Jan. & July	1,916,865.00
Gen Mfg.—C.M. & St. P. Ry Co.—E	May 1, 1989	24,000,000.00			24,000,000.00	4 1/2	Jan. & July	1,080,000.00
Gen Mfg.—C.M. & St. P. Ry Co.—F	May 1, 1989	15,000,000.00			15,000,000.00	4 3/4	Jan. & July	712,500.00
Gen Mfg.—C.M. & St. P. Ry Co.—G	May 1, 1989	11,212,000.00		③\$11,212,000.00		5	Jan. & July	
Chi. Mil. & Gary Ry. Co. 1st Mfg.	April 1, 1948	3,000,000.00			3,000,000.00	5	April & Oct.	150,000.00
②Mil. & Nor. R. R. Co. 1st Mfg.	June 1, 1939					4 1/2	June & Dec.	④ 48,377.08
②Mil. & Nor. R. R. Co. Coms. Mfg.	June 1, 1943	9,866,000.00	\$ 943,000.00			4 1/2	June & Dec.	⑤ 115,661.29
First and Refunding Mortgage	June 1, 1943			⑥ 8,923,000.00		6	June & Dec.	
Fifty Year Mortgage	Feb. 1, 1975	106,395,096.00			106,395,096.00	5	Feb. & Aug.	5,319,754.80
Total Mortgage Bonds		\$269,261,096.00	\$ 943,000.00	\$ 20,135,000.00	\$248,183,096.00			\$11,586,048.17
Total Equipment Obligations								
Equipment Trust Certificates, D.	①Aug. 1, 1940	618,000.00			618,000.00	5	Feb. & Aug.	\$ 48,925.00
Equipment Trust Certificates, E.	①July 1, 1943	676,000.00			676,000.00	4 1/2	Jan. & July	34,222.50
Equipment Trust Certificates, F.	①July 1, 1943	1,312,000.00			1,312,000.00	4 1/2	Jan. & July	66,420.00
Equipment Trust Certificates, G.	①July 1, 1941	134,000.00			134,000.00	4 1/2	Jan. & July	7,537.50
Equipment Trust Certificates, H.	①July 1, 1941	90,000.00			90,000.00	4 1/2	Jan. & July	5,062.50
Equipment Trust Certificates, I.	①June 1, 1944	2,790,000.00			2,790,000.00	5	June & Dec.	151,125.00
Equipment Trust Certificates, J.	①Nov. 1, 1944	705,000.00			705,000.00	4 1/2	May & Nov.	37,012.50
Equipment Trust Certificates, K.	①Mar. 1, 1945	1,704,000.00			1,704,000.00	4 1/2	Mar. & Sept.	78,810.00
Equipment Trust Certificates, L.	①Sept. 1, 1947	1,009,000.00			1,009,000.00	4	Mar. & Sept.	42,560.00
Equipment Trust Certificates, N.	①May 1, 1945	72,000.00			72,000.00	4	May & Nov.	3,040.00
Gen. Amer. Tank Car Corporation Equipment Sub-Lease	Monthly to Oct. 1, 1945	523,462.49			523,462.49	5.9+	Monthly	33,202.12
Total Equipment Obligations		\$ 9,633,462.49			\$ 9,633,462.49			\$ 507,917.12
Total Reconstruction Finance Corp. Registered Collateral Notes								
	②Jan. 1, 1944	\$ 1,421,000.00			\$ 1,421,000.00	4	Jan. & July	\$ 56,840.00
Total Fixed Interest Bearing		\$280,315,558.49	\$ 943,000.00	\$ 20,135,000.00	\$259,237,558.49			\$12,150,805.29
Contingent Interest Bearing:								
Convertible Adjustment Mortgage	Jan. 1, 2000	\$182,873,693.00			\$182,873,693.00	5	⑦Apr. & Oct.	\$ 9,143,684.65
Grand Total		\$403,189,251.48	\$ 943,000.00	\$ 20,135,000.00	\$442,111,251.48			\$21,294,489.94

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY
TRUSTEES' SECURITIES, DECEMBER 31, 1939

DESCRIPTION OF SECURITIES	DATE OF MATURITY	TOTAL	IN TREASURY OR COMPANY	PLEDGED	IN HANDS OF PUBLIC	INTEREST		
						RATE %	PAYABLE	ACCUM'D DURING THE YEAR—CHARGED TO INCOME
Equipment Trust Certificates, O.	①Sept. 1, 1946	2,475,000.00			2,475,000.00	4	Mar. & Sept.	\$ 109,240.00
Equipment Trust Certificates, P.	①Jan. 1, 1952	2,756,000.00			2,756,000.00	3 1/2	Jan. & July	96,460.00
Equipment Trust Certificates, Q.	①Mar. 1, 1952	2,301,000.00			2,301,000.00	3 3/4	Mar. & Sept.	75,741.25
Equipment Trust Certificates, R.	①Aug. 1, 1952	1,664,000.00			1,664,000.00	3 3/4	Feb. & Aug.	65,200.00
Equipment Trust Certificates, S.	①April 1, 1953	2,086,000.00			2,086,000.00	3 3/4	April & Oct.	79,621.87
Equipment Trust Certificates, T.	①April 1, 1954	1,920,000.00			1,920,000.00	3	April & Oct.	79,621.87
Equipment Trust Certificates, U.	①Dec. 1, 1949	508,000.00			508,000.00	2 1/2	June & Dec.	⑧ 9,262.51
Total		\$ 13,710,000.00			\$ 13,710,000.00			\$ 435,523.63
Conditional Sale Agreements for purchase of Equipment, assigned to First National Bank of Chicago, Illinois:								
American Locomotive Company Agreement of April 1, 1939..... Monthly to June 1, 1947 \$ 117,751.11								
Electro-Motive Corporation Agreement of April 1, 1939..... Monthly to July 1, 1947 280,450.36								
Electro-Motive Corporation Agreement of August 1, 1939..... Monthly to Sept. 1, 1947 60,860.40								
Total		\$ 459,061.87			\$ 459,061.87			\$ 726.85
Continental Illinois National Bank & Trust Company:								
Promissory Note, dated March 1, 1939..... Quarterly to Feb. 27, 1941 740,000.00								
Grand Total		\$ 14,909,061.87			\$ 14,909,061.87	2	Quarterly	*17,110.44

*Charged to Account No. 547—Interest on Unfunded Debt.
Notes ① and ② on page 33.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY
FUNDED DEBT MATURED UNPAID, DECEMBER 31, 1939

DESCRIPTION OF SECURITIES	DATE OF MATURITY	PLEGDED	IN HANDS OF PUBLIC	INTEREST	
				RATE %	ACCRUED DURING THE YEAR—CHARGED TO INCOME ⁽¹⁾
Equipment Trust Certificates:					
Series A.....	July 15, 1936 and 37	.....	323,400.00	5	\$ 24,928.75
Series C.....	April 1, 1935, 36, 37 and 38	.....	1,095,600.00	5 1/2	69,297.25
Series D.....	Aug. 1, 1935, 36, 37, 38 and 39	.....	1,256,600.00	5	61,800.00
Series E.....	July 1, 1936, 37, 38 and 39	.....	338,000.00	4 1/2	15,210.00
Series F.....	July 1, 1936, 37, 38 and 39	.....	656,000.00	4 1/2	29,520.00
Series G.....	July 1, 1936, 37, 38 and 39	.....	134,000.00	4 1/2	6,080.00
Series H.....	July 1, 1936, 37, 38 and 39	.....	90,000.00	4 1/2	4,050.00
Series J.....	June 1, 1934	.....	3,000.00	5	.....
Series K.....	June 1, 1935, 36, 37, 38 and 39	.....	1,118,400.00	5	55,800.00
Series L.....	Nov. 1, 1936, 37, 38 and 39	.....	284,400.00	4 1/2	12,690.00
	Mar. 1, 1936, 37, 38 and 39	.....	568,000.00	4 1/2	25,134.00
Total.....	.....	.....	\$ 5,867,400.00	.....	\$ 304,460.00
③ Reconstruction Finance Corporation Loan (Seven Notes).....	June 30, 1935 to Feb. 27, 1936	.....	\$ 7,999,462.50	③4	\$ 319,978.50
Bellingham Bay & British Columbia R. R. Co.: First Mortgage Bonds.....	Dec. 1, 1932	\$ 301,000.00	.....	.....	.....
Milwaukee & Northern R. R. Co.: First Mortgage Bonds.....	June 1, 1934	38,000.00	6,000.00	4 1/2	270.00
First Mortgage Bonds.....	June 1, 1939	.....	2,111,000.00	4 1/2	55,413.75
Consolidated Mortgage Bonds	June 1, 1934	20,000.00	25,000.00	4 1/2	1,125.00
Consolidated Mortgage Bonds	June 1, 1939	.....	5,047,000.00	4 1/2	132,483.75
Total.....	.....	\$ 359,000.00	\$ 7,189,000.00	.....	\$ 189,292.50
Grand Total.....	.....	\$ 359,000.00	\$ 21,055,862.50	.....	\$ 813,731.00

①—Included in Interest on Unfunded Debt.

②—For total indebtedness to Reconstruction Finance Corporation, see Note ⑥ on page 35.

③—Notes provide for interest at 6% per annum. Present rate 4%.

④—Bonds Pledged not extended and bonds In Hands of Public not presented for extension under Extension Agreement dated May 31, 1934.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY
NOTES IN RELATION TO FUNDED DEBT UNMATURED AND TRUSTEES' SECURITIES DECEMBER 31, 1939—See Pages 30 AND 31.

① The principal of Equipment Trust Certificates mature in equal annual installments, except Series M, which mature semi-annually, as follows, the last one in each case on date of maturity stated in the table on pages 30 and 31.

Series D, August 1st, \$618,000—E, July 1st, \$169,000—F, July 1st, \$328,000—G, July 1st, \$67,000—H, July 1st, \$45,000—J, June 1st, \$558,000—K, November 1st, \$141,000—L, March 1st, \$284,000—M, March 1st, \$66,000 and September 1st, \$66,000 except September 1st, 1947, which is \$19,000—N, May 1st, \$12,000—O, September 1st, \$38,000, except September 1st, 1946, which is \$171,000—P, January 1st, \$212,000—Q, March 1st, \$177,000—R, August 1st, \$128,000—S, April 1st, \$149,000—T, April 1st, \$128,000—U, December 1st, \$508,000.

② Pledged as security for Reconstruction Finance Corporation Loans.

③ Part of an issue of \$5,700,000 of which \$3,000,000 has been assumed by the Company and is outstanding in the hands of the public. \$2,700,000, not assumed are pledged under Chicago, Milwaukee, St. Paul and Pacific R. R. Co. First and Refunding Mortgage.

④ Includes \$8,795.83, proportion for 1939 of \$50.00 paid in advance on bonds presented for extension to June 1, 1939.

⑤ \$8,665,000 pledged as security for Reconstruction Finance Corporation Loans and \$258,000 pledged with Chemical Bank & Trust Company, New York, under Equipment Trust Series M.

⑥ When declared by the Board of Directors.

⑦ Federal Emergency Administrator of Public Works Loan, assigned to Reconstruction Finance Corporation, matures \$290,000 annually to January 1, 1943, inclusive, and \$261,000 on January 1, 1944.

⑧ Face amount of bonds shown in Funded Debt Matures Unpaid on page 32.

⑨ Total Indebtedness to Reconstruction Finance Corporation:

Registered Collateral Notes (See page 30)..... \$ 1,421,000.00
Matured Short Term Notes (See page 14)..... 3,500,000.00
Matured Funded Debt (Notes) (See page 32)..... 7,999,462.50

Total..... \$12,920,462.50

⑩ Excludes interest accrued during the year and charged to Investment Account as follows:
Equipment Trust, Series T, \$27,377.49; Series U, \$564.44.—Total, \$27,941.93.

SECURITIES OWNED DECEMBER 31, 1939

DESCRIPTION	NUMBER OF SHARES	PAR VALUE	BOOK VALUE
CAPITAL STOCK:			
Affiliated Companies:			
Davenport, Rock Island & Nor. West. Ry. Co.	A 15,000	\$ 1,500,000.00	\$ 1,750,000.00
#Indiana Harbor Belt R. R. Co.	A 15,200	1,520,000.00	1,520,000.00
#White Sulphur Springs & Y. Park Ry. Co.	A 1,530	153,000.00	173,645.07
#Chicago, Milwaukee & Gary Ry. Co.	A 10,000	1,000,000.00	1.00
#Chicago, Terre Haute & So. East. Ry. Co.	A 40,457.20	4,045,720.00	404,572.00
Chicago, Terre Haute & So. East Ry. Co.	13.75	1,375.00	137.50
Kansas City Terminal Ry. Co.	B 1,833.33	183,333.33	183,333.33
Des Moines Union Ry. Co.	A 1,000	100,000.00	100,000.00
Des Moines Union Ry. Co.	C 1,000	100,000.00	26,000.00
Minneapolis Eastern Ry. Co.	A 625	62,500.00	15,475.00
Minnesota Transfer Ry. Co.	A 70	7,000.00	7,000.00
Minnesota Transfer Ry. Co.	843	84,300.00	84,300.00
St. Paul Union Depot Co.	A 1,036	103,600.00	103,600.00
Chicago Union Station Co.	D 7,000	700,000.00	7,000.00
Milwaukee Land Co.	5,000	500,000.00	500,000.00
Excelsior Coal Co.	250	25,000.00	56,750.00
Republic Coal Co.	1,000	100,000.00	100,000.00
Railway Express Agency, Incorporated.	26	None	2,600.00
Continental Telegraph Co.	50	5,000.00	300.00
#Cowlitz, Chehalis & Cascade Ry.	A 697	69,700.00	133,909.26
Cowlitz, Chehalis & Cascade Ry.	2.71+	271.03	520.71
Nonaffiliated Companies:			
Miscellaneous Stocks.		8,385.00	8,410.40
BONDS:			
Affiliated Companies:			
Chicago, Milwaukee & Gary Ry. Co.	A-E	2,700,000.00	1.00
Minneapolis Eastern Ry. Co.	A	75,000.00	60,000.00
Chicago, Terre Haute & So. East. Ry. Co.	A	1,515,000.00	1,437,800.00
Nonaffiliated Companies:			
Chicago Rapid Transit Co.		200,000.00	200,000.00
Spokane Civic Building Co.		1,000.00	1,000.00
Street Railways Advertising Co.		432.00	432.00
George D. Roper Corporation.		100.00	100.00
Amount forwarded		\$14,760,716.36	\$ 6,876,887.27

#Registered in the name of Ottiwell & Co., nominee of Chemical Bank & Trust Co., Trustee, under Chicago, Milwaukee, St. Paul and Pacific R. R. Co. First and Refunding Mortgage, except Directors' qualifying shares.
Reference notes A to E shown on page 35.

SECURITIES OWNED DECEMBER 31, 1939—Concluded

DESCRIPTION	PAR VALUE	BOOK VALUE
Brought forward	\$14,760,716.36	\$ 6,876,887.27
NOTES:		
Affiliated Companies:		
Milwaukee Land Co.	8,010,000.00	8,010,000.00
Chicago, Terre Haute & So. East. Ry. Co.	640,392.30	640,392.30
Kansas City Terminal Ry. Co.	36,639.19	36,639.19
Cowlitz, Chehalis & Cascade Ry.	7,500.00	7,500.00
Nonaffiliated Companies:		
Yellowstone Park Co.	44,219.00	44,219.00
Rainier National Park Co.	1,764.00	1,764.00
Lincoln City Coal Co., Inc.	3,133.55	3,133.55
Miscellaneous Notes	643.47	643.47
Miscellaneous Certificate of Deposit		170.00
Total	\$23,505,007.87	\$15,621,348.78

A—Pledged under Chicago, Milwaukee, St. Paul and Pacific Railroad Company First and Refunding Mortgage, except Directors' qualifying shares of stocks.

B—Deposited with First National Bank of Kansas City, Mo., under Stock Trust Agreement, dated June 12, 1909, and pledged under the First and Refunding Mortgage, except Directors' qualifying shares.

C—Deposited with Iowa-Des Moines National Bank & Trust Co., Des Moines, Iowa, under Stock Trust Agreement, dated April 2, 1930 and pledged under the First and Refunding Mortgage.

D—Pledged under Chicago, Milwaukee and St. Paul Railway Company General Mortgage.

E—Part of an issue of \$5,700,000 of which \$3,000,000 has been assumed by the Company and is outstanding in the hands of the public—See table, page 30.

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES, EXPENSES AND INCOME
FOR THE YEARS ENDED DECEMBER 31, 1939 AND 1938.
RAILWAY OPERATING REVENUES

	1939	1938	INCREASE	DECREASE
TRANSPORTATION				
Freight.....	\$ 88,622,160.44	\$ 82,219,056.93	\$ 6,403,103.51	
Passenger.....	7,893,798.22	7,797,829.83	95,968.39	
Excess baggage.....	23,300.69	24,785.49		\$ 1,484.80
Sleeping car.....	284,624.08	288,747.26		\$ 4,123.18
Parlor and chair car.....	115,479.56	108,203.61	7,275.95	
Mail.....	3,112,376.13	3,029,406.20	82,969.93	
Express.....	1,521,840.33	1,481,598.83	40,241.50	
Other passenger train.....	83,192.27	81,560.92	1,631.35	
Milk.....	115,995.37	108,245.27	7,750.10	
Switching.....	2,654,756.77	2,347,147.34	307,609.43	
Total transportation revenue.....	\$104,427,523.86	\$ 97,486,581.68	\$ 6,940,942.18	
INCIDENTAL				
Dining and buffet.....	\$ 576,158.81	\$ 562,007.16	\$ 14,151.65	
Hotel and restaurant.....	12,829.31	12,792.20	37.11	
Station, train and boat privileges.....	25,415.51	24,842.37	573.14	
Parcel room.....	44.80	80.60		\$ 35.80
Storage—Freight.....	22,564.19	26,161.35		\$ 3,597.16
Storage—Baggage.....	2,150.62	2,302.70		\$ 152.08
Demurrage.....	198,082.06	162,938.57	35,093.49	
Telegraph and telephone.....	16,102.81	19,246.07		\$ 3,143.26
Stockyard.....	24,947.26	19,539.87	5,407.39	
Power.....	73,786.94	64,391.40	9,395.54	
Rents of buildings and other property.....	127,363.61	140,966.03		\$ 13,602.42
Miscellaneous.....	238,028.43	221,246.99	16,781.44	
Total incidental operating revenue.....	\$ 1,317,424.35	\$ 1,256,515.31	\$ 60,909.04	
JOINT FACILITY				
Joint facility—Credit.....	\$ 1,133,442.97	\$ 696,546.09	\$ 436,896.88	
Joint facility—Debit.....	3,010.68	2,797.24	213.44	
Total joint facility operating revenue.....	\$ 1,130,432.29	\$ 693,748.85	\$ 436,683.44	
Total railway operating revenues.....	\$106,875,380.50	\$ 99,436,845.84	\$ 7,438,534.66	

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED
RAILWAY OPERATING EXPENSES

	1939	1938	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$ 1,317,818.54	\$ 1,255,241.70	\$ 62,576.84	
Roadway maintenance.....	1,828,329.94	1,504,340.16	323,989.78	
Tunnels and subways.....	21,082.04	4,850.08	16,231.96	
Bridges, trestles and culverts.....	994,121.01	1,151,154.68		\$ 157,033.67
Ties.....	3,023,768.67	1,946,073.50	1,077,695.17	
Rails.....	695,681.90	349,698.85	345,983.05	
Other track material.....	1,086,684.14	736,493.47	350,190.67	
Ballast.....	438,486.18	216,193.53	222,292.65	
Track laying and surfacing.....	3,844,072.45	3,002,041.12	842,031.33	
Fences, snowsheds and signs.....	221,016.22	100,916.51	120,099.71	
Station and office buildings.....	718,050.77	603,716.91	114,333.86	
Roadway buildings.....	78,993.13	58,791.17	20,201.96	
Water stations.....	195,922.03	203,622.53		\$ 7,700.50
Fuel stations.....	109,568.68	114,725.13		\$ 5,156.45
Shops and enginehouses.....	587,729.35	674,986.71		\$ 87,257.36
Storage warehouses.....	3,303.89	242.34	3,061.55	
Wharves and docks.....	27,785.18	28,980.24		\$ 1,195.06
Coal and ore wharves.....	218.18	116.77	101.41	
Telegraph and telephone lines.....	316,679.37	279,243.14	37,436.23	
Signals and interlockers.....	493,151.12	456,985.84	36,165.28	
Power plants.....	18,517.51	14,548.97	3,968.54	
Power transmission systems.....	95,807.75	152,280.12		\$ 56,472.37

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED
RAILWAY OPERATING EXPENSES—CONTINUED

MAINTENANCE OF WAY AND STRUCTURES—Concluded	1939	1938	INCREASE	DECREASE
	\$	\$		
Miscellaneous structures.....	13,272.58	29,925.60	66,144.43	\$ 16,653.02
Roadway machines.....	236,013.69	169,869.26	66,144.43	
Small tools and supplies.....	322,946.09	243,663.81	79,282.28	
Removing snow, ice, and sand.....	292,125.76	208,915.30	23,210.46	
Public improvements—Maintenance.....	229,449.16	209,840.81	19,608.35	
Injuries to persons.....	106,676.45	112,207.97	5,531.52	
Insurance.....	34,546.58	36,741.13	2,194.55	
Stationery and printing.....	24,115.31	20,302.91	3,812.40	
Other expenses.....	15,325.69	14,664.50	661.19	
Right of way expenses.....	18,734.75	16,432.49	2,302.26	
Maintaining joint tracks, yards, and other facilities—Debit.....	1,220,388.03	1,165,071.77	55,316.26	
Maintaining joint tracks, yards, and other facilities—Credit.....	276,686.81	268,606.26	18,081.55	
Total maintenance of way and structures.....	\$ 18,283,695.33	\$ 14,824,273.76	\$ 3,469,421.57	
MAINTENANCE OF EQUIPMENT				
Superintendence.....	800,017.40	790,577.78	9,439.62	
Shop machinery.....	525,502.64	454,200.57	71,302.07	
Power plant machinery.....	96,324.63	245,864.93	149,540.30	
Steam locomotives—Repairs.....	5,366,655.10	5,214,740.41	151,914.69	
Other locomotives—Repairs.....	310,950.55	265,424.28	45,526.27	
Freight train cars—Repairs.....	4,238,953.74	3,933,522.51	305,431.23	
Passenger train cars—Repairs.....	1,843,456.98	1,749,615.99	93,840.99	

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED
RAILWAY OPERATING EXPENSES—CONTINUED

MAINTENANCE OF EQUIPMENT—Concluded	1939	1938	INCREASE	DECREASE
	\$	\$		
Floating equipment—Repairs.....	9,191.30	14,503.28	45,745.75	\$ 5,311.98
Work equipment—Repairs.....	419,956.69	374,210.94	4,324.86	
Miscellaneous equipment—Repairs.....	15,389.46	11,064.60	19,659.42	
Equipment—Retirements.....	40,194.29	20,534.87	39,666.33	
Equipment—Depreciation.....	5,792,974.16	5,753,307.83	7,324.79	
Injuries to persons.....	80,542.88	73,218.09	328.92	
Insurance.....	43,409.86	43,080.94	1,642.53	
Stationery and printing.....	21,768.99	20,126.46	219.90	
Other expenses.....	38,758.66	38,538.76	18,433.04	
Maintaining joint equipment—Debit.....	159,393.96	140,960.92	5,168.28	
Maintaining joint equipment—Credit.....	16,736.62	11,618.34		
Total maintenance of equipment.....	\$ 19,816,654.67	\$ 19,131,874.82	\$ 684,779.85	
TRAFFIC				
Superintendence.....	674,494.16	675,572.62	22.96	1,078.46
Outside agencies.....	1,392,010.95	1,391,987.99		12,236.29
Advertising.....	387,607.95	399,844.24	4,637.02	
Traffic associations.....	85,732.45	90,369.47	482.25	
Industrial and immigration bureaus.....	50,254.87	50,737.12	390.88	
Insurance.....	991.68	610.80		4,300.55
Stationery and printing.....	148,789.70	153,090.25	108.00	
Other expenses.....	108.00			
Total traffic expenses.....	\$ 2,739,989.76	\$ 2,762,212.49		\$ 22,222.73

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED
RAILWAY OPERATING EXPENSES—CONTINUED

	TRANSPORTATION		INCREASE	DECREASE
	1939	1938		
Superintendence.....	\$ 951,852.90	\$ 932,313.35	\$ 19,539.55	
Dispatching trains.....	538,584.64	532,038.62	6,546.02	
Station employes.....	5,671,728.15	5,671,210.65	517.50	
Weighing, inspection, and demurrage bureaus	160,878.16	155,268.63	5,609.53	
Coal and ore wharves.....		2,358.47		\$ 2,358.47
Station supplies and expenses	325,790.38	325,380.32	430.06	
Yardmasters and yard clerks	1,071,211.09	1,059,204.30	12,006.79	
Yard conductors and brakemen	3,124,135.09	2,975,058.73	149,076.36	
Yard switch and signal tenders	243,676.89	231,283.94	12,422.95	
Yard enginesmen.....	2,042,804.90	2,027,446.68	15,448.22	
Yard motormen.....	97,700.63	39,609.86	58,090.77	
Yard switching, fuel.....	1,034,888.15	1,029,982.58	4,905.57	
Yard switching power purchased	23,724.53	20,948.50	2,776.03	
Water for yard locomotives.....	108,784.98	92,798.44	15,986.54	
Lubricants for yard locomotives	21,466.02	20,658.84	807.18	
Other supplies for yard locomotives	24,957.07	24,650.92	306.15	
Enginehouse expenses—Yard.....	577,593.23	572,659.74	4,933.49	
Enginehouse expenses—Yard.....	66,508.86	63,079.22	3,429.64	
Operating joint yards and terminals—Debit	1,411,696.43	1,391,480.20	20,216.23	
Operating joint yards and terminals—Credit	173,860.60	140,272.27	33,588.33	
Train enginesmen.....	4,426,900.70	4,351,137.69	75,763.01	
Train motormen.....	409,959.03	392,442.19	17,516.84	
Train fuel.....	5,133,478.17	4,994,331.73	189,146.44	
Train power purchased	990,491.07	945,465.98	45,025.09	
Water for train locomotives	478,639.53	417,452.23	61,187.30	
Lubricants for train locomotives.....	159,849.66	162,948.03	6,901.63	
Other supplies for train locomotives.....	66,004.04	65,125.08	878.96	

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED
RAILWAY OPERATING EXPENSES—CONTINUED

	TRANSPORTATION—Concluded		INCREASE	DECREASE
	1939	1938		
Enginehouse expenses—Train.....	\$ 996,406.60	\$ 984,146.27	\$ 12,260.33	
Trainmen.....	5,562,475.22	5,419,716.81	142,758.41	
Train supplies and expenses.....	1,857,542.64	1,879,791.78		\$ 22,249.14
Operating sleeping cars.....	216,177.04	227,947.90		11,770.86
Signal and interlocker operation	389,242.12	398,861.64		9,619.52
Crossing protection.....	315,332.31	322,803.67		7,471.16
Drawbridge operation.....	61,162.65	60,105.63	1,057.02	
Telegraph and telephone operation	270,860.69	265,877.03	4,983.66	
Operating floating equipment.....	67,882.11	67,020.17	861.94	
Stationery and printing.....	163,901.10	149,416.63	14,484.47	
Other expenses.....	71,393.28	74,755.38		3,362.10
Operating joint tracks and facilities—Debit	536,228.27	507,292.12	28,936.15	
Operating joint tracks and facilities—Credit	71,393.28	74,755.38		3,362.10
Insurance.....	264,387.84	263,863.17	524.67	
Clearing wrecks.....	24,443.10	19,795.18	4,647.92	
Damage to property.....	57,469.36	63,188.30		5,718.94
Damage to live stock on right of way	53,163.76	50,197.85	2,965.91	
Loss and damage—Freight.....	55,895.69	51,458.61	4,437.08	
Loss and damage—Baggage	384,304.44	420,879.66		36,485.22
Injuries to persons.....	2,292.45	6,770.31		4,477.86
	395,803.63	561,293.97		165,490.34
Total transportation expenses.....	\$ 40,267,212.62	\$ 39,623,468.39	\$ 643,744.23	
MISCELLANEOUS OPERATIONS				
Dining and buffet service.....	\$ 864,768.31	\$ 831,703.24	\$ 33,065.07	
Hotels and restaurants.....	24,467.92	22,600.90	1,867.02	
Stockyards.....	20,114.38	19,040.04	1,074.34	
Producing power sold.....	35,770.55	35,465.17	305.38	
Total miscellaneous operations.....	\$ 945,121.16	\$ 908,809.35	\$ 36,311.81	

RAILWAY OPERATING REVENUES, EXPENSES AND INCOME—CONCLUDED
RAILWAY OPERATING EXPENSES—CONCLUDED

	GENERAL		INCREASE	DECREASE
	1939	1938		
Salaries and expenses of general officers.....	\$ 372,156.68	\$ 374,333.12	.....	\$ 2,176.44
Salaries and expenses of clerks and attendants.....	2,587,078.85	2,603,817.94	.....	16,739.09
General office supplies and expenses.....	137,109.45	123,454.40	\$ 13,655.05	.....
Law expenses.....	354,692.85	300,581.91	54,010.94	.....
Insurance.....	3,442.34	2,506.16	936.18	.....
Pensions.....	35,395.30	26,129.90	9,265.40	.....
Stationery and printing.....	104,127.85	94,032.90	10,094.95	.....
Valuation expenses.....	33,095.35	32,876.50	218.85	.....
Other expenses.....	88,171.86	71,437.20	16,734.66	.....
General joint facilities—Debit.....	88,838.06	93,271.67	.....	4,433.61
General joint facilities—Credit.....	5,264.47	1,411.84	1,852.63	.....
Total general expenses.....	\$ 3,800,744.12	\$ 3,721,029.86	\$ 79,714.26	.....
Transportation for investment—Credit.....	\$ 351,603.44	\$ 298,482.21	\$ 53,121.23	.....
Total railway operating expenses.....	\$ 85,511,814.22	\$ 80,673,186.46	\$ 4,838,627.76	.....

SUMMARY

	1939		1938		INCREASE	DECREASE
	AMOUNT	PER CENT	AMOUNT	PER CENT		
Railway operating revenues.....	\$106,875,380.50	82.92	\$ 99,436,845.84	7.39	\$ 7,438,534.66	.....
Railway operating expenses.....	85,511,814.22	7.40	80,673,186.46	1.23	4,838,627.76	.....
Net revenue from railway operations.....	\$ 21,363,566.28	1.06	\$ 18,763,659.38	0.93	\$ 2,599,906.90	.....
Railway tax accruals.....	8,297,000.00	.....	8,705,000.00	.....	.....	\$ 408,000.00
Railway operating income.....	\$ 13,066,566.28	100.00	\$ 10,058,659.38	100.00	\$ 3,007,906.90	.....

COMPARATIVE STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1939 AND 1938

RAILWAY OPERATING REVENUES

	1939		1938		INCREASE	PER CENT
	AMOUNT	PER CENT	AMOUNT	PER CENT		
Freight revenue.....	\$ 88,622,160.44	82.92	\$ 82,219,056.93	7.39	\$ 6,403,103.51	82.69
Passenger revenue.....	7,893,798.22	7.39	7,797,829.83	7.40	7,469,694.92	7.84
Other transportation revenue.....	7,911,565.20	7.40	1,256,515.31	1.23	1,256,515.31	7.51
Incidental revenue.....	1,317,424.35	1.23	693,748.85	1.06	623,675.50	1.26
Joint facility revenue.....	1,130,432.29	1.06	.....	.....	.....	1.70
Railway operating revenues.....	\$106,875,380.50	100.00	\$ 99,436,845.84	100.00	\$ 7,438,534.66	100.00

RAILWAY OPERATING EXPENSES

Maintenance of way and structures.....	\$ 18,293,695.33	17.12	\$ 14,824,273.76	14.91	\$ 3,469,421.57	14.91
Maintenance of equipment.....	19,816,654.67	18.54	19,131,874.82	19.24	684,779.85	19.24
Traffic expenses.....	2,739,989.76	2.56	2,752,212.49	2.78	12,222.73	2.78
Transportation expenses.....	40,267,212.62	37.68	39,623,488.39	39.85	643,724.23	39.85
Miscellaneous operations.....	945,121.16	88	908,899.35	.91	36,221.81	.91
General expenses.....	3,800,744.12	3.56	3,721,029.86	3.74	79,714.26	3.74
Transportation for investment—Credit.....	551,603.44	.53	298,482.21	.30	253,121.23	.30
Railway operating expenses.....	\$ 85,511,814.22	80.01	\$ 80,673,186.46	81.13	\$ 4,838,627.76	81.13

RECAPITULATION

Railway operating revenues.....	\$106,875,380.50	100.00	\$ 99,436,845.84	100.00	\$ 7,438,534.66	100.00
Railway operating expenses.....	85,511,814.22	80.01	80,673,186.46	81.13	4,838,627.76	81.13
Net revenue from railway operations.....	\$ 21,363,566.28	19.99	\$ 18,763,659.38	18.87	\$ 2,599,906.90	18.87
Average miles in operation during the year, including miles of main track used under lease and trackage rights.....	10,920.21	.....	10,953.57	.....	33.36	.....

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME
By Months for the Year Ended December 31, 1939

1939	RAILWAY OPERATING REVENUES	RAILWAY OPERATING EXPENSES	NET REVENUE FROM RAILWAY OPERATIONS	RAILWAY TAX ACCRUALS	RAILWAY OPERATING INCOME	EQUIPMENT RENTS DEBIT BAL.	JOINT FACILITY RENTS DEBIT BAL.	NET RAILWAY OPERATING INCOME
January	\$ 8,096,095.47	\$ 6,534,927.68	\$ 1,561,167.79	\$ 719,000.00	\$ 842,167.79	\$ 193,954.50	\$ 211,200.23	\$ 437,013.06
February	7,224,572.15	6,119,401.61	1,105,170.54	687,000.00	418,170.54	169,334.41	208,690.02	40,146.11
March	8,134,960.47	6,683,420.21	1,451,540.26	724,000.00	727,540.26	197,357.48	209,089.66	321,093.12
April	7,811,066.29	6,800,843.78	1,010,222.51	710,000.00	300,222.51	170,930.10	135,099.28	* 6,806.87
May	8,347,725.02	7,452,242.29	895,482.73	702,000.00	193,482.73	178,614.17	208,157.27	* 199,238.71
June	8,384,572.98	7,778,804.39	605,768.59	700,000.00	* 94,231.41	183,757.96	212,346.76	* 490,336.13
July	8,824,394.64	7,554,814.80	1,269,579.84	676,000.00	593,579.84	218,546.48	270,466.97	104,566.39
August	9,972,698.56	7,757,790.39	2,214,908.17	718,000.00	1,496,908.17	257,950.24	210,219.75	1,028,738.18
September	10,527,013.48	7,638,549.19	2,888,464.29	688,000.00	2,200,464.29	266,787.68	215,775.18	1,717,901.43
October	11,241,952.10	7,723,459.31	3,518,492.79	696,000.00	2,822,492.79	283,418.15	219,262.15	2,319,812.49
November	9,424,230.63	6,847,992.48	2,576,238.15	647,000.00	1,929,238.15	156,840.42	212,552.40	1,559,845.33
December	8,886,098.71	6,619,568.09	2,266,530.62	630,000.00	1,636,530.62	161,346.64	190,673.98	1,284,510.00
Total	\$106,875,380.50	\$ 85,511,814.22	\$21,363,566.28	\$ 8,297,000.00	\$13,066,566.28	\$ 2,438,838.23	\$ 2,503,533.65	\$ 8,124,194.40

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

STATEMENT OF COMMODITIES TRANSPORTED
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
PRODUCTS OF AGRICULTURE:						
Wheat	31,328	1,420,632	4.2	30,400	1,385,402	4.5
Corn	17,679	761,550	2.3	29,186	1,231,882	4.0
Oats	7,988	274,063	.8	9,006	307,547	1.0
Barley and rye	18,601	770,486	2.3	19,876	821,237	2.7
Rice	199	6,186	...	222	7,813	...
Grain, n. o. s.	67	2,067	...	72	2,140	...
Flour, wheat	28,976	742,587	2.2	27,600	700,726	2.3
Meal, corn	183	4,858	...	62	1,499	...
Flour and meal, edible, n. o. s.	539	12,913	...	75	18,559	...
Cereal food preparations, edible, n. o. s.	2,270	48,418	...	2,348	50,310	...
Milk products, n. o. s.	19,101	449,408	1.3	18,937	445,883	1.4
Hay and alfalfa	644	9,359	...	856	12,528	...
Straw	1,973	28,934	...	1,155	17,077	...
Tobacco, leaf	1,122	17,205	...	934	15,176	...
Cotton in bales	5	110	...	2	33	...
Cotton linters, nolls and regins	130	3,012	...	127	2,950	...
Cottonseed	1	22	...	3	58	...
Cottonseed meal and cake	356	8,393	...	410	9,364	...
Oranges and grapefruit	5,831	103,947	...	6,110	109,477	...
Lemons, limes and citrus fruits, n. o. s.	519	8,908	...	446	7,651	...

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY 45

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
Producers of Agriculture—Concluded:						
Apples, fresh.....	1,694	28,437	.1	1,765	29,987	.1
Bananas.....	2,238	23,951	.1	2,512	26,662	.1
Berries, fresh.....	70	608	.....	48	412	.....
Cantaloupes and melons, n. o. s.....	502	5,764	.....	479	5,346	.....
Grapes, fresh.....	1,052	17,864	.1	1,057	17,856	.1
Peaches, fresh.....	771	10,499	.....	845	10,751	.....
Watermelons.....	234	3,019	.....	311	4,020	.....
Fruits, fresh, domestic, n. o. s.....	1,691	26,521	.1	1,763	28,605	.1
Fruits, fresh, tropical, n. o. s.....	112	1,381	.....	169	2,059	.....
Potatoes, other than sweet.....	6,410	111,130	.3	6,245	107,417	.3
Cabbage.....	970	12,669	.....	1,408	18,284	.....
Onions.....	1,763	22,640	.1	1,101	14,256	.1
Tomatoes.....	411	4,490	.....	580	6,390	.....
Vegetables, fresh, n. o. s.....	5,955	71,413	.2	5,084	60,047	.2
Beans and peas, dried.....	847	28,316	.1	847	32,107	.1
Fruits, dried or evaporated.....	509	14,958	.1	649	19,729	.1
Vegetables, dry, n. o. s.....	138	1,829	.....	95	1,349	.....
Vegetable-oil cake and meal, except cottonseed.....	3,919	91,835	.3	2,371	54,060	.2
Peanuts.....	818	12,329	.....	715	10,965	.....
Flaxseed.....	2,266	92,875	.3	689	26,580	.1
Sugar beets.....	5,078	231,468	.7	5,351	256,511	.8
Products of agriculture, n. o. s.....	10,610	301,828	.9	9,918	274,032	.9
Total Products of Agriculture.....	185,570	5,788,882	17.1	192,650	6,154,737	19.9

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
ANIMALS AND PRODUCTS:						
Horses, mules, ponies and asses.....	917	10,751	.....	1,305	15,388	.1
Cattle and calves, single-deck.....	28,810	313,144	.9	28,934	317,008	1.0
Calves, double-deck.....	320	3,755	.....	367	4,468	.....
Sheep and goats, single-deck.....	1,282	7,565	.....	1,377	7,939	.....
Sheep and goats, double-deck.....	6,112	62,191	.2	6,351	65,822	.2
Hogs, single-deck.....	19,628	140,923	.4	18,849	138,149	.4
Hogs, double-deck.....	10,707	141,918	.4	12,079	160,833	.5
Fresh meats, n. o. s.....	34,877	439,078	1.3	32,168	405,937	1.3
Meats, cured, dried or smoked.....	1,377	22,687	.1	819	12,593	.1
Butterine and margarine.....	51	642	.....	76	856	.....
Packing-house products, edible, n. o. s., not including canned meats.....	3,315	64,334	.2	3,848	67,429	.2
Poultry, live.....	536	4,202	.....	497	4,392	.....
Poultry, dressed.....	1,620	18,927	.1	1,465	16,809	.1
Eggs.....	5,217	59,588	.2	4,505	51,764	.2
Butter.....	7,242	87,417	.3	6,989	81,893	.3
Cheese.....	3,721	55,298	.2	4,021	61,481	.2
Wool.....	1,118	15,535	.....	1,138	16,634	.....
Hides, green.....	3,824	93,945	.3	3,994	99,360	.3
Leather.....	526	8,927	.....	471	7,932	.....
Fish or sea-animal oil.....	719	20,141	.1	621	18,521	.1
Animals, live, n. o. s.....	4	51	.....	29	252	.....
Animal products, n. o. s. (Other than fertilizers and fertilizer materials).....	3,072	73,879	.2	3,293	77,123	.2
Total Animals and Products.....	134,995	1,644,898	4.9	133,196	1,632,583	5.3

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
Products of Mines:						
Anthracite coal.....	2,061	61,168	2	2,097	60,733	2
Bituminous coal.....	154,526	7,445,136	22.0	145,594	6,959,888	22.5
Coke.....	9,816	321,952	1.0	7,659	244,190	.8
Iron ore.....	17	847	.....	14	813	.....
Copper ore and concentrates.....	565	33,202	.....	707	42,162	.....
Lead ore and concentrates.....	213	7,956	.....	171	6,542	.....
Zinc ore and concentrates.....	829	42,149	.....	677	33,718	.....
Ores and concentrates, n. o. s.....	959	41,729	.....	666	33,859	.....
Gravel and sand (other than glass or molding).....	18,320	1,120,856	3.3	16,649	1,004,393	3.2
Stone, broken, ground or crushed.....	25,043	1,553,807	4.6	19,624	1,198,997	3.9
Stone, rough, n. o. s.....	2,292	100,997	.....	1,872	77,682	.....
Petroleum, crude.....	2,037	73,109	.....	1,665	61,890	.....
Asphalt (natural, by-product or petroleum).....	1,506	47,049	.....	1,487	47,053	.....
Salt.....	3,206	117,790	.....	4,096	152,281	.....
Phosphate rock, crude (ground or not ground).....	4,094	122,726	.....	3,879	115,850	.....
Sulphur (brimstone).....	634	29,431	.....	681	50,505	.....
Products of mines, n. o. s.....	633	266,302	.....	367	16,538	.....
	5,718		.8	4,273	203,671	.7
Total Products of Mines.....	232,419	11,428,908	33.8	212,178	10,310,765	33.3

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
Products of Forests:						
Logs.....	45,860	1,802,109	5.3	37,725	1,451,006	4.7
Posts, poles and piling.....	4,980	134,428	.4	4,292	115,376	.4
Wood (fuel).....	1,842	58,562	.2	2,384	79,302	.3
Ties, railroad.....	663	21,573	.....	1,109	36,874	.....
Pulpwood.....	5,800	205,180	.6	6,067	219,416	.7
Lumber, shingles and lath.....	57,516	1,595,072	4.7	47,087	1,278,899	4.1
Box, crate and cooperage materials.....	2,007	42,335	.....	1,928	42,034	.....
Veneer and built-up wood.....	2,564	69,425	.2	1,544	40,149	.1
Rosin.....	666	16,692	.....	522	13,371	.....
Turpentine.....	87	1,916	.....	78	1,710	.....
Crude rubber (not reclaimed).....	46	1,333	.....	36	1,168	.....
Products of forests, n. o. s.....	5,804	147,900	.4	4,587	118,168	.4
Total Products of Forests.....	127,835	4,096,525	12.1	107,359	3,397,373	11.0

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
MANUFACTURES AND MISCELLANEOUS:						
Petroleum oils, refined, and all other gasolines	76,088	2,042,605	6.0	74,972	2,028,629	6.6
Fuel, road and petroleum residual oils, n. o. s.	22,864	689,671	2.0	20,808	635,521	2.1
Lubricating oils and greases	4,949	102,668	.3	4,780	101,391	.3
Petroleum products, n. o. s.	647	14,661	...	416	9,626	...
Cottonseed oil	39	1,011	...	41	1,066	...
Linseed oil	643	16,488	...	484	12,038	...
Vegetable oils, n. o. s.	807	22,375	...	664	18,839	...
Sugar (beet or cane)	4,799	185,930	...	4,903	189,453	...
Table sirups and edible molasses	1,679	58,026	...	1,497	53,437	...
Molasses, blackstrap and beet residual	346	14,645	...	347	15,182	...
Iron, pig	2,006	111,492	...	1,270	69,930	...
Iron and steel, rated 6th class in official classification, n. o. s.	1,012	52,555	...	98	4,837	...
Rails, fastenings, frogs and switches	449	21,696	...	197	8,473	...
Cast iron pipe and fittings	857	22,479	...	733	18,726	...
Iron and steel pipe and fittings, n. o. s.	4,240	142,987	...	2,427	73,272	...
Iron and steel: Nails and wire, not woven	2,292	59,625	...	1,577	39,750	...

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939			1938		
	CARLOADS	TONS		CARLOADS	TONS	
		Number	Per cent of total		Number	Per cent of total
MANUFACTURES AND MISCELLANEOUS—Continued:						
Iron and steel, rated 5th class in official classification, n. o. s. (also tin andterne plate)	24,085	916,330	2.7	15,782	573,603	1.9
Copper: Ingot, matte and pig	1,249	63,712	...	780	39,404	...
Copper, brass and bronze: Bar, sheet and pipe	33	49,718	...	59	1,312	...
Lead and zinc: Ingot, pig or bar	1,036	49,829	...	906	45,340	...
Aluminum: Ingot, pig or slab	1	23	...	2	38	...
Machinery and boilers	5,564	106,509	...	5,524	103,857	...
Cement, natural or Portland (building)	20,584	714,663	...	17,234	536,003	...
Brick, n. o. s., and building tile	2,467	82,483	...	2,237	74,777	...
Artificial stone, n. o. s.	2,727	86,203	...	2,210	70,017	...
Lime, common (quick or slaked)	697	21,769	...	596	18,082	...
Plaster (stucco or wall) and dry kalsomine	2,447	66,706	...	2,327	60,547	...
Sewer pipe and drain tile (not metal)	1,469	40,169	...	1,331	35,359	...
Agricultural implements and parts, n. o. s.	2,406	41,873	...	2,241	40,122	...
Vehicles, horse-drawn and parts, n. o. s.	8,705	128,503	...	9,855	149,100	...
Tractors and parts	44	611	...	62	840	...
Railway car wheels, axles and trucks	5,555	75,773	...	5,064	73,987	...
Automobiles (passenger)	189	5,162	...	117	2,687	...
	14,582	86,221	...	12,222	72,343	...

STATEMENT OF COMMODITIES TRANSPORTED—Continued
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939				1938			
	CARLOADS	TONS		CARLOADS	TONS		Per cent of total	
		Number	Per cent of total		Number	Per cent of total		
MANUFACTURES AND MISCELLANEOUS—Continued:								
Auto trucks.....	874	6,248	.....	167	1,404	.....	
Automobiles and autotrucks, K. D., and parts, n. o. s.....	14,062	240,744	7	10,167	171,990	.....	6
Automobile and autotruck tires.....	1,542	24,487	1	1,307	19,863	.....	1
Furniture, metal.....	297	3,469	.....	170	2,082	.....	.....
Furniture, other than metal.....	4,899	36,659	.....	3,960	30,822	.....	.....
Beverages.....	18,387	404,854	1	21,482	437,592	.....	1
Ice.....	2,331	112,563	2	2,282	103,844	.....	1
Fertilizers, n. o. s.....	3,503	94,212	3	2,936	78,410	.....	3
Newsprint paper.....	2,527	66,082	2	1,910	51,831	.....	2
Printing paper, n. o. s.....	3,211	73,587	2	2,956	68,573	.....	2
Alcohol, denatured or wood.....	371	7,302	.....	350	7,346	.....	.....
Sulphuric acid.....	344	15,186	1	175	7,519	.....	.....
Explosives, n. o. s.....	447	6,649	.....	401	6,201	.....	.....
Cotton cloth and cotton fabrics, n. o. s.....	112	1,469	.....	115	1,417	.....	.....
Bagging and bags, burlap, gunny or jute.....	208	4,078	.....	200	3,875	.....	.....
Canned food products, n. o. s.....	19,933	459,622	1	17,312	401,482	.....	1
Tobacco, manufactured products.....	213	4,327	.....	310	6,278	.....	.....
Paints in oil and varnishes.....	1,262	37,694	.....	978	28,644	.....	.....
Furnace slag.....	50	2,543	1	23	1,109	.....	1

STATEMENT OF COMMODITIES TRANSPORTED—Concluded
DURING THE YEARS ENDED DECEMBER 31, 1939 AND 1938

COMMODITIES	1939				1938			
	CARLOADS	TONS		CARLOADS	TONS		Per cent of total	
		Number	Per cent of total		Number	Per cent of total		
MANUFACTURES AND MISCELLANEOUS—Concluded:								
Scrap iron and scrap steel.....	7,630	362,168	1	4,205	193,720	.....	6
Paper bags and wrapping paper.....	4,716	114,202	3	3,494	84,367	.....	3
Paperboard, pulpboard and wallboard (paper).....	8,886	199,750	6	6,508	147,761	.....	5
Building paper and prepared roofing materials.....	1,987	47,673	1	1,959	46,808	.....	2
Building woodwork (millwork).....	3,823	71,426	2	3,383	64,455	.....	2
Soap and washing compounds.....	1,155	24,727	1	1,235	25,676	.....	1
Glass, flat, other than plate.....	929	25,276	1	519	14,440	.....	1
Glass: Bottles, jars and jelly glasses.....	2,814	47,496	1	3,679	60,479	.....	2
Manufactures and miscellaneous, n. o. s.....	96,327	1,757,110	5	87,971	1,548,505	.....	5
Total Manufactures and Miscellaneous.....	420,047	10,297,654	30	373,867	8,844,081	.....	28
GRAND TOTAL CARLOAD TRAFFIC.....	1,100,866	33,256,867	98	1,019,250	30,339,539	.....	98
All L. C. L. Freight.....	.....	584,555	1	.....	594,788	.....	1
GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC.....	.....	33,841,422	100	.....	30,934,327	.....	100

MILES OF TRACK, DECEMBER 31, 1939

	Operated	Not Operated	Total
Miles of Road:			
*Owned solely.....	9,726.82	12.25	9,739.07
Owned jointly.....	170.91		170.91
Leased.....	332.68		332.68
Trackage rights.....	659.25		659.25
Total main track.....	10,889.66	12.25	10,901.91
Additional main tracks:			
Owned solely.....	888.92	15.32	904.24
Owned jointly.....	9.83	.70	10.53
Leased.....	45.58		45.58
Trackage rights.....	263.75		263.75
Total additional main tracks.....	1,208.08	16.02	1,224.10
Yard tracks and sidings:			
*Owned solely.....	3,223.41	6.85	3,230.26
Owned jointly.....	198.48	47.72	246.20
Leased.....	214.37		214.37
Trackage rights.....	495.55		495.55
Total yard tracks and sidings.....	4,131.81	54.57	4,186.38
Totals:			
Owned solely.....	13,839.15	34.42	13,873.57
Owned jointly.....	379.22	48.42	427.64
Leased.....	592.63		592.63
Trackage rights.....	1,418.55		1,418.55
Grand Total all tracks.....	16,229.55	82.84	16,312.39

Average miles of main track in operation during the year:

*Owned solely.....	9,757.29 miles
Owned jointly.....	170.91 "
Leased.....	332.68 "
Operated under trackage rights.....	659.33 "
Total average miles operated.....	10,920.21 "

The lines of road owned solely and jointly are located in the following States:

Wisconsin.....	1,605.50 miles
Illinois.....	490.15 "
Iowa.....	1,756.34 "
Minnesota.....	1,185.32 "
North Dakota.....	367.23 "
South Dakota.....	1,764.75 "
Missouri.....	138.42 "
Michigan.....	179.41 "
Montana.....	1,258.39 "
Idaho.....	230.65 "
Washington.....	933.82 "
Total main track owned solely and jointly.....	9,909.98 "

*Includes .97 miles of road and 1.24 miles of yard tracks and sidings leased to Des Moines Union Ry. Co. but used by C. M. St. P. & P. R. R. under contract.

TRANSPORTATION STATISTICS
FOR THE YEARS ENDED DECEMBER 31, 1939 AND 1938

	1939	1938
Average mileage of road operated—Total..	10,920.21	10,953.57
Average mileage of road—Freight Service.	10,912.40	10,945.56
Average mileage of road—Passenger service	7,169.94	7,113.65
TRAIN-MILES		
Freight Trains:		
Ordinary (with locomotives).....	14,545,636	14,041,371
Light (with locomotives).....	71,187	79,651
Without locomotives.....	644	
Total—Freight trains.....	14,617,467	14,121,022
Passenger Trains:		
Ordinary (with locomotives).....	10,024,407	10,038,604
Without locomotives.....	927,959	988,905
Total—Passenger trains.....	10,952,366	11,027,509
Total Transportation Service:		
Ordinary (with locomotives).....	24,570,043	24,079,975
Light (with locomotives).....	71,187	79,651
Total (with locomotives).....	24,641,230	24,159,626
Total (without locomotives).....	928,603	988,905
Grand Total—Transportation service..	25,569,833	25,148,531
Work trains.....	667,617	499,569
LOCOMOTIVE-MILES		
Freight Trains:		
Principal.....	14,634,359	14,136,883
Helper.....	478,138	455,034
Light.....	536,867	524,403
Train switching.....	1,515,946	1,507,407
Yard switching.....	6,320,314	6,100,648
Total.....	23,485,624	22,724,375
Passenger Trains:		
Principal.....	10,024,407	10,038,604
Helper.....	130,349	146,982
Light.....	158,428	162,968
Train switching.....	186	138
Yard switching.....	482,310	463,146
Total.....	10,795,680	10,811,838
Transportation Service:		
Principal.....	24,658,766	24,175,487
Helper.....	608,487	602,016
Light.....	695,295	687,371
Train switching.....	1,516,132	1,507,545
Yard switching.....	6,802,624	6,563,794
Total.....	34,281,304	33,536,213
Work trains.....	1,062,482	870,688

(Continued on page 56)

TRANSPORTATION STATISTICS—CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 1939 AND 1938

CAR-MILES	1939	1938
Freight Trains:		
Loaded freight cars.....	410,720,188	377,330,888
Empty freight cars.....	256,205,639	241,782,469
Passenger coaches.....	476,914	799,691
Sleeping and parlor cars.....	126,294	236,023
Club lounge, dining, and observation cars	6,126	21,942
Business cars.....	53,258	47,927
Mail, express, and baggage cars and combination cars other than passenger	2,843,136	2,539,029
Combination passenger cars (mail, express, or baggage with passenger)...	1,102,653	928,480
Caboose.....	14,222,160	13,511,287
Total Freight-train car-miles.....	685,756,368	637,197,736
Passenger trains:		
Loaded freight cars.....	522,372	442,944
Empty freight cars.....	18,296	11,836
Passenger coaches.....	18,500,844	18,087,276
Sleeping and parlor cars.....	20,383,837	20,448,324
Club lounge, dining, and observation cars	6,358,318	6,381,891
Business cars.....	106,161	95,732
Mail, express, and baggage cars and combination cars other than passenger...	24,616,140	24,682,951
Combination passenger cars (mail, express, or baggage with passenger)...	1,784,609	1,742,678
Caboose.....	39,576	46,460
Total Passenger-train car-miles.....	72,330,153	71,940,092
Transportation Service:		
Loaded freight cars.....	411,242,560	377,773,832
Empty freight cars.....	256,223,935	241,794,305
Passenger coaches.....	18,977,758	18,886,967
Sleeping and parlor cars.....	20,510,131	20,684,347
Club lounge, dining, and observation cars	6,364,444	6,403,833
Business cars.....	159,419	143,659
Mail, express, and baggage cars and combination cars other than passenger...	27,459,276	27,221,980
Combination passenger cars (mail, express, or baggage with passenger)...	2,887,262	2,671,158
Caboose.....	14,261,736	13,557,747
Total Transportation Service car-miles	758,086,521	709,137,828
Work trains—car-miles.....	8,034,151	4,741,553
FREIGHT TRAFFIC		
Tons—Revenue freight.....	33,841,422	30,934,327
Tons—Non-revenue freight.....	4,556,700	3,914,675
Tons—Total.....	38,398,122	34,849,002
Ton-miles, Revenue freight, Road service A	9,224,103,643	8,468,588,779
Ton-miles, Revenue freight, Water service..	10,203,479	10,859,618
Total Ton-miles—Revenue freight... A	9,234,307,122	8,479,448,397
Ton-miles, Non-revenue freight, Road service	1,488,232,255	1,271,223,372
Ton-miles, Non-revenue freight, Water service	965,321	719,608
Total Ton-miles—Non-revenue freight.	1,489,197,576	1,271,942,980
Total Ton-miles—Revenue and Non-revenue freight..... A	10,723,504,698	9,751,391,377
Gross Ton Miles:		
Including locomotives and tenders.....	30,184,297,747	27,889,119,121
Excluding locomotives and tenders.....	26,325,862,525	24,209,978,536

AMOUNTS EXCLUDED

A—Ton-miles on truck lines.....	80,827	79,579
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(Continued on page 57)

TRANSPORTATION STATISTICS—CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 1939 AND 1938

	1939	1938
PASSENGER TRAFFIC		
Revenue passengers carried—Commutation	1,992,809	1,835,672
Revenue passengers carried—Other..... B	2,419,949	2,414,120
Revenue passengers carried—Total..... B	4,412,758	4,249,792
Revenue passenger-miles—Commutation..	38,670,537	35,504,859
Revenue passenger-miles—Other..... C	406,766,397	398,409,465
Revenue passenger-miles—Total..... C	445,436,934	433,914,324
REVENUES AND EXPENSES		
Freight Revenue..... D	\$ 88,623,648	\$ 82,220,776
Passenger revenue—Commutation.....	336,233	309,708
Passenger revenue—Other..... E	7,562,557	7,493,412
Passenger revenue—Total..... E	7,898,790	7,803,120
Passenger service train revenue.....	13,111,046	12,810,605
Operating revenues..... F	106,806,605	99,377,445
Operating expenses..... G	85,448,638	80,611,550
Net operating revenues..... H	21,357,967	18,765,895
Net railway operating income..... I	8,125,772	5,284,002
AVERAGES PER MILE OF ROAD		
Freight-train miles.....	1,340.	1,290.
Passenger-train miles.....	1,528.	1,550.
Transportation service—train-miles.....	2,342.	2,296.
Work-train miles.....	61.	46.
Freight-train car-miles.....	62,842.	58,215.
Passenger-train car-miles.....	10,088.	10,113.
Freight revenue.....	\$ 8,121.37	\$ 7,511.79
Passenger service train revenue.....	1,828.61	1,800.85
Operating revenues.....	9,780.64	9,072.61
Operating expenses.....	7,824.82	7,359.39
Net operating revenues.....	1,955.82	1,713.22
Net railway operating income.....	744.10	482.40
Ton-miles—Revenue freight—Road service	844,682.	773,135.
Ton-miles—All freight—Road service.....	980,964.	889,191.
Revenue—Passenger-miles.....	40,790.	39,614.

Amounts excluded:

B—Passengers carried on bus lines only...	14,149	14,479
C—Passenger-miles on bus lines.....	411,052	434,944
D—Revenue from truck line operations....	\$ 1,488	\$ 1,719
E—Revenue from bus line operations.....	4,992	5,290
F—Revenue not assignable to rail-line transportation service.....	68,775	59,401
G—Expenses not assignable to rail-line transportation service.....	63,176	61,637
H—Net revenue not assignable to rail-line transportation service.....	5,599	2,236
I—Net railway operating income not assignable to rail-line transportation service.....	1,578	9,463

Ø Represents revenue from passengers, mail, express, sleeping car and other earnings in passenger trains.

(Concluded on page 58)

TRANSPORTATION STATISTICS—CONCLUDED
FOR THE YEARS ENDED DECEMBER 31, 1939 AND 1938

	1939	1938
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles—Freight trains..	28.10	26.72
Empty freight car-miles—Freight trains...	17.53	17.12
Ton-miles—Revenue freight per Freight-train mile.....	631.73	600.48
Ton-miles—All freight per Freight-train mile.....	733.61	690.56
Freight gross ton-miles, excluding locomotives and tenders per Freight-train mile..	1,800.99	1,714.46
Locomotive-miles—Freight trains.....	1.07	1.07
Locomotive-miles—Passenger trains... A	1.03	1.03
Passenger train car-miles—Pass. trains.....	6.60	6.52
Revenue passenger-miles per Passenger-train mile.....	40.71	39.35
Freight revenue per Freight-train mile... \$	6.06	5.82
Passenger service train revenue.....	1.20	1.16
Operating revenues.....	4.18	3.95
Operating expenses.....	3.34	3.20
Net operating revenues.....	.84	.75
AVERAGES PER LOADED FREIGHT CAR-MILE		
Ton-miles—All freight (revenue and non-revenue).....	26.08	25.81
Freight revenue..... \$	.21550	.21765
MISCELLANEOUS AVERAGES		
Miles per revenue—Ton.....	272.87	274.11
Miles per non-revenue—Ton.....	326.81	324.92
Miles per revenue and non-revenue—Ton..	279.27	279.82
Miles per revenue passenger—Commu-tation.....	19.41	19.34
Miles per revenue passenger—Other.....	168.09	165.03
Miles per revenue passenger—Total.....	100.94	102.10
Revenue per ton of freight..... \$	2.61879	2.65791
Revenue per ton-mile of freight.....	.00960	.00970
Revenue per passenger—Commutation....	.16872	.16872
Revenue per passenger—Other.....	3.12509	3.10399
Revenue per passenger—Total.....	1.78999	1.83612
Revenue per passenger-mile—Commutation	.00869	.00872
Revenue per passenger-mile—Other.....	.01859	.01881
Revenue per passenger-mile—Total.....	.01773	.01798
Per cent empty of loaded freight car-miles.	62.30	64.01
Per cent revenue ton-miles of gross ton-miles excluding locomotives and tenders.	35.08	35.02
Operating ratio..... B	80.00	81.12

A—Excludes motor train miles..... 927,959 988,905
B—Excluding Revenues and Expenses not assignable to rail-line transportation service as shown by notes F and G on page 57.

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1939

ASSET SIDE			
INVESTMENTS:			
Road and equipment.....		\$	347,992.13
CURRENT ASSETS:			
Cash.....	\$	7,930.57	
Traffic and car-service balances receivable...		512.45	
Due from agents and conductors.....		22.64	
Miscellaneous accounts receivable.....		413.12	
Material and supplies.....		2,043.40	
Other current assets.....		21.75	
TOTAL CURRENT ASSETS.....			10,943.93
DEFERRED ASSETS:			
Working fund advances.....			366.94
UNADJUSTED DEBITS:			
Insurance premiums paid in advance.....	\$	38.19	
Other unadjusted debits.....		491.12	
TOTAL UNADJUSTED DEBITS.....			529.31
GRAND TOTAL.....		\$	359,832.31
LIABILITY SIDE			
CAPITAL STOCK:			
Common stock.....	\$	300,000.00	
Premium on capital stock.....		26,628.95	
TOTAL.....			\$ 326,628.95
CURRENT LIABILITIES:			
Traffic and car-service balances payable.....	\$	978.22	
Payrolls and vouchers.....		1,231.66	
Miscellaneous accounts payable.....		53.41	
Other current liabilities.....		4.06	
TOTAL CURRENT LIABILITIES.....			2,267.35
UNADJUSTED CREDITS:			
Tax liability.....	\$	932.80	
Accrued depreciation—Equipment.....		1,728.65	
Other unadjusted credits.....		254.82	
TOTAL UNADJUSTED CREDITS.....			2,916.27
CORPORATE SURPLUS:			
Additions to property through income and surplus.....	\$	21,363.18	
Profit and loss, credit balance.....		6,656.56	
TOTAL CORPORATE SURPLUS.....			28,019.74
GRAND TOTAL.....		\$	359,832.31

WHITE SULPHUR SPRINGS & YELLOWSTONE PARK RAILWAY COMPANY
INCOME ACCOUNT, YEAR ENDED DECEMBER 31, 1939

I. OPERATING INCOME	
RAILWAY OPERATING INCOME:	
Railway operating revenues.....	\$ 17,311.58
Railway operating expenses.....	17,925.60
NET REVENUE FROM RAILWAY OPERATIONS (deficit).....	\$ 614.02
Railway tax accruals.....	2,247.42
RAILWAY OPERATING INCOME (deficit).....	\$ 2,861.44
RENTS PAYABLE:	
Hire of freight cars—Debit balance.....	\$ 484.42
Joint facility rents.....	41.88
TOTAL RENTS PAYABLE.....	\$ 526.30
NET RAILWAY OPERATING INCOME (deficit).....	\$ 3,387.74
II. OTHER INCOME	
Miscellaneous rent income.....	\$ 145.00
TOTAL INCOME (deficit).....	\$ 3,242.74
IV. FIXED CHARGES	
Rent for leased roads and equipment.....	\$ 441.48
Interest on unfunded debt.....	.23
TOTAL FIXED CHARGES.....	\$ 441.71
NET INCOME (deficit).....	\$ 3,684.45

PROFIT AND LOSS ACCOUNT—DECEMBER 31, 1939

CREDITS:	
Credit balance at beginning of year.....	\$ 10,157.04
Miscellaneous credits.....	183.97
Total Credits.....	\$ 10,341.01
DEBITS:	
Debit balance transferred from income.....	\$ 3,684.45
Credit balance, December 31, 1939 carried to General Balance Sheet.....	\$ 6,656.56

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1939

ASSET SIDE		
INVESTMENTS:		
Road and equipment.....	\$27,723,887.22	
Miscellaneous physical property.....	240,291.62	
Affiliated companies.....	12,504.00	
TOTAL INVESTMENTS.....		\$27,976,682.84
CURRENT ASSETS:		
Cash.....	\$ 1,161.56	
Special deposits.....	187.50	
Rents receivable.....	266,929.17	
Other current assets.....	428,144.00	
TOTAL CURRENT ASSETS.....		696,422.23
DEFERRED ASSETS:		
Other deferred assets.....		2,905,066.21
GRAND TOTAL.....		\$31,578,171.28
LIABILITY SIDE		
CAPITAL STOCK:		
Common stock.....	\$ 4,300,000.00	
Less, stock held in treasury—Unpledged.....	127,005.00	\$ 4,172,995.00
GOVERNMENTAL GRANTS:		
Grants in aid of construction.....		91,144.36
LONG-TERM DEBT:		
Funded debt unmatured.....	\$ 23,360,000.00	
Less, bonds held in treasury.....	166,000.00	\$23,194,000.00
Non-negotiable debt to affiliated companies.....	678,621.25	
TOTAL LONG-TERM DEBT.....		\$23,872,621.25
CURRENT LIABILITIES:		
Interest matured unpaid.....	\$ 428,331.50	
Funded debt matured unpaid.....	350,000.00	
Less, bonds pledged.....	100,000.00	250,000.00
Unmatured interest accrued.....	266,929.17	
TOTAL CURRENT LIABILITIES.....		945,260.67
DEFERRED LIABILITIES:		
Other deferred liabilities.....		1,066,122.19
UNADJUSTED CREDITS:		
Accrued depreciation—Equipment.....	61,053.60	
TOTAL UNADJUSTED CREDITS.....		61,053.60
CORPORATE SURPLUS:		
Additions to property through income and surplus.....	\$ 118,356.87	
Profit and loss, credit balance.....	1,250,617.34	
TOTAL CORPORATE SURPLUS.....		1,368,974.21
GRAND TOTAL.....		\$31,578,171.28

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

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

INCOME ACCOUNT YEAR ENDED DECEMBER 31, 1939

INCOME:		
Income from lease of road and equipment.....		\$ 1,110,434.00
Income from funded securities.....		10.00
GROSS INCOME.....		\$ 1,110,444.00
DEDUCTIONS FROM GROSS INCOME:		
Railway tax accruals.....	\$ 806.12	
Interest on funded debt.....	1,086,830.00	
Interest on unfunded debt.....	12,500.00	
Maintenance of investment organization.....	3,078.64	
Miscellaneous income charges.....	7,219.24	
TOTAL DEDUCTIONS FROM GROSS INCOME.....		\$ 1,110,434.00
NET INCOME.....		\$ 10.00

PROFIT AND LOSS ACCOUNT DECEMBER 31, 1939

CREDITS:	
Credit balance at beginning of year.....	\$ 1,250,411.62
Credit balance transferred from income.....	10.00
Miscellaneous credits.....	1,503.54
TOTAL CREDITS.....	\$ 1,251,925.16

DEBITS:	
Debits from retired road and equipment.....	\$ 1,307.82
TOTAL DEBITS.....	\$ 1,307.82

Credit balance December 31, 1939, carried to General Balance Sheet..... \$ 1,250,617.34

CHICAGO, TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

FUNDED DEBT, DECEMBER 31, 1939

DESCRIPTION OF BONDS	DATE OF MATURITY	TOTAL	IN TREASURY OF COMPANY	PLEDGED	IN HANDS OF PUBLIC	INTEREST		
						RATE %	PAYABLE	ACCRUED DURING THE YEAR
UNMATURED:								
Southern Indiana Ry. Co., First Mortgage.....	Feb. 1, 1951	\$ 7,287,000.00			\$ 7,287,000.00	4	Feb. & Aug.	\$ 291,480.00
First and Refunding Mortgage.....	Dec. 1, 1960	9,573,000.00	\$ 2,000.00		①9,571,000.00	5	June & Dec.	478,550.00
Income Mortgage.....	Dec. 1, 1960	6,500,000.00	164,000.00		6,336,000.00	5	Mar. & Sept.	316,800.00
TOTAL.....		\$23,360,000.00	\$166,000.00		\$23,194,000.00			\$1,086,830.00
MATURED UNPAID:								
Bedford Belt Ry. Co., First Mortgage.....	July 1, 1938	\$ 350,000.00		②100,000.00	\$ 250,000.00	5	Jan. & July	\$ 12,500.00
GRAND TOTAL.....		\$23,710,000.00	\$166,000.00	\$100,000.00	\$23,444,000.00			\$1,099,330.00

The rental for the lease of the property paid by C. M. St. P. & P. R. R. Co. includes the interest on the above bonds.
 ① Includes \$1,515,000.00 pledged with Trustee under C. M. St. P. & P. R. R. Co. First and Refunding Mortgage.
 ② Pledged with Trustee under C. T. H. & S. E. Ry. Co. First and Refunding Mortgage.

EQUIPMENT OWNED DECEMBER 31, 1939

DESCRIPTION	Number December 31, 1938		ADDED			
			New		Converted from other classes	
	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE
LOCOMOTIVES OWNED:						
Steam—Coal burning	1,123	27				
Steam—Oil burning	74				2	
Electric	57					
Gas electric	2					
Diesel switcher			7			
Total locomotives owned	1,256	27	7		2	
REVENUE FREIGHT EQUIPMENT OWNED:						
Refrigerator cars—Iced	3					
Box cars	26,606	897	1,082	1	#69	
Automobile cars	5,362					
Package cars	5					
Stock cars, single deck	3,166					
Stock cars, double deck	808					
Coal cars	#14,308	564				
Ore cars	288	517				
Flat cars (includes 10 water cars, 2 well cars and 2 transformer cars)	4,151	213			Ø200	
Total revenue freight equipment owned	54,697	2,191	1,082	1	269	
NON-REVENUE EQUIPMENT OWNED:						
Locomotives	7					
Caboose cars	831	49	75		20	
Officers and pay cars	12	2				
Derrick cars	24	1				
Steam shovels	1					
Wrecking cars and other company service equipment	2,739	155	16		125	4
Total non-revenue equipment owned	3,614	207	91		145	4
PASSENGER EQUIPMENT OWNED:						
Coaches	358				2	
Passenger and express cars	50	5			14	
Passenger, mail and express cars	11					
Gas electric motor cars	19					
Buffet—Cafe cars	23					
Buffet lounging cars	4					
Open top observation cars	4					
Dining cars	35					
Parlor cars	31				7	
Sleeping cars—Standard	42					
Sleeping cars—Tourist	30				2	
Mail apartment cars	99					
Express and tap room cars	6					
Express cars	270				11	
Postal cars	12					
Total passenger train equipment owned	994	5			36	
FLOATING EQUIPMENT OWNED:						
Tug boats	1					
Barges	5					
Total floating equipment owned	6					
GRAND TOTAL EQUIPMENT OWNED	60,567	2,430	1,180	1	452	4

#69 automobile cars were changed to box cars.

##Includes 45 gondola cars purchased by the Milwaukee in 1922 for cash to replace Terre Haute vacancies; ownership in the Milwaukee, subject to the First Lien of the Southern Indiana First Mortgage.

Ø200 flat cars were changed from coal cars.

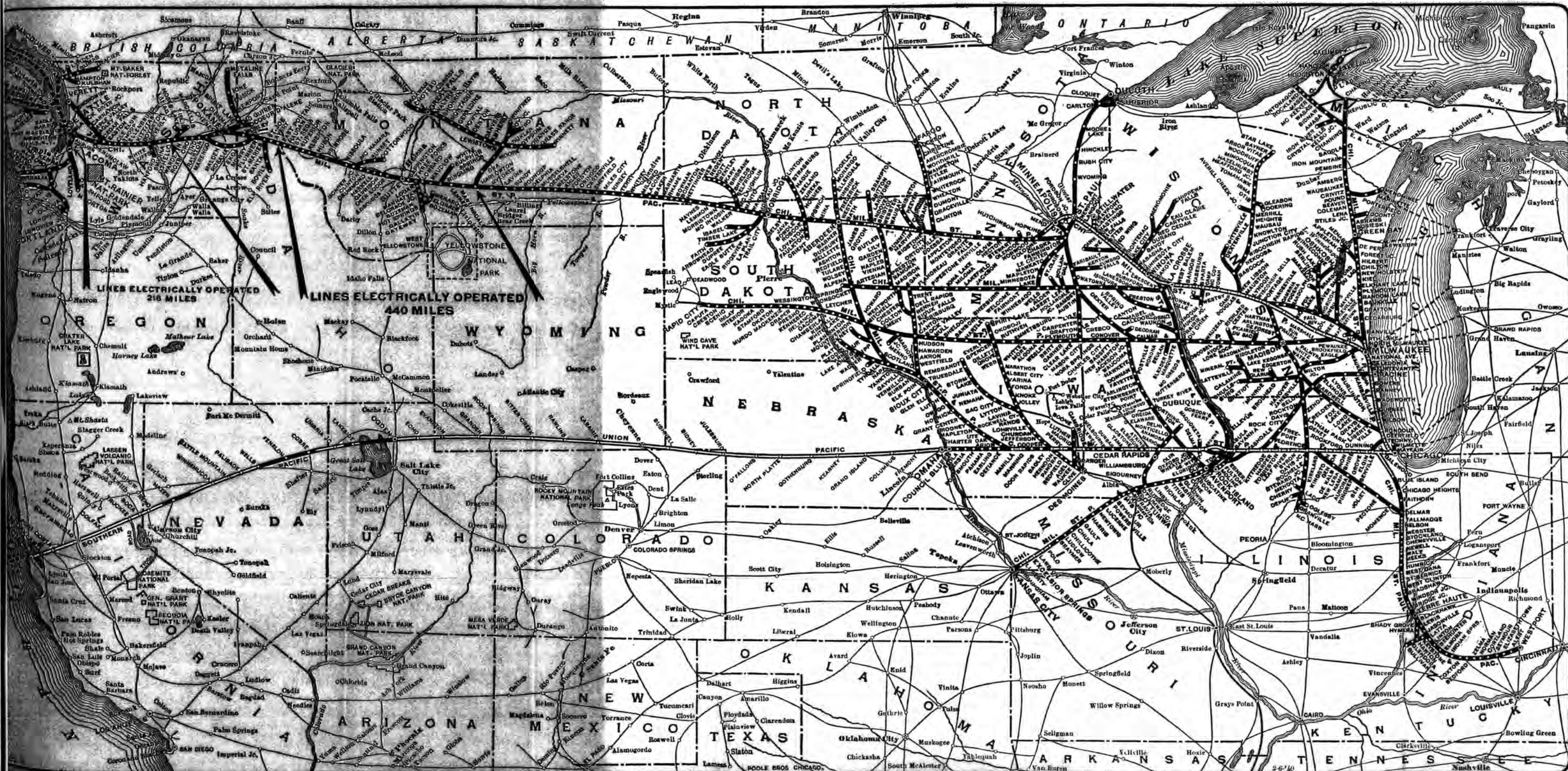
WITH CHANGES DURING THE YEAR

DESCRIPTION	ADDED				RETIRED				Number December 31, 1939			
	Reinstated		Total		Retired		Converted to other classes		Total		CMSTP&P	CTH&SE
	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE	CMSTP&P	CTH&SE		
											1,098	27
											76	
											56	
											2	
											7	
											1,239	27
											26,532	898
											5,257	
											3,122	
											805	
											#13,940	525
											283	517
											4,260	178
											54,199	2,118
											6	
											842	47
											12	2
											23	1
											1	
											2,712	155
											3,596	205
											325	
											56	3
											11	
											17	
											16	
											4	
											4	
											30	
											38	
											38	
											32	
											80	
											6	
											280	
											10	
											947	3
											1	
											5	
											6	
											59,987	2,353

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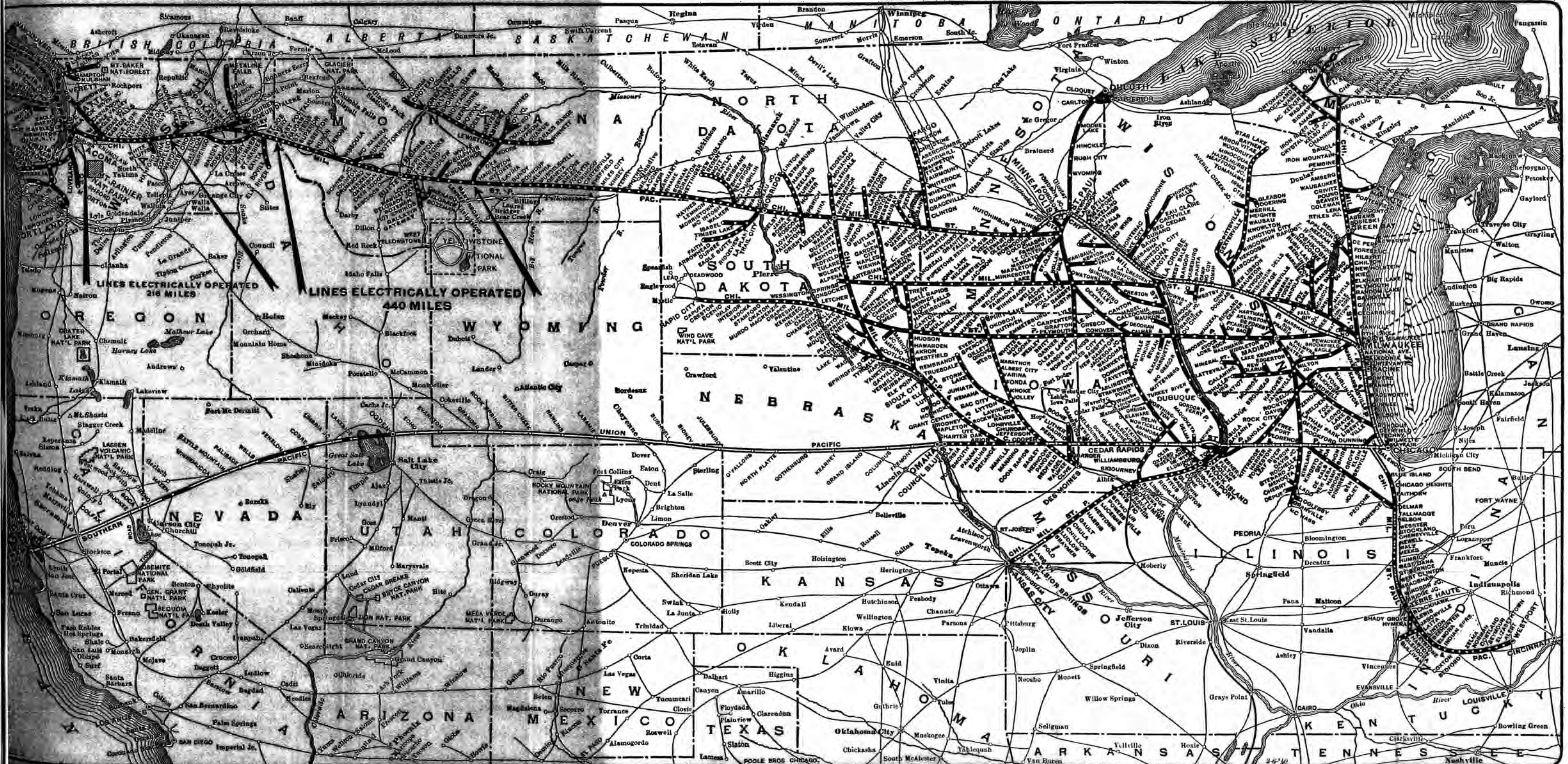
MAP OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD



LINES ELECTRICALLY OPERATED
216 MILES

LINES ELECTRICALLY OPERATED
440 MILES

MAP OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD



MILEAGE, DECEMBER 31st, 1939, 10,889.66 Indicates Double Track