



Annual Report 1955





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B

A. Dome diners are an attractive feature of the CITY OF LOS ANGELES and CITY OF PORTLAND.

B. Still unique — the Skytop Lounge on the Super Dome HIAWATHAS.



C

C. Roomettes offer complete privacy and comfort at moderate cost.

D. The "Gold Room" on the lower deck of dome diners is a delightful spot for private dining.

E. Double bedrooms have complete facilities, including enclosed lavatory and clothes closet.

F. Comfort at low cost in reclining chair coaches with leg rests.

G. The attractive Cafe Lounge is on the lower deck of Super Dome cars on the HIAWATHAS.



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F



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CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

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

BOARD OF DIRECTORS

Terms Expiring:

1956	1957	1958
JOHN B. GALLAGHER JOSHUA GREEN ARNOLD B. KELLER WALTER T. MAHONEY LOUIS QUARLES WILLIAM J. SINEK	JOHN D. ALLEN JAMES M. BARKER LEO T. CROWLEY WALTER J. CUMMINGS WILLIAM J. FROELICH JOHN P. KILEY ELMER RICH	JUDSON LARGE ROBERT J. MARONY WILLIAM L. O'BRIEN PHILIP W. PILLSBURY JOHN W. SEVERS JOHN P. WAGNER

EXECUTIVE COMMITTEE

LEO T. CROWLEY JOHN B. GALLAGHER	JOHN D. ALLEN, <i>Chairman</i> WILLIAM J. FROELICH ARNOLD B. KELLER	JOHN P. KILEY ELMER RICH WILLIAM J. SINEK
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FINANCE COMMITTEE

JOHN D. ALLEN JAMES M. BARKER *Alternate Members	WALTER J. CUMMINGS, <i>Chairman</i> LEO T. CROWLEY WILLIAM J. FROELICH*	JOHN B. GALLAGHER* ELMER RICH LOUIS QUARLES*
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OFFICERS

L. T. CROWLEY	Chairman of the Board	CHICAGO
J. P. KILEY	President	CHICAGO
J. W. SEVERS	Vice President—Finance and Accounting	CHICAGO
W. J. QUINN	Vice President and General Counsel	CHICAGO
W. J. WHALEN	Vice President—Operation	CHICAGO
P. H. DRAVER	Vice President—Traffic	CHICAGO
L. H. DUGAN	Vice President and Western Counsel	SEATTLE
T. H. MAGUIRE	General Solicitor	CHICAGO
R. S. STEPHENSON	Comptroller	CHICAGO
J. J. ROCHE	Secretary	CHICAGO
C. T. LANNON	Treasurer	CHICAGO

STOCK TRANSFER OFFICES

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

REGISTRARS

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

ANNUAL MEETING

May 8, 1956, in Room 220 Union Station, Chicago, Illinois

This Annual Report, containing financial statements, is not and must not be considered as proxy soliciting material or as a report or document filed pursuant to the Securities Exchange Act, or any rule or regulation thereunder.

RESULTS OF OPERATION

	1955	1954
Railway operating revenues.....	\$245,498,210	\$237,744,639
Railway operating expenses.....	204,641,342	199,410,604
Net revenue from railway operations.....	40,856,868	38,334,035
Railway tax accruals.....	18,396,000	15,329,000
Equipment rents—net charge.....	4,176,312	5,873,693
Joint facility rents—net charge.....	2,504,031	2,562,824
Net railway operating income.....	15,780,525	14,568,518
Other income—net.....	5,206,317	3,828,135
Income available for fixed charges.....	20,986,842	18,396,653
Total fixed charges.....	4,696,191	4,592,848
Times fixed charges earned.....	4.47	4.01
Income after fixed charges.....	16,290,651	13,803,805
Total contingent charges.....	6,758,369	3,899,346
Net income.....	9,532,282	9,904,459
Appropriations of income for sinking funds.....	979,897	763,661
Transferred to retained earnings—unappropriated.....	\$ 8,552,385	\$ 9,140,798
Earnings per share:		
Before appropriations for sinking funds-Preferred.....	\$ 18.38	\$ 8.85
-Common.....	\$ 3.27	\$ 2.03
After appropriations for sinking funds-Preferred.....	\$ 16.49	\$ 8.17
-Common.....	\$ 2.81	\$ 1.67

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

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

Net Income for the year 1955 after fixed and contingent charges was \$9,532,282, compared with \$9,904,459 for the year 1954. Earnings per share for 1955 on the 518,652 shares of preferred stock outstanding after exchange of \$60,000,000 principal amount of Five Per Cent Income Debentures, Series A, due January 1, 2055, for 600,000 shares of Series A Preferred Stock, authorized at Special Meeting of the Stockholders held July 13, 1955, were \$18.38, compared with \$8.85 for 1954 on the 1,118,652 shares outstanding at December 31, 1954. Earnings per share on the 2,123,214 shares of common stock outstanding in both years were \$3.27 and \$2.03 respectively.

Net Income after appropriations for sinking funds as required by the Company's mortgages and the indenture under which the new income debentures were issued, amounted to \$8,552,385 for the year 1955, compared with \$9,140,798 for 1954. Earnings per share after sinking fund appropriations were \$16.49 on the preferred stock for 1955, compared with \$8.17 for 1954, and \$2.81 on the common stock compared with \$1.67.

Included in income for the year was a dividend of \$1,000,000 received from the Milwaukee Land Company, a wholly owned subsidiary, and \$2,660,951 representing interest received in the settlement of the Company's claim against the Government for refund of Federal income taxes, arising from the carry-back of unused excess profits credits and other retroactive adjustments applicable to the calendar years 1942 to 1947. There were included in charges against income for the year \$2,008,000 for increases in wages, payroll taxes, and health and welfare benefits; \$3,192,140 for interest and sinking fund requirements on the new income debentures, and \$1,247,000 for adjustment of 1954 Federal income taxes account repeal, on June 15, 1955, of provision of Internal Revenue Code permitting deduction of reserves for estimated expenses which was applied retroactively for the full year of 1954.

Total railway operating revenues amounted to \$245,498,210, an increase of \$7,753,571, or 3.3%, compared with 1954.

Freight car loadings increased in each of the first ten months of the year over the corresponding months of 1954, but there were decreases in November and December, leaving a net increase for the year of 4.1%. Freight revenue for the year was \$205,818,267, an increase of \$8,313,307, or 4.2%.

Passenger revenues decreased in each of the first ten months of the year, compared with the corresponding period of 1954. Since the establishment of the new joint service with the Union Pacific-Southern Pacific on October 30, there has been a reversal in the passenger revenues. In November, the first full month of this new service, passenger revenues increased \$257,000, and in December the increase amounted to \$258,537. Passenger revenue for the year was \$13,837,923, a decrease of \$1,078,635, or 7.2%, compared with 1954.

Mail, express, and all other operating revenues showed an increase of \$518,899, or 2.0%.

Total railway operating expenses in 1955 amounted to \$204,641,342, an increase of \$5,230,738, or 2.6%, compared with 1954. The increase was due to an expanded maintenance program, to work on a new automatic retarder yard in Minneapolis-St. Paul, to track work and conversion of passenger cars in connection with the new joint service with the Union Pacific-Southern Pacific, and to wage increases granted during the year.

Net railway operating income (after taxes and rentals, but before fixed and contingent

charges, and not inclusive of income from other than transportation operations) was \$15,780,525, an increase of \$1,212,007, or 8.3%, over 1954. The rate of return on net property investment was 2.07%.

Gross capital expenditures for equipment (\$12,496,350) were at a lower level than in 1954 with the near completion of the program of replacing steam locomotives with Diesel locomotives. Upon acquisition of 44 units early in 1956, the program will be complete. Gross capital expenditures for roadway property (\$9,453,654) were more than the average amount because of work on the new retarder yard at St. Paul, Minn., the new yard at Spokane, Washington, and many other improvements which will increase efficiency of our operations and reduce their cost.

Operating performance as measured by the efficiency index of freight gross ton miles per train hour set a new high mark. The ratio of transportation expenses to revenues was 38.3 percent, which is the lowest since the war years, 1945 and prior, when traffic was much heavier. This reflects the economies derived from improved procedures and from dieselization, the rebuilding of major yards at Milwaukee, Wis., and Bensenville (Chicago), Illinois, and other capital improvements. Further economies will result from the completion of the St. Paul retarder yard, and other projects summarized on page 16. Studies looking toward improved methods and procedures throughout the whole organization are continuous.

The outlook for 1956 is favorable. The freight rate increase will return about 5% additional revenues, or \$10,800,000 per year, based on 1955 carloadings, and it is expected that 1956 carloadings will increase over 1955 with consequent improvement in net income.

Our financial condition continues to be strong. During 1955, exclusive of the issue of the debentures for preferred stock, we reduced our mortgage and equipment debt by \$6,205,856. At December 31, 1955, capital and other reserve funds amounted to \$7,029,329; net current assets (working capital) were \$38,424,780.

DIVIDENDS DECLARED

At a meeting on June 8, 1955, the Board of Directors declared a dividend of \$1.50 per share on the Common Stock of the Company, out of accumulated earned surplus for prior calendar years, payable July 26, 1955, to holders of record at the close of business on July 1, 1955. This was in addition to the dividend of \$1.00 per share on Common Stock paid April 7, 1955.

At a meeting on February 8, 1956, the Board of Directors declared a dividend of \$5.00 per share on the Series A Preferred Stock of the Company out of 1955 earnings, payable March 9, 1956, to holders of record at the close of business February 18, 1956.

At a meeting on March 14, 1956, the Board of Directors declared a dividend of \$1.50 per share on the Common Stock out of 1955 earnings, payable April 6, 1956, to holders of record at the close of business March 24, 1956. Pursuant to the Company's charter, the payment of this dividend required the deposit of 75 cents per share, or \$1,592,410, in a sinking fund with the Trustee under the General Mortgage for the retirement in equal parts of Series A and Series B Bonds.

The remainder of 1955 net income after payment of these dividends, amounting to \$1,181,900, was retained for other corporate purposes.

SOURCE OF INCOME

		%
Hauling freight.....	\$205,818,267	82.1
Carrying passengers.....	13,837,923	5.5
Transporting mail and express.....	12,111,181	4.8
Other passenger train revenue, including dining and buffet car service....	2,269,568	.9
Switching.....	6,295,810	2.5
Other operating revenues.....	5,165,461	2.1
Total operating revenues.....	\$245,498,210	97.9
Other income—net.....	5,206,317	2.1
TOTAL.....	\$250,704,527	100.0

DISPOSITION OF INCOME

		%
Wages and salaries of employees charged to operating expenses (including \$576,000 paid in 1956).....	\$121,308,130	48.4
Payroll taxes for benefit of employees.....	7,276,300	2.9
Health and welfare benefits for employees.....	624,382	.2
Total.....	\$129,208,812	51.5
Materials, contract work, depreciation, etc.....	82,708,830	33.0
Rental of equipment and joint facilities.....	6,680,343	2.7
Total.....	89,389,173	35.7
Property and other miscellaneous taxes.....	9,694,700	3.8
Federal income taxes.....	1,425,000	.6
Total.....	11,119,700	4.4
Interest paid security holders.....	11,454,560	4.6
Payments into sinking funds required by mortgages....	979,897	.4
Total.....	12,434,457	5.0
Dividend on preferred stock.....	2,593,255	1.0
Dividend on common stock, including payment into Contingent Sinking Fund.....	4,777,230	1.9
Total.....	7,370,485	2.9
Remainder for improvements to property and other corporate purposes.....	1,181,900	.5
TOTAL.....	\$250,704,527	100.0

OPERATING EXPENSES

Operating expenses totaled \$204,641,342, an increase of \$5,230,738, or 2.6%, compared with 1954.

These expenses constituted 83.4% of the revenues in 1955, compared with 83.9% in 1954.

Maintenance of way and structures	increased	\$5,570,748	or 14.4%
Maintenance of equipment	increased	1,060,263	2.3
Transportation	decreased	1,591,061	1.7
General	increased	397,164	4.3
Traffic	decreased	14,180	.2
Miscellaneous operations	decreased	192,196	6.2

Analysis of Increases and Decreases in Total Railway Operating Expenses 1955 compared with 1954

ITEMS	Maintenance of Way and Structures	Maintenance of Equipment	Trans- portation	All Other	Total
Labor:					
General wage increases.....	+ \$ 118,000	+ \$ 124,000	+ \$ 989,807	+ \$ 82,000	+ \$1,313,807
Straight time worked.....	+ 1,477,423	— 685,731	— 2,412,001	— 477,508	— 2,097,817
Overtime worked.....	+ 292,963	— 43,389	+ 652,535	+ 17,032	+ 919,141
Time paid for not worked (incl. vacations and holidays).....	+ 242,147	+ 159,255	+ 619,340	+ 54,507	+ 1,075,249
Total Labor.....	+ 2,130,533	— 445,865	— 150,319	— 323,969	+ 1,210,380
Fuel:					
Price.....	.....	.....	— 149,354	.....	— 149,354
Consumption.....	.....	.....	— 651,429	.....	— 651,429
Total Fuel.....	.....	.....	— 800,783	.....	— 800,783
Electric power.....	.....	.....	+ 63,133	.....	+ 63,133
Material—Other than fuel:					
Price.....	+ 738,846	+ 883,607	+ 57,348	+ 86,146	+ 1,765,947
Quantity.....	+ 2,464,687	— 788,604	— 154,390	— 196,044	+ 1,325,649
Total Material other than Fuel.....	+ 3,203,533	+ 95,003	— 97,042	— 109,898	+ 3,091,596
Miscellaneous:					
Health and welfare benefits.....	+ 154,746	+ 134,072	+ 246,427	+ 89,137	+ 624,382
Other miscellaneous.....	+ 143,018	+ 656,312	— 852,477	+ 535,518	+ 482,371
Total Miscellaneous.....	+ 297,764	+ 790,384	— 606,050	+ 624,655	+ 1,106,753
TOTAL LABOR, MATERIAL AND MISCELLANEOUS.....	+ 5,631,830	+ 439,522	— 1,591,061	+ 190,788	+ 4,671,079
Depreciation.....	+ 12,694	+ 731,038	.....	.....	+ 743,732
Retirements.....	— 73,776	— 110,297	.....	.....	— 184,073
TOTAL DEPRECIATION AND RETIREMENTS.....	— 61,082	+ 620,741	.....	.....	+ 559,659
TOTAL RAILWAY OPERATING EXPENSES.....	+ \$5,570,748	+ \$1,060,263	— \$1,591,061	+ \$190,788	+ \$5,230,738

PAYROLLS AND AVERAGE COMPENSATION

Year	Total Payrolls—Regular Employees	Company Contributions		Total	Average Per Employee	Straight Time Rate	
		Retirement and Unemployment Taxes	Health and Welfare Benefits			Average Per Hour	% Inc. Over 1939
1946...	116,746,703	7,085,974	.....	123,832,677	3,329	1.111	53.2
1947...	124,724,548	10,095,938	.....	134,820,486	3,552	1.166	60.8
1948...	138,490,345	7,707,579	.....	146,197,924	3,820	1.297	78.9
1949...	133,117,567	7,421,152	.....	140,538,719	4,000	1.442	98.9
1950...	128,201,025	7,234,363	.....	135,435,388	4,023	1.580	117.9
1951...	143,260,363	7,774,582	.....	151,034,945	4,463	1.754	141.9
1952...	145,397,263	7,696,578	.....	153,093,841	4,703	1.852	155.4
1953...	138,117,562	7,441,326	.....	145,558,888	4,675	1.895	161.4
1954...	126,272,397	7,035,232	.....	133,307,629	4,768	1.945	168.3
1955...	126,447,937	7,276,300	\$624,382	134,348,619	4,809	1.959	170.2

WAGE AND LABOR RELATIONS

Practically all employee groups were affected by wage settlements in 1955. Settlements were reached with the following labor organizations as indicated:

Order of Railway Conductors and Brakemen

The daily rate of passenger conductors was increased 20 cents effective June 16. Conductors in road freight service were granted a car-basis of payment effective June 16. The daily rates of conductors were increased 84 cents effective October 1 plus an additional increase, also effective October 1, of 2% of the daily rates in effect September 30.

Brotherhood of Railroad Trainmen

The daily rates of passenger trainmen were increased 20 cents effective June 16. A car-basis of payment was established for trainmen in road freight service, identical with the one for conductors. The daily rate of yard conductors (foremen) was increased 25 cents effective June 1 and the monthly rates of dining car stewards were increased \$5.00 effective June 16.

The daily rates of trainmen, switchmen and switchtenders were increased 84 cents effective October 1, and the monthly rates of dining car stewards were increased \$30.00 effective October 1.

A five-day work week was established for Lines East switchmen and switchtenders effective December 1 on which date, by reason of going on a five-day week, the daily rates of yard conductors (foremen), yard brakemen (helpers) and switchtenders were increased \$1.30, \$1.13 and 82 cents, respectively. Lines West switchmen and switchtenders have been on a five-day work week since April 1, 1952.

Brotherhood of Locomotive Firemen and Enginemen

The daily rates of firemen in road service were increased 64 cents and daily rates of firemen in yard service were increased 36 cents effective October 1. A five-day work week was established for Lines East firemen in yard service effective December 1, on which date, by reason of going on a five-day work week, daily rates of firemen in yard service were increased from \$1.62 to \$2.17 depending upon the weight on drivers of the locomotive.

Brotherhood of Locomotive Engineers

The daily rates of engineers were increased 7% effective October 1.

Non-Operating Employees (Clerks, Signalmen, Shop Craft Employees, Telegraphers and Maintenance of Way Employees)

Hourly rates were increased 14½ cents effective December 1. The carrier assumed the full cost of the health and welfare program which will amount to \$6.80 per Lines East employee per month and \$6.00 per Lines West employee per month effective March 1, 1956. The cost of this program, which was effective February 1, 1955, had been shared equally by the carrier and the employees.

Joint Council Dining Car Employees Union, Local 385

The rates of dining car employees (except stewards) were increased 13½ cents per hour effective December 1. The carrier assumed the entire cost of a health and welfare plan amounting to \$6.80 per month per employee commencing March 1, 1956. Inasmuch as these employees accepted the pattern package settlement on August 21, 1954, which included a five cents per hour increase effective December 16, 1953, in lieu of a carrier-financed health and welfare plan, the rates of these employees will be reduced \$6.80 per month effective March 1, 1956, to offset the carrier's expense of assuming the entire cost of the plan.

Order of Railway Conductors and Brakemen (Pullman System)

The monthly rates of parlor car conductors were increased \$30.00 effective October 1.

Railroad Yardmasters of America

The monthly rates of yardmasters were increased \$43.00 effective October 1, \$10.00 of which is to be applied as part of a conversion factor in the event these employees are placed on a five-day work week.

American Train Dispatchers Association

The monthly rates of train dispatchers were increased \$34.00 effective October 1.

Milwaukee Road Mechanical Foremen's Association

The monthly rates of supervisors below the rank of general foreman in the Mechanical Department, whose duties are exclusively supervisory, were increased \$42.09 effective January 1, 1956.

Health and Welfare Plan

The increases to engineers, firemen, conductors, trainmen, switchmen, switchtenders, dining car stewards, yardmasters, parlor car conductors, train dispatchers and supervisors below the rank of general foreman in the Mechanical Department, whose duties are exclusively supervisory, include amounts that would be used to offset the expense of a carrier-financed health and welfare plan in the event of its later adoption.

The added cost to the company in 1955 resulting from all of the wage and health and welfare agreements was \$2,032,000. On an annual basis, the added costs will amount to approximately \$11,440,000.

On January 1, 1956, the rate of payroll taxes paid by the railroads toward the Railroad Retirement Fund for unemployment compensation was increased from ½% of payroll (a maximum of \$350 per month per employee) to 1½%. While the railroad companies and the employees are taxed alike for railroad retirement, the employees contribute nothing toward unemployment compensation. These costs are assumed in their entirety by the railroads. This increase is estimated at \$1,100,000 per year.

Altogether, wage increases, health and welfare programs, and payroll taxes will increase costs approximately \$13,080,000 per annum.

FREIGHT RATES AND PASSENGER FARES

In the 1953 and 1954 reports, reference was made to the action of the Interstate Commerce Commission in Ex Parte 175 authorizing a total increase of 15% in freight rates which increase was on a temporary basis expiring December 31, 1955. Upon petition of the railroads, these increases were made permanent by report and order of the Interstate Commerce Commission filed November 14, 1955.

By reason of additional increases in wages and other operating costs, the railroads filed with the Interstate Commerce Commission, on December 30, 1955, a tariff imposing a further 7% increase in all freight rates. The Commission entered into an investigation, entitled "Ex Parte 196," of the lawfulness of the proposed increase. After hearing, the Commission, on March 2, 1956, issued an order authorizing an increase of 6%, effective March 7, 1956, subject to certain maximum increases, including 6c per hundred pounds on fresh fruits, canned foods, and lumber; 5% on grain and grain products, livestock, fresh meats and packinghouse products; and 15c per net ton on coal and coke. It is estimated that this will increase the freight revenues of the company by about 5%, or approximately \$10,800,000 per year, based on 1955 carloadings.

For several years past, there has been pending before the Interstate Commerce Commission an investigation of Class Rates within, from and to Mountain Pacific Territory. The Western Railroads, realizing that the level of the then existing Class Rates could not successfully be defended, proposed a new scale of Class Rates which was lower than the existing rates but higher than those prevailing in the rest of the Country. By order issued October 19, 1955 and served on December 30, 1955, the Interstate Commerce Commission prescribed, as interim rates, the scale proposed by the railroads.

There is now pending before the Interstate Commerce Commission a series of proceedings involving divisions of through rates and charges between the railroads in the different territories of the United States. The Eastern Lines are seeking an increased share of revenues on traffic moving between Eastern Territory, on the one hand, and Western Trunk Line Territory and Mountain Pacific Territory, on the other.

A group of railroads operating in Western Trunk Line Territory are similarly seeking a higher share of revenues from traffic moving to or from Mountain Pacific Territory to, from or through Western Trunk Line Territory. The Eastern Railroads have entered into a compromise agreement with railroads in Western Trunk Line Territory (including our company). It is estimated that our division of revenues on traffic moving between that portion of our line east of the Montana-Dakota boundary and Eastern Territory will be increased over one million dollars per year as a result of the compromise. The remaining proceedings are still pending before the Interstate Commerce Commission, and it is not anticipated that hearings will be completed and decision rendered for some time to come.

Reference was made in the report for 1954 to a 13th Section petition filed with the Interstate Commerce Commission in the matter of Chicago Suburban fares. Following hearings in 1955, the Interstate Commerce Commission found that the railroad's suburban operations result in an out-of-pocket loss, and cause undue, unreasonable and unjust discrimination against interstate commerce, and increases in fares were found necessary to remove the discrimination. The Illinois Commerce Commission was given sixty days, which expired on February 13, 1956, to comply with the decision of the Interstate Commerce Commission. On December 28, 1955, the Company filed with the Illinois Commission a schedule of increased fares on the basis prescribed by the Interstate Commerce Commission, to take effect January 29, 1956, but the Illinois Commission refused to

permit them to go into effect and, early in February, 1956, the Illinois Commission and the Milwaukee Road Commuters Association filed petitions with the Interstate Commerce Commission for reconsideration. On March 2, 1956, the Interstate Commerce Commission issued an order denying these petitions and ordered that the fare increases be placed in effect on April 20, 1956.

REPARATION CASES

In the 1954 report, further reference was made to 17 cases brought by the United States against the railroads to recover alleged excessive and unreasonable charges assessed on the movement of certain Government freight during World War II.

By order dated April 1, 1955, the Interstate Commerce Commission approved the proposed report of the Examiners and ordered all of the complaints dismissed. The United States Government filed petition for reconsideration which was denied by the Commission by order dated January 9, 1956.

SPOKANE GATEWAY CASE

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

Further hearings were held at Portland, Oregon, February 17-23, 1955, at St. Paul, Minnesota, April 5-15, 1955, and at Washington, D.C., June 21-23, 1955. Briefs were filed in October, 1955, and we are now awaiting the proposed report of the Examiner.

TAX REFUND CLAIMS AND RECENT TAX DEVELOPMENTS

The Company's claim for refund of Federal income tax, amounting to \$8,921,203, arising from the carry-back of unused excess profits credits and other retroactive adjustments applicable to the calendar years 1942 to 1947, was paid in May, 1955, with interest in the amount of \$2,660,951.

In the 1954 annual report, reference was made to the additional claim for refund in the amount of approximately \$1,259,000 which arose from the carry-back to the year 1952 of the net operating loss in 1954. This claim was reduced to \$627,930 principally to reflect the retroactive effect of the repeal of Internal Revenue Code Section 462. Payment was received in December, 1955.

The Company's Federal income tax returns for the years 1948 to 1952 have been audited by the Internal Revenue Service. A report has been received, which indicates a net deficiency of \$332,386 for the five years. The Company has provided for this liability.

INCOME AND OTHER TAXES

Tax accruals for 1955 totaled \$18,396,000, made up as follows:

Federal income taxes applicable to 1955	\$ 175,544	
Federal income taxes (adjustments of prior years' taxes)	1,249,456	\$ 1,425,000
Payroll taxes		7,276,300
Property and other miscellaneous taxes		9,694,700
Total		\$18,396,000

In computing Federal taxable income, effect was given to the deduction of \$7,587,000, representing the excess over normal depreciation of amortization on the basis of a 60-month period in respect of equipment and facilities certified by the Defense Production Administration as being necessary for the national defense. Provision for federal income taxes was thus reduced and net income for the year increased \$3,945,240 above what it would have been if normal depreciation had been used in determining taxable net income. Such equipment and facilities are being depreciated in the accounts at normal rates under the straight-line method under an order of the Interstate Commerce Commission. The excess of amortization over normal depreciation of \$7,587,000 will have to be charged against income as normal depreciation in subsequent years without being deducted from taxable income for those years.

FIVE PER CENT INCOME DEBENTURES

At a special meeting of the stockholders on July 13, 1955, an amendment to the Company's Charter, proposed by the Board of Directors, was adopted by an affirmative vote of 74.83% of the Series A Preferred Stock and 73.32% of the Common Stock.

Under this amendment, discretionary authority is vested in the Board of Directors, without further action or approval by the stockholders, to create, issue and dispose of income debentures from time to time to holders of outstanding shares of Preferred Stock who tender their shares to the Company for Exchange, or to procure funds for the redemption of such shares, subject to certain limitations and restrictions.

Acting under authority of this amendment, the Company entered into an Indenture, dated as of January 1, 1955, with The First National Bank of Chicago, as Trustee, providing for the issuance of Five Per Cent Income Debentures, due January 1, 2055, in series, from time to time, but limited in aggregate amount of all series to \$120,000,000, which was approximately the aggregate par value of the 1,118,652 shares of Series A Preferred Stock then outstanding.

Pursuant to authority granted in report and order of the Interstate Commerce Commission, dated July 29, 1955, an Exchange Offer was sent to the holders of Series A Preferred Stock inviting them to exchange voluntarily their shares, on a par for par basis, for an issue of \$60,000,000 principal amount of Series A Debentures. The exchange of 600,000 shares for the \$60,000,000 of such Debentures was completed on September 16, leaving 518,652 shares of Preferred Stock outstanding.

The exchange will result in substantial benefit to both the preferred and common stockholders, making available an income tax saving of 52% of the deductible interest on the entire issue of \$60,000,000 of Series A Debentures, or \$1,560,000 annually which, when adjusted for a sinking fund of \$300,000 per annum for the retirement of the Debentures, is equivalent to approximately 60 cents per share on the common stock outstanding.

LEGISLATION

There are now pending in Congress measures designed to implement the so-called Cabinet Committee Report which, if passed, would, among other matters, give the railroads greater flexibility in making rate adjustments to meet the competition of other forms of transportation.

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

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

It is hoped that the legislation regarding competitive rates will receive favorable action, as its passage is recommended not only by the railroad industry but also by important shippers' groups, such as the National Industrial Traffic League.

INDUSTRIAL DEVELOPMENT

During the year a number of major companies selected large sites for the construction of new plants which will be served by the Milwaukee Road. Typical of these are sites at Milwaukee, Wisconsin; Franklin Park, Illinois; Morton Grove, Illinois; Cedar Rapids, Iowa; St. Louis Park and St. Paul, Minnesota.

The Industrial Department participated actively in the selection of these sites, the development of which will involve an investment by the industries of millions of dollars.

The establishment of an industrial district in Franklin Park, Illinois, has been assured through the consummation of the sale of 218 acres of railroad-owned land to Clearing Industrial District, Inc., which now has under way the construction of sewers, water mains, paving and tracks at an initial investment of \$1,800,000. The District anticipates industrial plant construction costing about \$50,000,000 within the next five to ten years. The area will be served exclusively by the Milwaukee Road.

Twelve new fully equipped produce shipping sheds and storage warehouses were constructed at four stations in the Columbia Basin area, Washington, representing an investment of approximately \$700,000. These new facilities increased outbound produce shipments by more than 1,000 carloads, with considerable tonnage in storage yet to move. Nearly 75,000 acres of additional land in the Columbia Basin area received water in 1955, which will be reflected in increased volume of traffic during 1956 and future years.

The program of acquiring land for future industrial purposes was continued and resulted in the acquisition of 493 acres, divided about equally between Lines East and Lines West of Mobridge, South Dakota.

During the year, 143 industries were established on industrial sites along the railroad; 194 parcels of land, not required for operating purposes, were sold for \$1,207,273, and \$124,000 was realized from the sale of old buildings retired from service.

As of the end of the year there were in effect 10,296 leases of land and buildings producing annual rental income of \$1,314,469, an increase of \$82,080 over 1954.

PASSENGER OPERATION—CHICAGO AND OMAHA

On October 30, the Milwaukee Road took over the operation of five daily passenger trains in each direction, known as the Overland Streamliners, between Chicago and Omaha. The invitation of the Union Pacific to take over this link in the Overland Route brought to a close its arrangement of seventy-five years standing with the Chicago and North Western Railway Company.

The "City of Los Angeles," "City of Portland," "City of Denver," and the "Challenger" (Chicago to Los Angeles) operate over the Union Pacific Railroad west of Omaha. The "City of San Francisco" operates over the Union Pacific between Omaha and Ogden, Utah, and over the Southern Pacific between Ogden, Utah, and Oakland, California.

The Milwaukee's "Midwest Hiawatha" was consolidated with the "Challenger" between Chicago and Omaha.

The annual increase in passenger train miles resulting from the new operation is 1,424,960.

Itself a trans-continental system of 10,641 miles, the Milwaukee Road thus became part of another trans-continental rail service which makes it an integral part of a rail system serving all of the West.

The Milwaukee Road's participation in the car and motive power equipment required for the through service is on a road mileage basis, and it retains all revenues earned between Chicago and Omaha.

The results of this new association have been very gratifying.

UNPROFITABLE PASSENGER SERVICE

During the year 1955, a total of 1,311,144 unprofitable passenger train miles was discontinued. This includes 1,109,600 miles for Trains 17 and 18, The Columbian, discontinued between Aberdeen, South Dakota and Tacoma, Washington. This brings to 4,664,378 the total train miles discontinued during the past seven years.

The earnings of a number of trains are under constant scrutiny, and efforts are being continued to eliminate those which do not receive public support.

REDUCTION OF MORTGAGE BONDS

In 1955, mortgage bonds in the principal amount of \$4,058,400 were acquired and cancelled or are held in the Treasury.

The following table shows that in the period December 1, 1945 to December 31, 1955, mortgage bonds in the principal amount of \$38,115,800 were acquired and cancelled or are held in the Treasury. The resulting reduction in annual interest requirements is \$1,692,046.

ITEM	Cancelled Through Sinking Fund	Surrendered to Trustee for Cancellation	Held in Treasury	Total	Interest Rate	Decrease in Annual Interest
Chicago, Milwaukee, St. Paul & Pacific R.R. Co.....						
First Mortgage 4% Bonds, Series A..	\$ 2,014,400	\$2,280,100	\$ 19,500	\$ 4,314,000	4%	\$ 172,560
General Mortgage 4½% Income Bonds, Series A.....	14,547,100	610,000	1,117,500	16,274,600	4½	732,357
General Mortgage 4½% Convertible Income Bonds, Series B.....	9,394,500	.....	6,594,700	15,989,200	4½	719,514
Five Per Cent Income Debentures, Series A.....	.....	.....	300,000	300,000	5	15,000
The Bedford Belt Ry. Co.						
First Mortgage Bonds.....	.....	17,000	.....	17,000	4¼	723
The Southern Indiana Ry. Co.						
First Mortgage Bonds.....	.....	34,000	44,000	78,000	4¼	3,315
The Chicago, Terre Haute & Southeastern Ry. Co. First and Refunding Mortgage Bonds.....	.....	.....	22,000	22,000	4¼	935
Income Mortgage Bonds.....	.....	.....	1,121,000	1,121,000	4¼	47,642
Totals.....	\$25,956,000	\$2,941,100	\$9,218,700	\$38,115,800	.....	\$1,692,046

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

LONG-TERM DEBT OUTSTANDING

Long-term debt outstanding in the hands of the public as of December 31, 1955, amounted to \$277,312,107 compared with \$223,817,963 as of December 31, 1954, a net increase of \$53,494,144. The increase of \$60,000,000 due to issuance of Debentures is offset by a decrease in Series A Preferred Stock outstanding of 600,000 shares, par value, \$60,000,000.

<i>Increases:</i>		
Five Per Cent Income Debentures, Series A, due January 1, 2055	\$60,000,000	
Equipment obligations covering purchase of equipment	7,200,000	
	<hr/>	
Total Increase		\$67,200,000
<i>Decreases:</i>		
<i>Mortgage Bonds:</i>		
Purchased and cancelled during the year through operation of sinking funds—		
First Mortgage 4% Bonds, Series A	\$ 227,400	
Less: Bonds held in Treasury at December 31, 1954, delivered or sold to Mortgage Trustee for sinking fund and cancelled during the year	700	226,700
	<hr/>	
General Mortgage 4½% Income Bonds, Series A	\$2,201,800	
Less: Bonds held in Treasury at December 31, 1954, sold to Mortgage Trustee for sinking fund and cancelled during the year	300	2,201,500
	<hr/>	
General Mortgage 4½% Convertible Income Bonds, Series B	\$2,512,200	
Less: Bonds held in Treasury at December 31, 1954, sold to Mortgage Trustee for sinking fund and cancelled during the year	2,510,700	1,500
	<hr/>	
Purchased in the open market, surrendered to Mortgage Trustee for cancellation and cancelled during the year—		
The Southern Indiana Ry. Co. First Mortgage Bonds		26,000
Purchased in the open market during the year and held in Treasury—		
First Mortgage 4% Bonds, Series A		19,500
General Mortgage 4½% Income Bonds, Series A		1,117,500
General Mortgage 4½% Convertible Income Bonds, Series B		1,700
Five Per Cent Income Debentures, Series A		300,000
C.T.H. & S.E. Ry. Co. Income Mortgage Bonds		164,000
Payments of Equipment Trust Certificates		8,623,000
Payments of Conditional Sale Agreements covering purchase of equipment		1,024,456
		<hr/>
Total Decrease		\$13,705,856
		<hr/>
Net Increase		\$53,494,144

ST. PAUL YARD

During the latter part of the year work was commenced on the conversion of the present flat switching yard at St. Paul to a modern automatic retarder yard, at an estimated cost of \$4,700,000. The present facilities are inadequate to handle the traffic volume expeditiously and efficiently.

When completed in 1956, the new yard will have 35 classification tracks, with a capacity of 1,724 cars, 7 receiving and 6 departure tracks, and new facilities for car repairs and the icing of refrigerator cars. A double main track connection about three-quarters of a mile long, will be provided between the main track of the so-called Short Line and the Hastings and Dakota Division at Minneapolis.

The enlargement and modernization of this yard will be the third of the large terminals to be equipped for electronic classification of freight cars, the others being Air Line Yard, Milwaukee, completed in 1952, and Bensenville Yard, just west of Chicago, completed in 1953.

CAPITAL EXPENDITURES—1955

The following is a summary of the capital expenditures made during 1955:

Road property		\$ 9,379,711
New equipment	\$11,312,000	
Improvements to existing equipment	1,184,350	12,496,350
		<hr/>
Total transportation properties		\$21,876,061
Miscellaneous physical property		73,943
		<hr/>
Total properties		\$21,950,004

Equipment delivered during the year:

6—1750 H.P. Diesel-electric freight locomotives (booster units)
12—1750 H.P. Diesel-electric road switching locomotives
9—1600 H.P. Diesel-electric road switching locomotives
53—1200 H.P. Diesel-electric switching locomotives
30—70 ton gondola cars
50—50 ton box cars, equipped with compartmentizers
1—Crane pile driver

CAPITAL EXPENDITURES—1956

The 1956 budget for improvements to road property contemplates an estimated expenditure, chargeable to Capital Account, of \$11,150,000. The major improvements include: laying of 116 track miles of new rail and 48 track miles of secondhand rail; completion of the retarder yard at Minneapolis-St. Paul; installation of centralized traffic control between Marion and Manilla, Iowa; construction of extension to the diesel house, and installation of electrical service for Streamliner trains at Western Avenue, Chicago; construction of additional yard tracks and terminal facilities at Council Bluffs, Iowa, and at Othello, Washington; construction of line change at Loweth, Montana, and installation of a wheel truing machine at Tacoma, Washington.

The budget provides for new equipment and improvements to existing equipment, the estimated cost of which, chargeable to Capital Account, is \$24,150,000. New equipment includes:

18—2400 H.P. Diesel-electric passenger locomotive units
10—1750 H.P. Diesel-electric road switching units
16—1600 H.P. Diesel-electric road switching units
1,000—50-ton steel box cars
100—70-ton steel covered hopper cars
50—50-ton airslide steel covered hopper cars
50—50-ton steel box compartmentizer equipped cars
50—70-ton mechanically equipped refrigerator cars
100—all steel cabooses

COORDINATION STUDY

The stockholders were advised last year that the Directors of The Milwaukee Road and the Chicago and North Western Railway Company (North Western) had engaged Wm. Wyer & Company, Railroad Management Consultants, to direct a study looking toward economies which might be realized through consolidation of the two railroads. A report, dated October 26, 1955, on the first phase of the study, indicated the possibility of substantial savings in the event of a consolidation.

Immediately after the submission of that report, Wm. Wyer & Company was requested by the two railroads to undertake the second phase of the study, which was to include an examination of each company's maintenance standards for roadway, structures and rolling stock; a determination of the expenditures that would be necessary to overcome deferred maintenance, for under accruals of expense for personal injuries and property damages, and for grade separation projects, unsettled tax claims, and other balance sheet items. It was contemplated that a physical inspection would be made in connection with this second study, in order to determine the actual condition of the properties.

A supplemental Wyer report was made available to the two railroads on February 6, 1956. Because there had not been sufficient time to make an actual physical inspection of the properties, this report was based only on statistical and accounting data furnished by the respective railroads. This second report disclosed a large accumulation of deferred maintenance on the North Western, and the inadequacy of accruals and reserves for many items in the balance sheet of that carrier. It raised so many complex questions that it was impossible for the Board of Directors of The Milwaukee Road, in carrying out its responsibility to its shareholders, to give any consideration to an exchange of securities which would not jeopardize the financial stability of The Milwaukee Road, without a more complete and exhaustive study of the physical condition of the two properties and the balance sheet items involved.

While the studies were still under way, it was announced that there was to be a change in the management and directorate of the North Western. Ben W. Heineman, who will become the new Chief Executive Officer of the North Western on April 1, 1956, recognized the necessity of the rehabilitation of that carrier. In a letter dated January 30, 1956, to the Chairman of the North Western Finance Committee, the following portion of which was publicly printed, he stated:

"Although we firmly believe in ultimate consolidation of the North Western and Milwaukee, we do not believe that the consolidation should take place at a time when the North Western Railway is in a run down, and in our opinion, demoralized condition."

Because any further study at this time in the field of deferred maintenance and balance sheet items of the North Western would necessarily be complicated by the changing character of those items as the work of rehabilitation on the North Western goes forward, Wm. Wyer & Company was advised by both railroads that the consolidation studies were to be discontinued.

If, in the future, the North Western's rehabilitation efforts make consolidation mutually advantageous, your Board of Directors will have no reluctance in giving further study to the matter.

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

LEO T. CROWLEY
Chairman of the Board

J. P. KILEY
President

By order of the Board of Directors
March 14, 1956

ANNUAL REPORT FOR 1955

STATEMENT OF INCOME

	1955	1954	1953	1952	1951
RAILWAY OPERATING REVENUES					
Freight.....	\$205,818,267	\$197,504,960	\$215,384,759	\$222,399,895	\$217,584,220
Passenger.....	13,837,923	14,916,558	16,672,015	18,863,422	19,713,460
Mail.....	8,289,542	8,370,709	9,318,408	9,292,987	9,136,878
Express.....	3,821,639	3,641,119	3,865,852	4,367,616	3,034,600
Switching.....	6,295,810	5,741,531	6,247,121	6,028,235	6,175,262
Other.....	7,435,029	7,569,762	8,372,036	8,513,429	9,756,122
TOTAL RAILWAY OPERATING REVENUES	245,498,210	237,744,639	259,860,191	269,465,584	265,400,542
RAILWAY OPERATING EXPENSES					
Maintenance of way and structures.....	44,254,660	38,683,912	42,740,944	40,848,303	36,798,659
Maintenance of equipment.....	47,944,552	46,884,289	53,745,060	53,504,316	52,168,510
Traffic.....	5,813,700	5,827,880	5,881,112	5,755,326	5,595,241
Transportation.....	94,144,231	95,735,292	103,575,601	109,483,427	112,463,652
Miscellaneous operations.....	2,901,528	3,093,724	3,035,009	3,478,955	3,543,110
General.....	9,582,671	9,185,507	9,206,033	9,052,411	8,885,969
TOTAL RAILWAY OPERATING EXPENSES	204,641,342	199,410,604	218,183,759	222,122,738	219,455,141
NET REVENUE FROM RAILWAY OPERATIONS	40,856,868	38,334,035	41,676,432	47,342,846	45,945,401
TAXES AND RENTS					
Federal taxes on income—Note A.....	1,425,000	1,133,219	1,277,000	5,865,000	7,263,000
Other taxes.....	16,971,000	16,462,219	16,695,000	17,040,000	17,236,000
Equipment rents.....	4,176,312	5,873,693	6,444,879	4,435,473	3,638,198
Joint facility rents.....	2,504,031	2,562,824	2,595,865	2,572,765	2,482,197
TOTAL TAXES AND RENTS	25,076,343	23,765,517	27,012,744	29,913,238	30,619,395
NET RAILWAY OPERATING INCOME	15,780,525	14,568,518	14,663,688	17,429,608	15,326,006
OTHER INCOME AND DEDUCTIONS					
Other income—Note B.....	5,405,438	3,997,305	3,922,162	2,501,969	3,375,801
Miscellaneous deductions from income.....	199,121	169,170	198,788	150,886	221,718
OTHER INCOME LESS DEDUCTIONS	5,206,317	3,828,135	3,723,374	2,351,083	3,154,083
INCOME AVAILABLE FOR FIXED CHARGES	20,986,842	18,396,653	18,387,062	19,780,691	18,480,089
FIXED CHARGES					
Rent for leased roads and equipment.....	708	708	708	708	708
Interest on long-term debt—fixed.....	4,615,909	4,515,839	4,336,651	4,403,568	4,225,734
Interest on unfunded debt.....	484	1,062	117	5,201	2,256
Amortization of discount on long-term debt.....	79,090	75,239	77,890	82,982	80,985
TOTAL FIXED CHARGES	4,696,191	4,592,848	4,415,366	4,492,459	4,309,683
INCOME AFTER FIXED CHARGES	16,290,651	13,803,805	13,971,696	15,288,232	14,170,406
CONTINGENT CHARGES					
Interest on general mortgage income bonds.....	3,465,467	3,588,414	3,642,721	3,709,552	3,782,968
Interest on modified Terre Haute bonds.....	307,902	310,932	315,957	315,987	318,448
Interest on income debentures.....	2,985,000				
TOTAL CONTINGENT CHARGES	6,758,369	3,899,346	3,958,678	4,025,539	4,101,416
NET INCOME	\$ 9,532,282	\$ 9,904,459	\$ 10,013,018	\$ 11,262,693	\$ 10,068,990
DISPOSITION OF NET INCOME					
Transferred to retained earnings—appropriated for sinking funds.....	\$ 979,897	\$ 763,661	\$ 755,005	\$ 746,425	\$ 738,493
Transferred to retained earnings—unappropriated.....	8,552,385	9,140,798	9,258,013	10,516,268	9,330,497
TOTAL TRANSFERRED TO RETAINED EARNINGS	\$ 9,532,282	\$ 9,904,459	\$ 10,013,018	\$ 11,262,693	\$ 10,068,990

Italics denote credit.
See notes to financial statements.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

BALANCE SHEET

ASSETS	DECEMBER 31, 1955	DECEMBER 31, 1954	NET CHANGE DURING YEAR + INCREASE — DECREASE
CURRENT ASSETS			
Cash	\$ 26,587,197	\$ 38,540,191	— \$ 11,952,994
United States Government securities—at cost	25,780,072	2,003,752	+ 23,776,320
Cash and securities reserved for payment of specific current liabilities	1,005,963	1,189,671	— 183,708
Receivables—due from railroads, shippers, and others	14,204,945	13,127,057	+ 1,077,888
Claims for refund of federal taxes on income	.....	10,180,203	— 10,180,203
Miscellaneous current assets	534,372	445,281	+ 89,091
Material and supplies inventories—at cost	20,689,197	20,174,869	+ 514,328
TOTAL CURRENT ASSETS	88,801,746	85,661,024	+ 3,140,722
RESTRICTED CASH AND SECURITIES (held principally for debt retirement or investment in properties)			
Cash	249,948	986,644	— 736,696
United States Government securities—at cost	4,324,037	105,000	+ 4,219,037
Chicago Transit Authority revenue bonds	2,457,000	6,642,000	— 4,185,000
TOTAL RESTRICTED CASH AND SECURITIES	7,030,985	7,733,644	— 702,659
OTHER ASSETS AND DEFERRED CHARGES			
Receivables (noncurrent)	1,839,858	1,763,182	+ 76,676
Working fund advances and prepayments	883,324	1,144,161	— 260,837
Discount on long-term debt	894,134	633,420	+ 260,714
Miscellaneous other assets and deferred charges	1,235,532	1,385,798	— 150,266
TOTAL OTHER ASSETS AND DEFERRED CHARGES	4,852,848	4,926,561	— 73,713
INVESTMENTS—at cost—Note B			
Capital stocks (\$550,000), notes and accounts of wholly-owned subsidiaries	3,242,000	3,252,000	— 10,000
Investments in jointly-owned terminal, switching, and other companies:			
Capital stocks	4,186,267	4,186,245	+ 22
Bonds, notes and long-term advances	8,925,943	8,986,289	— 60,346
TOTAL INVESTMENTS	16,354,210	16,424,534	— 70,324
PROPERTIES—Note C			
Road and equipment:			
Road	612,168,508	610,070,879	+ 2,097,629
Equipment	301,656,693	299,858,068	+ 1,798,625
General expenditures	39,213,994	39,503,065	— 289,071
Improvements on leased property	623,883	627,719	— 3,836
	953,663,078	950,059,731	+ 3,603,347
Less:			
Acquisition adjustment	162,191,293	162,504,188	— 312,895
Donations and grants	1,176,535	1,177,055	— 520
	163,367,828	163,681,243	— 313,415
TOTAL TRANSPORTATION PROPERTIES	790,295,250	786,378,488	+ 3,916,762
Accrued depreciation—road	82,757,738	83,787,920	— 1,030,182
Accrued depreciation—equipment	136,046,125	133,213,578	+ 2,832,547
Accrued amortization of defense projects—road	2,250,034	2,296,282	— 46,248
Accrued amortization of defense projects—equipment	18,510,106	19,429,062	— 918,956
	239,564,003	238,726,842	+ 837,161
TOTAL TRANSPORTATION PROPERTIES LESS RECORDED DEPRECIATION AND AMORTIZATION	550,731,247	547,651,646	+ 3,079,601
Miscellaneous physical property (less accrued depreciation: 1955—\$2,509,005; 1954—\$2,406,808)	5,788,227	5,968,079	— 179,852
TOTAL PROPERTIES	556,519,474	553,619,725	+ 2,899,749
	\$673,559,263	\$ 668,365,488	+ \$ 5,193,775

Italics denotes deductions.

See notes to financial statements.

ANNUAL REPORT FOR 1955

BALANCE SHEET

LIABILITIES	DECEMBER 31, 1955	DECEMBER 31, 1954	NET CHANGE DURING YEAR + INCREASE - DECREASE
CURRENT LIABILITIES			
Accounts and wages.....	\$ 32,317,422	\$ 24,829,356	+ \$ 7,488,066
Interest and dividends.....	9,300,745	6,497,603	+ 2,803,142
Taxes (other than federal taxes on income).....	7,222,132	6,984,479	+ 237,653
Federal taxes on income—Note A.....	1,123,930	330,000	+ 793,930
Other current liabilities.....	412,737	537,037	- 124,300
TOTAL CURRENT LIABILITIES	50,376,966	39,178,475	+ 11,198,491
OTHER LIABILITIES AND DEFERRED CREDITS			
Estimated liability for personal injury, loss and damage, and overcharge claims....	3,457,982	3,714,954	- 256,972
Estimated liability for vacation pay.....	5,808,000	5,767,162	+ 40,838
Miscellaneous other liabilities and deferred credits.....	1,915,633	1,382,184	+ 533,449
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	11,181,615	10,864,300	+ 317,315
LONG-TERM DEBT			
Mortgage bonds.....	152,251,400	156,009,800	- 3,758,400
Five Per Cent Income Debentures, Series A, due January 1, 2055.....	59,700,000	.....	+ 59,700,000
Equipment obligations (maturities due within one year: 1955—\$9,564,615; 1954—\$9,167,456).....	65,360,707	67,808,163	- 2,447,456
TOTAL LONG-TERM DEBT	277,312,107	223,817,963	+ 53,494,144
STOCKHOLDERS' EQUITY			
Capital stock:			
Common Stock—no par value (stated value—\$100 per share):			
Authorized (including 514,221 shares reserved for conversion of General Mortgage Bonds, Series B)—2,637,450 shares			
Issued and outstanding—2,123,214 shares.....	212,321,400	212,321,400	.....
Preferred Stock—par value \$100 per share, 5% participating—Note D:			
Authorized—1,150,000 shares			
Issued and outstanding: 1955—518,652 shares; 1954—1,118,652 shares.....	51,865,200	111,865,200	- 60,000,000
	264,186,600	324,186,600	- 60,000,000
Retained earnings (since January 1, 1944)—Note D:			
Appropriated.....	35,116,356	34,899,016	+ 217,340
Unappropriated.....	35,385,619	35,419,134	- 33,515
	70,501,975	70,318,150	+ 183,825
TOTAL STOCKHOLDERS' EQUITY	334,688,575	394,504,750	- 59,816,175
CONTINGENT LIABILITIES			
As guarantor at December 31, 1955, jointly with other railroads, for obligations totaling \$120,794,540 of various terminal and switching companies.			
	\$673,559,263	\$668,365,488	+ \$ 5,193,775

See notes to financial statements.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

STATEMENT OF RETAINED EARNINGS

	1955	1954
Balance at January 1.....	\$70,318,150	\$72,234,649
ADDITIONS		
Net income for the year.....	9,532,282	9,904,459
Discount, less premium, on mortgage bonds and debentures reacquired.....	535,976	356,871
Profits, less losses, on sales or retirements of land and nonoperating property.....	682,581	297,616
Liability for vacation pay at January 1, 1944, charged to acquisition adjustment.....		974,362
Miscellaneous credits, less charges.....		33,823
	81,068,989	83,801,780
DEDUCTIONS		
Dividends paid on Preferred Stock:		
March 11, 1955—\$5.00 per share; March 12, 1954—\$5.00 per share.....	5,593,255	5,593,255
Dividends paid on Common Stock:		
July 26, 1955—\$1.50 per share; April 7, 1955—\$1.00 per share; April 9, 1954—\$1.00 per share.....	5,308,033	2,123,213
Provision for estimated liability for vacation pay earned in 1954 and payable in 1955.....	357,515	5,767,162
Miscellaneous charges, less credits.....	23,241	
	10,567,014	13,483,630
BALANCE AT DECEMBER 31	\$70,501,975	\$70,318,150
The status of retained earnings at December 31 was as follows:		
APPROPRIATED		
For investments in properties since January 1, 1944.....	\$34,134,804	\$34,134,804
For sinking funds.....	981,552	764,212
	35,116,356	34,899,016
UNAPPROPRIATED	35,385,619	35,419,134
TOTAL	\$70,501,975	\$70,318,150

STATEMENT OF AVAILABLE NET INCOME AND APPLICATION THEREOF

	1955	1954
Income available for fixed charges.....	\$20,986,842	\$18,396,653
FIXED CHARGES		
Rent for leased roads and equipment.....	708	708
Interest on long-term debt:		
On First Mortgage 4% Bonds, Series A.....	2,211,230	2,218,280
On modified Terre Haute bonds.....	569,613	575,071
On equipment obligations.....	1,835,066	1,722,488
Interest on unfunded debt.....	484	1,062
Amortization of discount on long-term debt.....	79,090	75,239
TOTAL FIXED CHARGES	4,696,191	4,592,848
INCOME AFTER FIXED CHARGES	16,290,651	13,803,805
Add charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced.....	395,919	438,544
AVAILABLE NET INCOME —as defined in the First Mortgage and General Mortgage indentures.....	16,686,570	14,242,349
APPLICATION OF SUCH AVAILABLE NET INCOME		
Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A.....	229,364	220,268
Contingent interest on General Mortgage 4½% Income Bonds, Series A.....	1,873,445	1,996,239
Contingent interest on modified Terre Haute bonds (obligations of Chicago, Terre Haute and Southeastern Railway Company, The Bedford Belt Railway Company, and The Southern Indiana Railway Company) assumed by Chicago, Milwaukee, St. Paul and Pacific Railroad Company.....	307,902	310,932
Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B.....	1,592,022	1,592,175
Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B.....	543,393	543,393
	4,546,126	4,663,007
REMAINING AVAILABLE NET INCOME	12,140,444	9,579,342
Deduct charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced.....	395,919	438,544
AVAILABLE NET INCOME —as defined in the Indenture dated January 1, 1955 under which Five Per Cent Income Debentures, Series A, were issued.....	11,744,525	9,140,798
APPLICATION OF SUCH AVAILABLE NET INCOME		
Contingent interest on Five Per Cent Income Debentures, Series A.....	2,985,000	
Appropriated for sinking fund for retirement of Five Per Cent Income Debentures, Series A.....	207,140	
	3,192,140	
REMAINDER TRANSFERRED TO RETAINED EARNINGS—UNAPPROPRIATED	\$ 8,552,385	\$ 9,140,798

Italics denote reverse items.
See notes to financial statements.

Notes to Financial Statements

Note A—Federal Taxes on Income

The provision of \$1,425,000 for federal taxes on income, as shown in the statement of income for 1955, represents estimated taxes of \$175,544 for the year, plus adjustments of \$1,249,456 which substantially represent additional taxes for 1954 resulting from the repeal of the provisions of the Internal Revenue Code relating to estimated expenses.

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

	1955	1954	1953	1952	1951
Additional deductions	\$7,587,000	\$5,939,000	\$4,124,000	\$4,618,000	\$ 980,000
Tax reduction	3,945,240	3,088,280	2,144,480	2,390,480	497,350

Note B—Investments

Investments of \$3,201,000 in wholly-owned subsidiaries, and other investments totaling \$3,863,252 are pledged as collateral to mortgage bonds.

The Company's equity in the underlying net assets of the wholly-owned subsidiaries (Milwaukee Land Company and The Milwaukee Motor Transportation Company) as recorded on their books at December 31, 1955, exceeded the cost of the investments by \$1,877,000.

Other income includes dividends of \$1,000,000 in each of the years 1955 and 1954 from the Milwaukee Land Company and interest for certain prior years on a note receivable from that company as follows: 1954—\$1,184,400; 1953—\$1,985,836; 1952—\$897,078; 1951—\$1,521,779.

Note C—Properties

Road and equipment property (\$953,663,078) is stated at original cost or estimated original cost as determined by the Interstate Commerce Commission as of June 30, 1918, plus subsequent additions and betterments at cost, less retirements since that date.

The credit balance in the acquisition adjustment account represents the excess of the aggregate of Company assets over amounts ascribed to capital stocks, bonds, and other liabilities of the Company as of the date of reorganization, January 1, 1944, after giving effect to subsequent adjustments.

Provisions for depreciation of road and equipment property have been made on a group basis at composite rates, and amortization of World War II defense facilities has been accumulated over periods of five years or less. Depreciation of defense facilities acquired in 1950 and subsequent years is being provided for at normal rates (see Note A). Provisions for depreciation of road property classified as depreciable by the Interstate Commerce Commission were begun as of January 1, 1942, and as of January 1, 1944, a provision for past accrued depreciation was recorded at 30% of original cost. Charges for depreciation, amortization, and property retirements have been as follows: 1955—\$15,817,033; 1954—\$15,257,374; 1953—\$15,031,819; 1952—\$15,442,858; 1951—\$15,403,338.

Note D—Dividends and Preferred Stock

Preferred shares are designated as being noncumulative; however, no dividends may be paid on common shares unless the full \$5.00 preferred dividend shall have been paid or set apart for payment on each share of Preferred Stock for each of the three immediately preceding years. As of December 31, 1955, the Company had paid dividends of \$5.00 a share on Preferred Stock for each of the years 1952, 1953, and 1954.

In 1955, the holders of \$60,000,000 par value of Preferred Stock exchanged their shares for \$60,000,000 principal amount of Five Per Cent Income Debentures, Series A, due January 1, 2055.

Notes to Financial Statements

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CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

INVESTMENTS—DECEMBER 31, 1955

DESCRIPTION	NUMBER OF SHARES	PAR VALUE	LEDGER AMOUNT
WHOLLY-OWNED SUBSIDIARIES:			
CAPITAL STOCKS:			
Milwaukee Land Company.....A	5,000	\$ 500,000	\$ 500,000
The Milwaukee Motor Transportation Company.....A	500	50,000	50,000
TOTAL CAPITAL STOCKS			550,000
NOTE:			
Milwaukee Land Company.....A		2,652,000	2,652,000
ADVANCE:			
The Milwaukee Motor Transportation Company.....			40,000
TOTAL INVESTMENTS—WHOLLY-OWNED SUBSIDIARIES			3,242,000
JOINTLY-OWNED TERMINAL, SWITCHING, AND OTHER COMPANIES:			
CAPITAL STOCKS:			
Chicago, Terre Haute & Southeastern Railway Company.....	40,755.05	4,075,505	1
Chicago Union Station Company.....A	7,000	700,000	7,000
Cowlitz, Chehalis & Cascade Railway.....A	699.71+	3,499	3,499
Davenport, Rock Island & North Western Railway Company.....A	15,000	1,500,000	1,750,000
Des Moines Union Railway Company.....A	1,000	100,000	100,000
Des Moines Union Railway Company.....B	1,000	100,000	26,000
Indiana Harbor Belt Railroad Company.....A	15,200	1,520,000	1,520,000
Kansas City Terminal Railway Company.....C	1,833.33	183,333	183,333
Minneapolis Eastern Railway Company.....A	625	62,500	15,475
Railway Express Agency, Incorporated.....	26	None	2,600
The Minnesota Transfer Railway Company.....A	913	91,300	91,300
The Pullman Company.....	9,426	94,260	348,762
The St. Paul Union Depot Company.....A	1,036	103,600	130,475
Miscellaneous.....		7,836	7,822
TOTAL CAPITAL STOCKS			4,186,267
NOTE:			
Kansas City Terminal Railway Company.....A		38,007	38,007
SALE AGREEMENTS:			
Cargill, Incorporated.....		540,000	540,000
Escanaba Coal & Dock Company.....		7,000	7,000
Gately, Albert L.....		25,000	25,000
Monarch Warehouses, Incorporated.....		42,560	42,560
Peterson, Eric D. and Catherine.....		25,000	25,000
Other companies and individuals.....		38,350	38,350
TOTAL SALE AGREEMENTS			677,910
ADVANCES:			
Chicago Union Station Company.....			4,590,040
Davenport, Rock Island & North Western Railway Company.....			1,257,324
Des Moines Union Railway Company.....			846,083
Kansas City Terminal Railway Company.....			379,313
Railway Express Agency, Incorporated.....			751,804
The Minnesota Transfer Railway Company.....			255,317
The St. Paul Union Depot Company.....			130,145
TOTAL ADVANCES			8,210,026
TOTAL JOINTLY-OWNED TERMINAL, SWITCHING, AND OTHER COMPANIES			13,112,210

ANNUAL REPORT FOR 1955

INVESTMENT IN PROPERTIES DURING YEAR

ACCOUNT	GROSS EXPENDITURES	NET CHARGES*
ROAD:		
Engineering	\$ 115,167	\$ 79,103
Land for transportation purposes	91,706	80,362
Other right-of-way expenditures	2,046	2,024
Grading	480,286	345,219
Tunnels and subways.....	46,900	46,900
Bridges, trestles, and culverts.....	1,202,199	1,010,628
Ties.....	438,634	323,917
Rails.....	739,604	590,712
Other track material.....	1,050,985	900,580
Ballast	78,666	5,139
Track laying and surfacing	444,685	357,760
Fences, snowsheds, and signs.....	5,291	4,700
Station and office buildings.....	681,405	254,454
Roadway buildings.....	31,157	8,394
Water stations.....	24,019	1,844,736
Fuel stations.....	48,113	916,287
Shops and enginehouses.....	652,431	654,220
Wharves and docks.....	120,507	120,507
Communication systems.....	145,453	120,265
Signals and interlockers.....	986,492	760,424
Power plants.....	16,325	28,627
Power-transmission systems.....	55,149	238,344
Miscellaneous structures.....		10,500
Roadway machines.....	616,373	468,872
Roadway small tools.....	1,823	1,736
Public improvements—Construction.....	124,097	83,924
Shop machinery.....	280,547	216,880
Power-plant machinery.....	128,274	10,803
Unapplied construction material and supplies.....	771,336	771,336
TOTAL ROAD	9,379,670	2,097,629
EQUIPMENT:		
Steam locomotives.....	289	5,348,234
Other locomotives.....	10,371,806	9,362,824
Freight-train cars.....	1,245,518	2,479,799
Passenger-train cars.....	84,760	193,601
Floating equipment.....		91,135
Work equipment.....	363,653	200,596
Miscellaneous equipment.....	430,324	347,974
TOTAL EQUIPMENT	12,496,350	1,798,625
GENERAL EXPENDITURES.....	41	289,071
IMPROVEMENTS ON LEASED PROPERTY.....		3,836
TOTAL TRANSPORTATION PROPERTIES	21,876,061	3,603,347
MISCELLANEOUS PHYSICAL PROPERTY.....	73,943	17,652
TOTAL PROPERTIES	\$ 21,950,004	\$ 3,585,695

*Gross expenditures less credits for property retired.
Italics denote credits.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES
AS OF DECEMBER 31, 1955

ITEMS	PRINCIPAL AMOUNT OUTSTANDING DEC. 31, 1955
CHICAGO UNION STATION COMPANY:	
1. First Mortgage Bonds, 3½%, Series F, due July 1, 1963.....	\$16,000,000
2. First Mortgage Bonds, 2¾%, Series G, due July 1, 1963.....	35,994,000
3. Note, 3½%, due November 1, 1957.....	700,000
	52,694,000
<p>Principal and interest guaranteed jointly and severally by the Railroad Company and 3 other proprietors at time of issue. The Railroad Company with other proprietors has agreed that gross rental to be paid by them for use of Chicago Union Station facilities shall include a sum sufficient to pay interest on all of these securities and the payment into the Retirement Fund for First Mortgage bonds beginning in 1955, and to advance amounts required to pay at maturity principal of Item 3.</p>	
INDIANA HARBOR BELT RAILROAD COMPANY:	
1. General Mortgage Gold Bonds, 4%, due July 1, 1957.....	3,225,000
2. General Mortgage Gold Bonds, 4½%, due July 1, 1957.....	4,900,000
3. Conditional Sale Agreement, 2.48%, due quarterly to June 1, 1956.....	48,700
4. Conditional Sale Agreement, 2.48%, due quarterly to November 1, 1956.....	231,840
5. Equipment Trust Certificates, 2¾%, due annually May 1, 1956 to May 1, 1959.....	820,000
6. Equipment Trust Certificates, 2¾%, due annually September 15, 1956 to September 15, 1964.....	1,782,000
7. Equipment Trust Certificates, 2¼%, due annually February 15, 1956 to February 15, 1965.....	1,200,000
	12,207,540
<p>The Railroad Company is obligated to the extent of 20% to protect The Michigan Central R. R. Co. and The N. Y. C. R. R. Co. on their guaranties of principal of and interest on the 4% Bonds. The Railroad Company and other proprietors are obligated under an agreement, in the event of default by the Indiana Harbor Belt R. R. Co. to loan to the Belt Railroad, in proportion to their stock holdings, to the extent necessary, the principal of and interest on Items 1 and 2. The Railroad Company and other proprietors severally guarantee, in proportion to their stock holdings, the payment by the Belt Railroad of the principal of and interest or dividends on equipment obligations, Items 3 to 7.</p>	
KANSAS CITY TERMINAL RAILWAY COMPANY:	
1. First Mortgage Serial Bonds, due annually October 1, 1956 to October 1, 1974.....	42,152,000
<p>Under a certain operating agreement, the Railroad Company and 11 other proprietors are obligated to pay to the Terminal Company, or in case of default to the Mortgage Trustee, in equal shares the principal of these bonds, as they mature, in the nature of non-interest bearing advances, and interest thereon as rental.</p>	
THE MINNESOTA TRANSFER RAILWAY COMPANY:	
1. First Mortgage Bonds, 3¾%, due June 1, 1956.....	1,644,000
<p>Under provisions of the by-laws of the Transfer Co., the Railroad Company and 8 other proprietors are required to contribute, on an ownership basis, to (a) a semi-annual sinking fund for these bonds equal to one-half of 1% of face value of all bonds issued under the First Mortgage, and (b) semi-annual installments of interest on the bonds.</p>	
THE ST. PAUL UNION DEPOT COMPANY:	
1. First and Refunding Mortgage Bonds, 3¾%, Series B, due October 1, 1971.....	12,097,000
<p>Guaranteed jointly and severally by the Railroad Company and 7 other proprietors, each of which is also obligated to advance its ownership proportion of amounts required for Sinking Fund payments and to pay its proportion, based upon use, of the interest on the bonds.</p>	
TOTAL	\$120,794,540

ANNUAL REPORT FOR 1955

LONG-TERM DEBT, DECEMBER 31, 1955

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT ORIGINALLY ISSUED OR ASSUMED	AMOUNT AS OF DEC. 31, 1955	AMOUNT HELD BY COMPANY	AMOUNT ACTUALLY OUTSTANDING	INTEREST		
							RATE PER CENT	PAYABLE	ACCRUED DURING YEAR
First mortgage bonds, Series A.....	Jan. 1, 1944	Jan. 1, 1994	\$ 59,515,100	\$ 55,220,600	\$ 19,500	\$ 55,201,100	4	J. & J.	\$ 2,211,230
General mortgage income bonds, Series A.....	Jan. 1, 1944	Jan. 1, 2019	57,256,600	42,099,500	1,117,500	40,982,000	4½	April	1,873,445
General mortgage convertible income bonds, Series B.....	Jan. 1, 1944	Jan. 1, 2044	51,422,100	41,972,200	6,594,700	35,377,500	4½	April	1,592,022
Five per cent income debentures, Series A.....	Jan. 1, 1955	Jan. 1, 2055	60,000,000	60,000,000	300,000	59,700,000	5	M. & S.	2,985,000
The Bedford Belt Ry. Co. first mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	350,000	333,000	* 100,000	233,000	4¼	J.A. & J.	9,903
The Southern Indiana Ry. Co. first mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	7,287,000	7,253,000	44,000	7,209,000	4¼	J.A. & J.	306,779
Chicago, Terre Haute and South-eastern Ry. Co.: First and refunding mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	9,571,000	9,571,000	** 1,537,000	8,034,000	4¼	J.A. & J.	341,445
Income mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	6,335,800	6,335,800	1,121,000	5,214,800	4¼	J.A. & J.	219,388
Equipment obligations (See details below).....			117,174,500	65,360,707	.....	65,360,707			1,835,066
Total long-term debt.....			\$368,912,100	\$288,145,807	\$ 10,833,700	\$277,312,107			\$11,374,278

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

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1955

DESCRIPTION	DATE OF LEASE OR AGREEMENT	DATE OF FINAL MATURITY	ORIGINAL COST OF EQUIPMENT	AMOUNT ORIGINALLY ISSUED	AMOUNT OUTSTANDING DEC. 31, 1955	PRINCIPAL PAYABLE DURING 1956	INTEREST		
							RATE PER CENT	PAYABLE	ACCRUED DURING YEAR
EQUIPMENT TRUST CERTIFICATES:									
Series Y.....	Apr. 1, 1945	Apr. 1, 1955	\$ 2,800,092	\$ 2,100,000	.....	.....	1¾	A. & O.	\$ 459
Series Z.....	July 1, 1947	July 1, 1957	8,190,967	6,000,000	\$ 1,200,000	\$ 600,000	1½	J. & J.	25,311
Series AA.....	Oct. 1, 1947	Oct. 1, 1957	3,055,949	2,240,000	448,000	224,000	1½	A. & O.	10,500
Series BB.....	Apr. 1, 1948	Apr. 1, 1958	3,530,422	2,640,000	660,000	264,000	2½	A. & O.	16,830
Series CC.....	Feb. 1, 1948	Feb. 1, 1958	6,798,971	5,040,000	1,260,000	504,000	2¼	F. & A.	32,130
Series DD.....	June 1, 1948	June 1, 1958	9,514,365	7,120,000	1,780,000	712,000	2	J. & D.	45,093
Series EE.....	July 1, 1948	July 1, 1958	5,361,471	3,820,000	1,146,000	382,000	2	J. & J.	24,830
Series FF.....	Oct. 1, 1948	Oct. 1, 1958	8,936,781	6,600,000	1,980,000	660,000	2¼	A. & O.	51,975
Series GG.....	Jan. 1, 1949	Jan. 1, 1959	6,094,321	4,540,000	1,589,000	454,000	2¼	J. & J.	36,179
Series HH.....	Apr. 1, 1949	Apr. 1, 1964	8,112,742	6,060,000	3,434,000	404,000	2½	A. & O.	86,355
Series II.....	Sept. 1, 1949	Sept. 1, 1964	7,604,384	5,640,000	3,384,000	376,000	2½	M. & S.	75,239
Series KK.....	Oct. 1, 1949	Oct. 1, 1964	6,026,868	4,500,000	2,700,000	300,000	2¼	A. & O.	64,125
Series LL.....	June 1, 1950	June 1, 1965	6,289,514	4,650,000	2,945,000	310,000	2¼	J. & D.	70,913
Series MM.....	Nov. 1, 1950	Nov. 1, 1965	7,251,863	5,430,000	3,620,000	362,000	2½	M. & N.	95,779
Series NN.....	June 1, 1951	June 1, 1961	7,254,678	5,300,000	2,915,000	530,000	2½	J. & D.	93,964
Series OO.....	Oct. 1, 1951	Oct. 1, 1966	10,053,530	7,500,000	5,500,000	500,000	2½	A. & O.	165,312
Series PP.....	Mar. 1, 1952	Mar. 1, 1967	3,215,855	2,400,000	1,840,000	160,000	2½	M. & S.	54,817
Series QQ.....	Sept. 1, 1952	Sept. 1, 1967	5,441,323	3,990,000	3,192,000	266,000	3½	M. & S.	103,213
Series RR.....	Jan. 1, 1954	Jan. 1, 1969	10,379,112	7,650,000	6,885,000	510,000	3½	J. & J.	219,142
Series SS.....	July 1, 1954	July 1, 1969	9,931,620	7,800,000	7,280,000	520,000	2¾	J. & J.	203,775
Series TT.....	Nov. 1, 1954	Nov. 1, 1969	9,141,903	7,200,000	6,720,000	480,000	2½	M. & N.	198,387
EQUIPMENT LEASE AGREEMENT:									
General American Transportation Corporation.....	Apr. 27, 1940	Aug. 1, 1955	129,500	129,500	.....	.....	3	Monthly	73
CONDITIONAL SALE AGREEMENTS:									
The First National Bank of Chicago, Assignee of the Seller:									
Fairbanks, Morse & Co.....	July 1, 1946	Apr. 1, 1957	2,675,000	2,000,000	309,510	212,722	1.55	J.A.J.&O.	6,019
Fairbanks, Morse & Co.....	July 1, 1951	Jan. 1, 1960	3,629,985	2,718,000	1,454,936	343,795	3.10	J.A.J.&O.	49,003
First Wisconsin National Bank of Milwaukee and Northwestern National Bank of Minneapolis, Assignees of the Sellers:									
General Motors Corpn. (Electro-Motive Div.).....	Feb. 25, 1953	May 1, 1961	1,543,977	1,155,000	823,256	139,796	3	F.M.A.&N.	26,573
Fairbanks, Morse & Co.....	July 15, 1953	Nov. 1, 1961	531,102	396,000	305,692	47,219	3	F.M.A.&N.	9,804
American Locomotive Co.....	July 15, 1953	Nov. 1, 1961	529,935	396,000	305,692	47,219	3	F.M.A.&N.	9,804
Baldwin-Lima-Hamilton Corporation.....	July 15, 1953	Nov. 1, 1961	357,568	264,000	203,795	31,479	3	F.M.A.&N.	6,536
Seattle-First National Bank, Assignee of the Seller:									
Baldwin-Lima-Hamilton Corporation.....	Sept. 1, 1953	Nov. 1, 1961	357,568	264,000	204,451	31,298	3.35	F.M.A.&N.	7,317
General Motors Corpn. (Electro-Motive Div.).....	Sept. 1, 1953	Nov. 1, 1961	1,670,914	1,236,000	957,204	146,530	3.35	F.M.A.&N.	34,255
American Locomotive Co.....	Sept. 1, 1953	Feb. 1, 1962	529,935	396,000	318,171	46,557	3.35	F.M.A.&N.	11,354
Total equipment obligations.....			\$156,952,215	\$117,174,500	\$65,360,707	\$9,564,615			\$1,835,066

PAYMENTS MATURING IN YEARS ENDING:

December 31, 1956.....	\$9,564,615	December 31, 1961.....	\$4,944,886	December 31, 1966.....	\$ 2,436,000
December 31, 1957.....	9,475,138	December 31, 1962.....	4,202,041	December 31, 1967.....	1,856,000
December 31, 1958.....	7,841,646	December 31, 1963.....	4,188,000	December 31, 1968.....	1,510,000
December 31, 1959.....	5,860,806	December 31, 1964.....	3,986,000	December 31, 1969.....	1,255,000
December 31, 1960.....	5,287,575	December 31, 1965.....	2,953,000		
		Total.....			\$65,360,707

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

MILES OF ROAD BY STATES, DECEMBER 31, 1955

STATE	ROAD OPERATED						TOTAL
	OWNED SOLELY		OWNED JOINTLY		LEASED	TRACKAGE RIGHTS	
	MAIN LINE	BRANCH LINE	MAIN LINE	BRANCH LINE			
Idaho.....	112.76	110.83				9.11	232.70
Illinois.....	432.99	118.62	2.40	.14		132.31	686.46
Indiana.....	156.57	36.79					193.36
Iowa.....	#1,199.85	526.09	.08	.04	.10	66.51	1,792.67
Kansas.....						7.05	7.05
Michigan.....	57.82	121.35		.25		.98	180.40
Minnesota.....	764.52	360.58	5.03	22.70		194.10	1,346.93
Missouri.....	130.02		9.44			15.10	154.56
Montana.....	747.86	473.29		29.99		.46	1,251.60
Nebraska.....						5.62	5.62
North Dakota.....	102.50	263.29		1.10			366.89
South Dakota.....	1,039.37	695.26					1,734.63
Washington.....	314.69	474.27	26.88	50.02		201.10	1,066.96
Wisconsin.....	1,039.31	494.73		16.34		70.51	1,620.89
Total.....	6,098.26	3,675.10	43.83	120.58	.10	702.85	10,640.72

#Includes .97 mile owned by C. M. St. P. & P. R. R. Co., leased to Des Moines Union Ry. Co. but used by C. M. St. P. & P. R. R. Co. under contract.

MILES OF TRACK, DECEMBER 31, 1955

ITEMS	OWNED SOLELY	OWNED JOINTLY	LEASED	TRACKAGE RIGHTS	TOTAL
Miles of Road (First Main Track):					
Operated.....	*9,773.36	164.41	.10	702.85	10,640.72
Not operated.....	3.62				3.62
Additional Main Tracks:					
Operated.....	750.89	14.17	.41	312.72	1,078.19
Not operated.....					
Yard Tracks and Sidings:					
Operated.....	*3,340.41	258.71	2.19	499.35	4,100.66
Not operated.....	3.03	32.93			35.96
Total operated.....	13,864.66	437.29	2.70	1,514.92	15,819.57
Total not operated.....	6.65	32.93			39.58
Grand Total.....	13,871.31	470.22	2.70	1,514.92	15,859.15

*Miles of Road "operated" includes .97 mile; Yard Tracks and Sidings "operated" includes 1.24 miles; owned by C. M. St. P. & P. R. R. Co., leased to Des Moines Union Ry. Co., but used by C. M. St. P. & P. R. R. Co. under contract.

ANNUAL REPORT FOR 1955

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES

RAILWAY OPERATING REVENUES

	1955	1954	INCREASE	DECREASE
TRANSPORTATION				
Freight.....	\$205,818,267	\$197,504,960	\$ 8,313,307	
Passenger.....	13,837,923	14,916,558		\$ 1,078,635
Baggage.....	27,121	30,187		3,066
Sleeping car.....	65,161	462,763		397,602
Parlor and chair car.....	186,562	199,681		13,119
Mail.....	8,289,542	8,370,709		81,167
Express.....	3,821,639	3,641,119	180,520	
Other passenger-train.....	110,563	142,720		32,157
Milk.....	87,488	101,721		14,233
Switching.....	6,295,810	5,741,531	554,279	
TOTAL TRANSPORTATION REVENUE	238,540,076	231,111,949	7,428,127	
INCIDENTAL				
Dining and buffet.....	1,792,673	1,964,736		172,063
Station, train, and boat privileges.....	43,052	42,414	638	
Parcel room.....	46	42	4	
Storage—Freight.....	17,605	18,314		709
Storage—Baggage.....	5,008	4,876	132	
Demurrage.....	753,137	609,225	143,912	
Communication.....	108,947	106,688	2,259	
Rents of buildings and other property.....	231,417	230,520	897	
Miscellaneous.....	1,060,908	1,009,008	51,900	
TOTAL INCIDENTAL OPERATING REVENUE	4,012,793	3,985,823	26,970	
JOINT FACILITY				
Joint facility—Credit.....	2,959,172	2,660,544	298,628	
Joint facility—Debit.....	<i>13,831</i>	<i>13,677</i>	<i>154</i>	
TOTAL JOINT FACILITY OPERATING REVENUE	2,945,341	2,646,867	298,474	
TOTAL RAILWAY OPERATING REVENUES	\$245,498,210	\$237,744,639	\$ 7,753,571	

Italics denote debits.

RAILWAY OPERATING EXPENSES

	1955	1954	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$ 2,768,894	\$ 2,679,500	\$ 89,394	
Roadway maintenance.....	3,617,076	3,290,752	326,324	
Tunnels and subways.....	16,850	67,093		\$ 50,243
Bridges, trestles, and culverts.....	1,527,752	1,842,507		314,755
Ties.....	3,231,876	2,333,526	898,350	
Rails.....	1,837,013	877,387	959,626	
Other track material.....	2,412,334	1,874,596	537,738	
Ballast.....	683,946	380,842	303,104	
Track laying and surfacing.....	9,832,554	7,921,812	1,910,742	
Fences, snowsheds, and signs.....	577,266	571,636	5,630	
Station and office buildings.....	1,579,105	1,354,138	224,967	
Roadway buildings.....	171,350	164,247	7,103	
Water stations.....	62,506	79,278		16,772
Fuel stations.....	59,222	64,884		5,662
Shops and enginehouses.....	999,689	978,373	21,316	
Storage warehouses.....	280	685		405

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

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

	1955	1954	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Wharves and docks.....	\$ 40,486	\$ 21,882	\$ 18,604	
Communication systems.....	1,086,044	864,279	221,765	
Signals and interlockers.....	1,666,706	1,465,630	201,076	
Power plants.....	36,860	34,715	2,145	
Power-transmission systems.....	335,114	306,537	28,577	
Miscellaneous structures.....	9,970	6,758	3,212	
Road property—Depreciation.....	4,620,376	4,607,682	12,694	
Retirements—Road.....	432,452	506,228		\$ 73,776
Roadway machines.....	662,943	640,766	22,177	
Dismantling retired road property.....	235,961	276,966		41,005
Small tools and supplies.....	748,673	600,261	148,412	
Removing snow, ice, and sand.....	688,841	453,017	235,824	
Public improvements—Maintenance.....	944,059	762,926	181,133	
Injuries to persons.....	352,254	393,383		41,129
Insurance.....	58,536	67,153		8,617
Stationery and printing.....	67,226	52,678	14,548	
Other expenses.....	238,753	67,306	171,447	
Right-of-way expenses.....	40,829	93,330		52,501
Maintaining joint tracks, yards, and other facilities—Debit.....	3,221,633	3,550,321		328,688
Maintaining joint tracks, yards, and other facilities—Credit.....	610,769	569,162	41,607	
TOTAL MAINTENANCE OF WAY AND STRUCTURES	44,254,660	38,683,912	5,570,748	
MAINTENANCE OF EQUIPMENT				
Superintendence.....	1,561,948	1,536,523	25,425	
Shop machinery.....	550,424	646,849		96,425
Power-plant machinery.....	199,772	137,558	62,214	
Shop and power-plant machinery—Depreciation.....	282,485	279,995	2,490	
Dismantling retired shop and power-plant machinery.....	7,952	6,121	1,831	
Steam locomotives—Repairs.....	84,258	1,624,902		1,540,644
Other locomotives—Repairs.....	11,897,799	10,500,097	1,397,702	
Freight-train cars—Repairs.....	15,358,801	14,801,520	557,281	
Passenger-train cars—Repairs.....	5,265,548	5,167,116	98,432	
Floating equipment—Repairs.....	24,281	109,328		85,047
Work equipment—Repairs.....	694,938	632,302	62,636	
Miscellaneous equipment—Repairs.....	119,751	117,043	2,708	
Dismantling retired equipment.....	45,348	39,175	6,173	
Retirements—Equipment.....	178,353	68,056	110,297	
Equipment—Depreciation.....	10,660,073	9,931,525	728,548	
Injuries to persons.....	372,432	318,374	54,058	
Insurance.....	138,232	122,004	16,228	
Stationery and printing.....	42,283	46,158		3,875
Other expenses.....	398,553	634,811		236,258
Joint maintenance of equipment expenses—Debit.....	450,073	331,347	118,726	
Joint maintenance of equipment expenses—Credit.....	32,046	30,403	1,643	
TOTAL MAINTENANCE OF EQUIPMENT	47,944,552	46,884,289	1,060,263	
TRAFFIC				
Superintendence.....	1,353,280	1,370,630		17,350
Outside agencies.....	3,040,656	3,057,731		17,075
Advertising.....	929,731	905,763	23,968	
Traffic associations.....	192,161	216,920		24,759
Industrial and immigration bureaus.....	64,551	67,609		3,058
Insurance.....	831	890		59
Stationery and printing.....	207,762	207,445	317	
Other expenses.....	24,728	892	23,836	
TOTAL TRAFFIC EXPENSES	\$ 5,813,700	\$ 5,827,880		14,180

Italics denote credits.

ANNUAL REPORT FOR 1955

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

	1955	1954	INCREASE	DECREASE
TRANSPORTATION				
Superintendence.....	\$ 2,437,425	\$ 2,385,613	\$ 51,812	
Dispatching trains.....	904,196	897,540	6,656	
Station employees.....	14,104,058	14,096,653	7,405	
Weighing, inspection, and demurrage bureaus.....	297,182	298,695		\$ 1,513
Station supplies and expenses.....	1,027,474	996,795	30,679	
Yardmasters and yard clerks.....	3,517,268	3,522,822		5,554
Yard conductors and brakemen.....	9,276,756	8,887,653	389,103	
Yard switch and signal tenders.....	646,964	631,754	15,210	
Yard enginemen.....	6,099,926	5,916,760	183,166	
Yard switching fuel.....	931,744	1,102,005		170,261
Yard switching power purchased.....	25,819	22,268	3,551	
Water for yard locomotives.....	14,804	78,561		63,757
Lubricants for yard locomotives.....	123,448	99,730	23,718	
Other supplies for yard locomotives.....	51,013	54,565		3,552
Enginehouse expenses—Yard.....	758,187	1,120,475		362,288
Yard supplies and expenses.....	338,957	320,687	18,270	
Operating joint yards and terminals—Debit.....	4,417,110	4,280,935	136,175	
Operating joint yards and terminals—Credit.....	598,426	543,498	54,928	
Train enginemen.....	9,715,664	9,636,103	79,561	
Train fuel.....	7,799,279	8,429,801		630,522
Train power purchased.....	1,222,787	1,163,205	59,582	
Water for train locomotives.....	165,495	252,294		86,799
Lubricants for train locomotives.....	818,108	684,389	133,719	
Other supplies for train locomotives.....	160,084	226,750		66,666
Enginehouse expenses—Train.....	1,614,208	2,016,516		402,308
Trainmen.....	12,364,933	12,096,380	268,553	
Train supplies and expenses.....	6,411,041	6,516,952		105,911
Operating sleeping cars.....	392,524	711,590		319,066
Signal and interlocker operation.....	885,128	899,907		14,779
Crossing protection.....	947,417	981,718		34,301
Drawbridge operation.....	201,638	200,331	1,307	
Communication system operation.....	912,628	910,917	1,711	
Operating floating equipment.....	212,039	369,784		157,745
Stationery and printing.....	347,204	324,105	23,099	
Other expenses.....	351,259	116,342	234,917	
Operating joint tracks and facilities—Debit.....	1,190,839	1,171,053	19,786	
Operating joint tracks and facilities—Credit.....	645,713	645,472	241	
Insurance.....	106,025	83,682	22,343	
Clearing wrecks.....	277,486	205,442	72,044	
Damage to property.....	112,878	178,938		66,060
Damage to live stock on right-of-way.....	78,082	74,075	4,007	
Loss and damage—Freight.....	2,421,779	2,799,764		377,985
Loss and damage—Baggage.....	4,441	5,401		960
Injuries to persons.....	1,703,073	2,155,312		452,239
TOTAL TRANSPORTATION EXPENSES	94,144,231	95,735,292		1,591,061
MISCELLANEOUS OPERATIONS				
Dining and buffet service.....	2,734,260	2,933,173		198,913
Hotels and restaurants.....		1,500		1,500
Operating joint miscellaneous facilities—Debit.....	167,268	162,051	5,217	
TOTAL MISCELLANEOUS OPERATIONS	2,901,528	3,093,724		192,196
GENERAL				
Salaries and expenses of general officers.....	832,050	824,244	7,806	
Salaries and expenses of clerks and attendants.....	5,953,546	6,005,562		52,016
General office supplies and expenses.....	554,458	461,112	93,346	
Law expenses.....	638,301	584,555	53,746	
Insurance.....	2,959	3,456		497
Pensions and gratuities.....	595,812	510,268	85,544	
Stationery and printing.....	302,887	267,188	35,699	
Valuation expenses.....	34,576	37,943		3,367
Other expenses.....	460,709	290,693	170,016	
General joint facilities—Debit.....	215,792	207,854	7,938	
General joint facilities—Credit.....	8,419	7,368	1,051	
TOTAL GENERAL EXPENSES	9,582,671	9,185,507	397,164	
GRAND TOTAL RAILWAY OPERATING EXPENSES	\$204,641,342	\$199,410,604	\$ 5,230,738	

Italics denote credits.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

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

ITEMS	1955		1954		1953	
	AMOUNT	PER CENT RY. OPER. REVS.	AMOUNT	PER CENT RY. OPER. REVS.	AMOUNT	PER CENT RY. OPER. REVS.
RAILWAY OPERATING REVENUES:						
Freight.....	\$205,818,267	83.84	\$197,504,960	83.08	\$215,384,759	82.88
Passenger.....	13,837,923	5.64	14,916,558	6.27	16,672,015	6.42
Mail.....	8,289,542	3.38	8,370,709	3.52	9,318,408	3.59
Express.....	3,821,639	1.56	3,641,119	1.53	3,865,852	1.49
Switching.....	6,295,810	2.56	5,741,531	2.42	6,247,121	2.40
All other transportation.....	476,895	.19	937,072	.39	1,056,161	.41
Incidental.....	4,012,793	1.63	3,985,823	1.68	4,245,860	1.63
Joint facility—Net Cr.....	2,945,341	1.20	2,646,867	1.11	3,070,015	1.18
Total.....	245,498,210	100.00	237,744,639	100.00	259,860,191	100.00
RAILWAY OPERATING EXPENSES:						
*Maintenance of way and structures.....	44,254,660	18.03	38,683,912	16.27	42,740,944	16.45
#Maintenance of equipment.....	47,944,552	19.53	46,884,289	19.72	53,745,060	20.68
Traffic expenses.....	5,813,700	2.37	5,827,880	2.45	5,881,112	2.26
Transportation expenses.....	94,144,231	38.35	95,735,292	40.27	103,575,601	39.86
Miscellaneous operations.....	2,901,528	1.18	3,093,724	1.30	3,035,009	1.17
General expenses.....	9,582,671	3.90	9,185,507	3.87	9,206,033	3.54
Total.....	204,641,342	83.36	199,410,604	83.88	218,183,759	83.96
NET REVENUE FROM RAILWAY OPERATIONS.....	40,856,868	16.64	38,334,035	16.12	41,676,432	16.04
RAILWAY TAX ACCRUALS:						
Federal income.....	1,425,000	.58	1,133,219	.48	1,277,000	.49
Property, payroll and other.....	16,971,000	6.91	16,462,219	6.92	16,695,000	6.43
Total.....	18,396,000	7.49	15,329,000	6.44	17,972,000	6.92
EQUIPMENT RENTS—NET DR.....	4,176,312	1.70	5,873,693	2.47	6,444,879	2.48
JOINT FACILITY RENTS—NET DR.....	2,504,031	1.02	2,562,824	1.08	2,595,865	1.00
NET RAILWAY OPERATING INCOME.....	\$ 15,780,525	6.43	\$ 14,568,518	6.13	\$ 14,663,688	5.64
*Includes for depreciation, amortization and retire- ment charges—Road.....	\$ 5,052,828	2.06	\$ 5,113,910	2.15	\$ 4,748,584	1.83
#Includes for depreciation, amortization and retire- ment charges—Equipment.....	\$ 10,764,205	4.38	\$ 10,143,464	4.27	\$ 10,283,235	3.96

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME
BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1955

1955	RAILWAY OPERATING REVENUES	RAILWAY OPERATING EXPENSES	NET REVENUE FROM RAILWAY OPERATIONS	RAILWAY TAX ACCRUALS	RAILWAY OPERATING INCOME	EQUIPMENT RENTS—NET DR.	JOINT FACILITY RENTS—NET DR.	NET RAILWAY OPERATING INCOME
January.....	\$ 18,462,849	\$ 15,753,526	\$ 2,709,323	\$ 1,339,000	\$ 1,370,323	\$ 377,422	\$ 225,200	\$ 767,701
February.....	17,581,999	15,004,234	2,577,765	1,327,000	1,250,765	422,383	206,085	622,297
March.....	19,541,267	16,211,888	3,329,379	1,357,000	1,972,379	327,024	199,822	1,445,533
April.....	18,577,831	15,855,382	2,722,449	1,329,000	1,393,449	274,509	214,197	904,743
May.....	19,625,332	17,399,889	2,225,443	1,433,000	792,443	255,787	202,467	334,189
June.....	21,447,929	17,597,224	3,850,705	1,451,000	2,399,705	226,655	214,878	1,958,172
July.....	19,255,767	16,911,888	2,343,879	1,432,000	911,879	258,084	216,545	437,250
August.....	23,069,069	18,170,389	4,898,680	1,778,000	3,120,680	298,938	215,203	2,606,539
September.....	22,976,474	18,140,630	4,835,844	2,046,000	2,789,844	678,409	205,514	1,905,921
October.....	23,460,587	18,938,271	4,522,316	2,064,000	2,458,316	446,328	200,924	1,811,064
November.....	21,329,566	17,492,694	3,836,872	1,666,000	2,170,872	454,399	189,282	1,527,191
December.....	20,169,540	17,165,327	3,004,213	1,174,000	1,830,213	156,374	213,914	1,459,925
Total...	245,498,210	204,641,342	40,856,868	18,396,000	22,460,868	4,176,312	2,504,031	15,780,525

Italics denote reverse items.

ANNUAL REPORT FOR 1955

REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE

YEAR	TONS CARRIED	TON MILES	AVERAGE HAUL—MILES	FREIGHT REVENUE		
				TOTAL	PER TON	PER TON MILE (CENTS)
1946	50,242,184	15,744,421,956	313.37	\$152,088,843	\$3.03	.966
1947	55,204,073	16,958,235,718	307.19	187,294,773	3.39	1.104
1948	53,251,082	16,345,256,294	306.95	208,945,932	3.92	1.278
1949	46,245,916	14,774,758,916	319.48	195,932,011	4.24	1.326
1950	50,164,902	16,258,839,967	324.11	210,127,019	4.19	1.292
1951	51,740,580	16,732,323,827	323.39	217,832,219	4.21	1.302
1952	49,522,089	16,005,309,995	323.20	222,648,097	4.50	1.391
1953	46,810,989	15,413,226,569	329.27	215,622,726	4.61	1.399
1954	43,123,214	14,178,678,856	328.79	197,712,105	4.58	1.394
1955	45,481,060	15,561,748,530	342.16	205,993,029	4.53	1.324

REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE

YEAR	PASSENGERS CARRIED	PASSENGER MILES	AVERAGE DISTANCE TRAVELED—MILES	PASSENGER REVENUE		
				TOTAL	PER PASSENGER	PER PASSENGER MILE (CENTS)

OTHER THAN COMMUTATION

1946	5,951,216	1,507,079,437	253.24	\$ 27,541,204	\$4.63	1.827
1947	5,093,890	941,767,622	184.88	20,479,841	4.02	2.175
1948	4,561,964	874,835,023	191.77	20,587,449	4.51	2.353
1949	4,030,290	782,128,618	194.06	18,273,709	4.53	2.336
1950	3,289,193	696,081,090	211.63	16,418,071	4.99	2.359
1951	3,341,410	776,958,568	232.52	18,484,470	5.53	2.379
1952	3,346,346	739,380,708	220.95	17,569,369	5.25	2.376
1953	3,158,639	658,842,799	208.58	15,396,026	4.87	2.337
1954	3,057,733	599,281,006	195.99	13,582,309	4.44	2.266
1955	3,003,108	571,128,913	190.18	12,413,340	4.13	2.173

COMMUTATION

1946	3,754,197	80,284,849	21.39	\$ 766,789	\$.20	.955
1947	4,097,654	87,727,080	21.41	851,447	.21	.971
1948	4,370,610	98,416,709	22.52	1,063,756	.24	1.081
1949	4,071,987	92,315,906	22.67	1,154,033	.28	1.250
1950	4,020,414	91,075,288	22.65	1,136,257	.28	1.248
1951	4,186,842	94,960,045	22.68	1,251,058	.30	1.317
1952	3,899,249	89,299,292	22.90	1,325,955	.34	1.485
1953	3,823,231	88,929,041	23.26	1,316,554	.34	1.480
1954	3,920,824	93,543,801	23.86	1,374,494	.35	1.469
1955	4,176,751	98,901,556	23.68	1,463,125	.35	1.479

TOTAL

1946	9,705,413	1,587,364,286	163.55	\$ 28,307,993	\$2.92	1.783
1947	9,191,544	1,029,494,702	112.00	21,331,288	2.32	2.072
1948	8,932,574	973,251,732	108.96	21,651,205	2.42	2.225
1949	8,102,277	874,444,524	107.93	19,427,742	2.40	2.222
1950	7,309,607	787,156,378	107.69	17,554,328	2.40	2.230
1951	7,528,252	871,918,613	115.82	19,735,528	2.62	2.263
1952	7,245,595	828,680,000	114.37	18,895,324	2.61	2.280
1953	6,981,870	747,771,840	107.10	16,712,580	2.39	2.235
1954	6,978,557	692,824,807	99.28	14,956,803	2.14	2.159
1955	7,179,859	670,030,469	93.32	13,876,465	1.93	2.071

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

STATISTICS OF OPERATIONS

ITEMS	FREIGHT TRAINS		PASSENGER TRAINS		TOTAL TRANSPORTATION SERVICE	
	1955	1954	1955	1954	1955	1954
RAIL-LINE						
Average miles of road operated.....	10,633	10,632	4,723	4,903	10,641	10,640
TRAIN MILES						
Ordinary (with locomotives).....	12,201,944	11,693,620	8,147,879	9,000,394	20,349,823	20,694,014
Light (with locomotives).....	46,857	49,178			46,857	49,178
Total (with locomotives).....	12,248,801	11,742,798	8,147,879	9,000,394	20,396,680	20,743,192
Motor car trains.....			120,251	181,059	120,251	181,059
Total train miles.....	12,248,801	11,742,798	8,268,130	9,181,453	20,516,931	20,924,251
LOCOMOTIVE MILES						
Principal.....	12,253,036	11,746,621	8,147,879	9,000,394	20,400,915	20,747,015
Helper.....	199,063	194,669	27,979	29,724	227,042	224,393
Light.....	252,874	283,442	67,312	78,883	320,186	362,325
Train switching.....	1,090,044	1,088,393			1,090,044	1,088,393
Yard switching.....	7,165,670	7,160,909	479,819	510,193	7,645,489	7,671,102
Total locomotive miles.....	20,960,687	20,474,034	8,722,989	9,619,194	29,683,676	30,093,228
CAR MILES						
Loaded freight cars.....	529,168,784	493,164,389	84,835	344,784	529,253,619	493,509,173
Empty freight cars.....	287,721,248	287,439,317	1,162	95,525	287,722,410	287,534,842
Total loaded and empty freight cars.....	816,890,032	780,603,706	85,997	440,309	816,976,029	781,044,015
Caboose.....	12,056,756	11,550,665	16,537	28,320	12,073,293	11,578,985
Total freight car miles.....	828,946,788	792,154,371	102,534	468,629	829,049,322	792,623,000
Passenger coaches.....	177,622	129,681	23,393,952	24,187,193	23,571,574	24,316,874
Sleeping and parlor cars (Company).....	74,484	7,132	3,223,452	8,101,130	3,297,936	8,108,262
Sleeping cars (Pullman).....	122,624	129,323	10,603,608	9,255,437	10,726,232	9,384,760
Club, lounge, dining and observation cars.....	7,998	2,197	6,826,360	7,574,750	6,834,358	7,576,947
Combination passenger and head end cars.....	1,088,833	956,718	657,962	1,000,136	1,746,795	1,956,854
Mail, express and baggage cars.....	2,378,452	2,799,188	28,026,913	29,312,373	30,405,365	32,111,561
Business cars.....	40,754	23,104	182,219	159,698	222,973	182,802
Crew cars (other than cabooses).....			171,288	294,877	171,288	294,877
Total passenger car miles.....	3,890,767	4,047,343	73,085,754	79,885,594	76,976,521	83,932,937
Grand total car miles.....	832,837,555	796,201,714	73,188,288	80,354,223	906,025,843	876,555,937
GROSS TON MILES						
Locomotives and tenders (thousands).....	3,754,396	3,668,464	2,297,353	2,643,813	6,051,749	6,312,277
Freight cars, contents, and cabooses (thousands).....	36,015,144	33,730,148	3,812	19,559	36,018,956	33,749,707
Passenger cars, and contents (thousands).....	213,140	221,328	4,434,568	5,421,389	4,647,708	5,642,717
Total freight and passenger (thousands).....	36,228,284	33,951,476	4,438,380	5,440,948	40,666,664	39,392,424
TRAIN HOURS						
Train hours in road service.....	643,314	640,425	192,550	221,290	835,864	861,715
REVENUE AND NONREVENUE FREIGHT TRAFFIC						
Tons of revenue freight.....					45,481,060	43,123,214
Tons of nonrevenue freight.....					1,485,994	1,571,767
Total tons of freight.....					46,967,054	44,694,981
Net ton miles revenue freight (thousands).....					15,561,749	14,178,679
Net ton miles nonrevenue freight (thousands).....					587,670	671,326
Total net ton miles of freight (thousands).....	16,147,212	14,840,717	2,207	9,288	16,149,419	14,850,005
REVENUE PASSENGER TRAFFIC						
Passengers carried.....					7,179,859	6,978,557
Passenger miles.....					670,030,469	692,824,807
MOTOR VEHICLE OPERATIONS EXCLUDED ABOVE						
Net ton miles revenue freight (thousands).....					2,029	2,127
Passengers carried.....					6,709	7,650
Passenger miles.....					1,371,661	1,422,376

ANNUAL REPORT FOR 1955

STATISTICS OF OPERATIONS—CONCLUDED

ITEMS	1955	1954	1953	1952	1951	1950
FREIGHT TRAIN STATISTICS AND AVERAGES						
Gross ton miles, trailing (thousands).....	36,228,284	33,951,476	36,730,763	37,980,712	38,801,906	38,679,279
Eastbound.....	19,787,705	18,518,625	19,663,555	20,120,294	20,553,344	20,225,498
Westbound.....	16,440,579	15,432,851	17,067,208	17,860,418	18,248,562	18,453,781
Steam.....	133,258	1,630,515	6,502,008	9,403,255	14,552,224	18,935,455
Diesel-electric.....	32,536,016	29,179,033	26,994,636	25,214,256	20,961,092	16,288,873
Electric.....	3,559,010	3,141,928	3,234,119	3,363,201	3,288,590	3,454,951
Per cent steam.....	.4%	4.8%	17.7%	24.8%	37.5%	49.0%
Per cent Diesel-electric.....	89.8%	85.9%	73.5%	66.4%	54.0%	42.1%
Per cent electric.....	9.8%	9.3%	8.8%	8.8%	8.5%	8.9%
Loaded freight cars per train.....	43.4	42.2	42.1	39.4	38.7	38.1
Empty freight cars per train.....	23.5	24.6	23.1	22.0	19.9	19.3
Total freight cars per train.....	66.9	66.8	65.2	61.4	58.6	57.4
Gross tons per train.....	2,969	2,903	2,871	2,717	2,644	2,558
Net tons per train.....	1,323	1,269	1,276	1,219	1,218	1,157
Net tons per loaded car.....	30.5	30.1	30.3	31.0	31.5	30.3
Miles per car per day (serviceable freight).....	37.7	34.9	36.3	37.4	36.3	38.1
Net ton miles per freight car-day.....	702	620	675	713	731	748
Train speed (train miles per train hour).....	19.0	18.3	17.7	17.1	16.4	16.0
Gross ton miles (trailing) per train hour.....	56,315	53,014	50,439	46,186	43,015	40,619
PASSENGER TRAIN STATISTICS AND AVERAGES						
Passenger car miles (excluding motor).....	72,582,117	79,508,739	85,057,114	88,925,558	91,674,778	92,495,023
Steam.....	16,967	1,851,183	5,271,801	9,619,474	18,647,747	30,215,086
Diesel-electric.....	66,905,429	69,380,723	69,859,772	69,000,345	62,605,038	52,477,403
Electric.....	5,659,721	8,276,833	9,925,541	10,305,739	10,421,993	9,802,534
Per cent steam.....		2.3%	6.2%	10.8%	20.3%	32.7%
Per cent Diesel-electric.....	92.2%	87.3%	82.1%	77.6%	68.3%	56.7%
Per cent electric.....	7.8%	10.4%	11.7%	11.6%	11.4%	10.6%
Cars per train (excluding motor).....	8.91	8.83	9.31	9.43	9.31	8.85
Revenue passengers per train.....	81.2	75.6	79.8	85.2	84.4	70.2
Revenue passengers per car.....	17.5	16.2	16.6	17.0	17.0	15.4
Train speed (train miles per train hour).....	42.9	41.5	41.0	40.2	39.3	38.9
YARD SWITCHING STATISTICS						
Yard switching hours.....	1,274,248	1,278,517	1,415,895	1,541,310	1,596,488	1,618,429
Steam.....	11,279	113,008	260,762	365,274	615,944	755,336
Diesel-electric.....	1,246,748	1,149,502	1,139,343	1,157,667	961,876	841,812
Electric.....	16,221	16,007	15,790	18,369	18,668	21,281
Per cent steam.....	.9%	8.8%	18.4%	23.7%	38.6%	46.7%
Per cent Diesel-electric.....	97.8%	89.9%	80.5%	75.1%	60.2%	52.0%
Per cent electric.....	1.3%	1.3%	1.1%	1.2%	1.2%	1.3%
DENSITY STATISTICS						
Per mile of road per day (freight service):						
Train miles, ordinary.....	3.1	3.0	3.3	3.6	3.8	3.9
Net ton miles.....	4,161	3,824	4,197	4,366	4,593	4,497
Per mile of road per day (passenger service):						
Train miles.....	4.8	5.1	5.0	4.9	4.7	4.7
Car miles.....	42.5	44.9	45.8	44.7	42.0	39.1

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1955 AND 1954

COMMODITIES	1955		1954		INCREASE + OR DECREASE —	
	TONS CARRIED	PERCENT OF TOTAL	TONS CARRIED	PERCENT OF TOTAL	TONS	PERCENT
PRODUCTS OF AGRICULTURE:						
Wheat.....	1,786,188	3.9	1,830,216	4.2	—	44,028 2.4
Corn.....	1,605,649	3.5	1,888,844	4.4	—	283,195 15.0
Barley and rye.....	813,018	1.8	645,817	1.5	+	167,201 25.9
Oats.....	382,133	.8	423,381	1.0	—	41,248 9.7
Flour, meal and mill products.....	1,238,777	2.7	1,242,866	2.8	—	4,089 .3
Citrus fruits.....	62,589	.2	65,791	.2	—	3,202 4.9
Other fruits, fresh and frozen.....	129,262	.3	138,087	.3	—	8,825 6.4
Potatoes, other than sweet.....	290,898	.7	295,779	.7	—	4,881 1.7
Other vegetables, fresh and frozen.....	120,754	.3	116,638	.3	+	4,116 3.5
Sugar beets.....	131,525	.3	185,057	.4	—	53,532 28.9
Other products of agriculture.....	1,690,457	3.7	1,638,565	3.8	+	51,892 3.2
Total.....	8,251,250	18.2	8,471,041	19.6	—	219,791 2.6
ANIMALS AND PRODUCTS:						
Cattle, calves, sheep and goats.....	299,287	.6	299,784	.7	—	497 .2
Swine.....	90,425	.2	86,747	.2	+	3,678 4.2
Fresh meats.....	529,896	1.1	549,722	1.3	—	19,826 3.6
Poultry, eggs, butter and cheese.....	168,082	.4	147,564	.3	+	20,518 13.9
Wool, hides and leather.....	162,645	.4	152,800	.4	+	9,845 6.4
Other animals and products.....	312,571	.7	305,449	.7	+	7,122 2.3
Total.....	1,562,906	3.4	1,542,066	3.6	+	20,840 1.4
PRODUCTS OF MINES:						
Bituminous coal.....	6,568,055	14.4	6,341,840	14.7	+	226,215 3.6
Coke.....	423,142	.9	223,156	.5	+	199,986 89.6
Ores and concentrates.....	293,053	.7	242,824	.6	+	50,229 20.7
Gravel and sand.....	1,859,116	4.1	1,563,837	3.6	+	295,279 18.9
Stone, broken, ground or crushed.....	814,437	1.8	1,024,401	2.4	—	209,964 20.5
Stone, rough and finished.....	110,619	.2	135,177	.3	—	24,558 18.2
Asphalt.....	301,417	.7	253,810	.6	+	47,607 18.8
Salt.....	188,345	.4	171,241	.4	+	17,104 10.0
Other products of mines.....	1,077,443	2.4	1,459,103	3.4	—	381,660 26.2
Total.....	11,635,627	25.6	11,415,389	26.5	+	220,238 1.9
PRODUCTS OF FORESTS:						
Logs, posts, poles and cordwood.....	2,858,932	6.3	2,601,445	6.0	+	257,487 9.9
Pulpwood.....	878,540	1.9	684,696	1.6	+	193,844 28.3
Lumber and mill products.....	2,423,654	5.3	2,151,753	5.0	+	271,901 12.6
Veneer and built-up wood.....	430,753	1.0	335,685	.8	+	95,068 28.3
Other products of forests.....	244,333	.5	286,534	.7	—	42,201 14.7
Total.....	6,836,212	15.0	6,060,113	14.1	+	776,099 12.8
MANUFACTURERS AND MISCELLANEOUS:						
Refined petroleum and products.....	1,419,776	3.1	1,371,119	3.2	+	48,657 3.5
Sugar, table sirups and molasses.....	284,549	.6	272,893	.6	+	11,656 4.3
Iron and steel products.....	2,548,699	5.6	2,294,568	5.3	+	254,131 11.1
Machinery and boilers.....	271,415	.6	248,585	.6	+	22,830 9.2
Cement.....	1,125,587	2.5	1,141,255	2.6	—	15,668 1.4
Brick, building tile and artificial stone.....	287,050	.6	232,393	.5	+	54,657 23.5
Lime and plaster.....	126,774	.3	114,551	.3	+	12,223 10.7
Agricultural implements, tractors and parts.....	261,814	.6	250,612	.6	+	11,202 4.5
Autos, trucks, parts and tires.....	761,931	1.7	566,664	1.3	+	195,267 34.5
Beverages.....	896,716	2.0	919,906	2.1	—	23,190 2.5
Ice.....	42,399	.1	43,502	.1	—	1,103 2.5
Fertilizers.....	419,128	.9	326,451	.8	+	92,677 28.4
Paper and paper products.....	1,145,187	2.5	991,948	2.3	+	153,239 15.4
Canned food products.....	865,903	1.9	855,458	2.0	+	10,445 1.2
Scrap iron and scrap steel.....	827,516	1.8	588,040	1.3	+	239,476 40.7
Building paper, roofing and woodwork.....	472,916	1.0	372,231	.9	+	100,685 27.0
Other manufacturers and miscellaneous.....	5,160,636	11.4	4,772,612	11.1	+	388,024 8.1
Total.....	16,917,996	37.2	15,362,788	35.6	+	1,555,208 10.1
GRAND TOTAL CARLOAD TRAFFIC.....	45,203,991	99.4	42,851,397	99.4	+	2,352,594 5.5
ALL L.C.L. FREIGHT.....	277,069	.6	271,817	.6	+	5,252 1.9
GRAND TOTAL, CARLOAD AND L.C.L. TRAFFIC.....	45,481,060	100.0	43,123,214	100.0	+	2,357,846 5.5

ANNUAL REPORT FOR 1955

NUMBER OF EMPLOYEES AND COMPENSATION

YEAR	REGULAR EMPLOYEES			PART TIME EMPLOYEES: COMPENSATION (NOT SUBJECT TO CONTINUING AUTHORITY OF RAILROAD)	TOTAL COMPENSATION ALL EMPLOYEES		
	AVERAGE NO. OF EMPLOYEES (MIDDLE OF MONTH COUNT)	COMPENSATION	AVERAGE COMPENSATION PER EMPLOYEE		TOTAL COMPENSATION	CHARGED TO	
					OPERATING EXPENSES	ADDITIONS AND BETTERMENTS AND OTHER ACCOUNTS	
1928.....	48,129	\$ 81,744,769	\$1,698	\$135,855	\$ 81,880,624	\$ 75,548,543	\$ 6,332,081
1929.....	47,995	83,540,420	1,741	137,631	83,678,051	76,795,279	6,882,772
1930.....	42,326	71,198,791	1,682	149,072	71,347,863	65,531,534	5,816,329
1931.....	34,569	56,871,675	1,645	150,722	57,022,397	52,891,878	4,130,519
1932.....	28,827	43,014,585	1,492	135,511	43,150,096	40,271,832	2,878,264
1933.....	26,493	39,042,823	1,474	129,469	39,172,292	36,740,362	2,431,930
1934.....	28,065	42,385,752	1,510	130,799	42,516,551	39,186,108	3,330,443
1935.....	30,109	48,398,365	1,607	93,681	48,492,046	44,742,422	3,749,624
1936.....	32,178	54,061,839	1,680	103,723	54,165,562	49,427,401	4,738,161
1937.....	32,784	56,372,965	1,720	104,064	56,477,029	51,054,608	5,422,421
1938.....	28,988	52,830,262	1,822	100,092	52,930,354	48,224,635	4,705,719
1939.....	30,224	55,042,582	1,821	99,912	55,142,494	50,442,260	4,700,234
1940.....	29,674	55,664,577	1,876	107,047	55,771,624	50,924,885	4,846,739
1941.....	31,583	63,000,300	1,995	135,795	63,136,095	57,763,314	5,372,781
1942.....	33,253	74,673,850	2,246	137,691	74,811,541	68,123,406	6,688,135
1943.....	35,377	90,305,409	2,553	145,093	90,450,502	84,109,945	6,340,557
1944.....	38,230	104,576,956	2,735	172,451	104,749,407	96,584,193	8,165,214
1945.....	38,589	106,425,149	2,758	179,825	106,604,974	98,318,215	8,286,759
1946.....	37,203	116,746,703	3,138	180,159	116,926,862	107,484,522	9,442,340
1947.....	37,955	124,724,548	3,286	170,860	124,895,408	114,042,873	10,852,535
1948.....	38,268	138,490,345	3,619	172,016	138,662,361	126,543,269	12,119,092
1949.....	35,131	133,117,567	3,789	158,275	133,275,842	123,450,866	9,824,976
1950.....	33,668	128,201,025	3,808	167,342	128,368,367	121,226,784	7,141,583
1951.....	33,846	143,260,363	4,233	219,693	143,480,056	134,493,624	8,986,432
1952.....	32,550	145,397,263	4,467	149,515	145,546,778	138,390,501	7,156,277
1953.....	31,138	138,117,562	4,436	145,500	138,263,062	131,304,863	6,958,199
1954.....	27,961	126,272,397	4,516	143,400	126,415,797	120,564,532	5,851,265
1955.....	27,936	126,447,937	4,526	139,330	126,587,267	120,732,130	5,855,137

NUMBER OF EMPLOYEES AND COMPENSATION BY STATES—1955

STATE	REGULAR EMPLOYEES			PART TIME EMPLOYEES TOTAL COMPENSATION	TOTAL COMPENSATION ALL EMPLOYEES
	AVERAGE NUMBER	TOTAL COMPENSATION	AVERAGE COMPENSATION PER EMPLOYEE		
Illinois.....	7,056	\$ 32,439,382	\$4,597	\$21,773	\$ 32,461,155
Iowa.....	2,994	13,158,575	4,395	15,092	13,173,667
Wisconsin.....	7,418	32,214,810	4,343	49,593	32,264,403
Minnesota.....	3,642	16,461,607	4,520	11,869	16,473,476
Michigan.....	178	835,936	4,696	601	836,537
Missouri.....	480	2,141,194	4,461	8,200	2,149,394
Indiana.....	390	1,926,208	4,939	7,000	1,933,208
South Dakota.....	1,346	5,861,504	4,355	5,642	5,867,146
North Dakota.....	144	545,334	3,787	523	545,857
Montana.....	1,824	8,817,123	4,834	17,619	8,834,742
Idaho.....	186	801,840	4,311	0	801,840
Washington.....	2,123	10,395,513	4,897	1,139	10,396,652
All other.....	155	848,911	5,477	279	849,190
Total.....	27,936	\$126,447,937	\$4,526	\$139,330	\$126,587,267

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

EQUIPMENT OWNED

	JAN. 1, 1955 NUMBER	ADDED (NEW)	RETIRED	ALL OTHER INCLUDING RECLASSI- FICATIONS	DECEMBER 31, 1955	
					NUMBER	CAPACITY
LOCOMOTIVES						
DIESEL-ELECTRIC (UNITS):						
Freight.....	194	6			200	Tractive Pwr. (Pounds) 11,950,648
Passenger.....	82				82	4,964,794
Multiple purpose.....	174	21			195	12,051,651
Switching.....	233	53			286	16,968,450
ELECTRIC (UNITS):						
Freight.....	84			— 1	83	5,172,875
Passenger.....	16	*2	5	+ 1	14	1,322,972
Switching.....	3				3	123,000
STEAM:						
Freight.....	93		85		8	343,646
Passenger.....	3		3			
Switching.....	8		8			
Total.....	890	82	101		871	52,898,036
FREIGHT CARS						
Box.....	29,373	50	320	— 8	29,095	Tons 1,343,200
Gondola.....	11,151	30	1,205	— 12	9,964	556,840
Hopper.....	4,660		16		4,644	265,360
Ballast.....	986		11		975	68,250
Ore.....	798		4		794	55,580
Stock.....	3,390		22		3,368	134,700
Flat.....	5,239		87	— 8	5,144	250,934
Refrigerator.....	594				594	25,252
Tank.....	38				38	1,900
Caboose.....	635	1	53		583	
Total.....	56,864	81	1,718	— 28	55,199	2,702,016
PASSENGER CARS						
Coaches.....	326			+ 2	328	Passengers 24,227
Sleepers.....	56			+ 11	67	1,608
Parlor.....	19				19	722
Parlor cafe.....	8				8	296
Dining.....	37		2	— 2	33	1,568
Tap, lounge & observation.....	12				12	1,064
Baggage, express & mail.....	425		10	+ 2	417	
Passenger and baggage.....	44		3		41	1,520
Passenger, mail and baggage.....	10				10	244
Rail motor cars.....	2				2	
Total.....	939		15	+ 13	937	31,249
COMPANY SERVICE EQUIPMENT						
Business cars.....	13			+ 1	14	
Ballast and dump cars.....	81		1		80	
Derrick cars.....	18				18	
Boarding outfit cars.....	315		7		308	
Snow removing cars.....	187		2		185	
Other company service equipment.....	2,090	1	120	+ 69	2,040	
Total.....	2,704	1	130	+ 70	2,645	
FLOATING EQUIPMENT						
Tugboats.....	1		1			
Car floats.....	4				4	
Total.....	5		1		4	
HIGHWAY VEHICLES						
Passenger automobiles.....	196	60	22		234	
Trucks.....	255	73	42		304	
Other.....	49	30	4		75	
Total.....	500	163	50		613	
					LEDGER VALUE	
					DECEMBER 31, 1955	DECEMBER 31, 1954
Locomotives.....					\$114,506,286	\$110,491,696
Freight cars.....					146,308,279	148,788,078
Passenger cars.....					33,009,349	33,203,061
Work equipment.....					6,252,731	6,052,135
Floating equipment.....					278,731	369,866
Miscellaneous equipment.....					1,332,676	984,702
Total.....					\$301,688,052	\$299,889,538
					INCREASE OR DECREASE	
Locomotives.....					Inc. \$4,014,590	
Freight cars.....					Dec. 2,479,799	
Passenger cars.....					Dec. 193,712	
Work equipment.....					Inc. 200,596	
Floating equipment.....					Dec. 91,135	
Miscellaneous equipment.....					Inc. 347,974	
Total.....					Inc. \$1,798,514	

*Rebuilt.

ANNUAL REPORT FOR 1955

MILWAUKEE LAND COMPANY INCOME ACCOUNT

INCOME	1955	1954	INCREASE	DECREASE
TOWNSITE DIVISION:				
SALES:				
Real estate.....	\$61,120	\$67,650		\$ 6,530
Cost of real estate sold.....	47,331	48,775		1,444
GROSS PROFIT FROM SALES	13,789	18,875		5,086
OTHER INCOME:				
Rents.....	12,927	6,640	\$ 6,287	
Interest.....	22,660	16,102	6,558	
All other.....	590	439	151	
TOTAL OTHER INCOME	36,177	23,181	12,996	
TOTAL INCOME—TOWNSITE DIVISION	49,966	42,056	7,910	
TIMBER DIVISION:				
SALES:				
Timber land and timber.....	1,722,825	1,691,468	31,357	
Cost of land and timber sold.....	86,628	95,851		9,223
GROSS PROFIT FROM SALES	1,636,197	1,595,617	40,580	
OTHER INCOME:				
Rents and royalties.....	11,021	5,407	5,614	
Interest.....	55,444	82,476		27,032
TOTAL OTHER INCOME	66,465	87,883		21,418
TOTAL INCOME—TIMBER DIVISION	1,702,662	1,683,500	19,162	
TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS	1,752,628	1,725,556	27,072	
EXPENSES				
TOWNSITE DIVISION:				
Salaries and office expenses.....	6,829	5,796	1,033	
Taxes.....	10,859	6,039	4,820	
Interest.....	64,044	64,044		
All other.....	1,109	599	510	
TOTAL EXPENSES—TOWNSITE DIVISION	82,841	76,478	6,363	
TIMBER DIVISION:				
Salaries and office expenses.....	43,232	42,657	575	
Real estate expense.....	48,860	39,044	9,816	
Timber cutting contracts expense.....	35,457	36,943		1,486
Fire protection.....	20,191	20,708		517
Taxes.....	388,755	391,576		2,821
Interest.....	95,076	95,076		
All other.....	14,261	12,472	1,789	
TOTAL EXPENSES—TIMBER DIVISION	645,832	638,476	7,356	
TOTAL EXPENSES—TOWNSITE AND TIMBER DIVISIONS	728,673	714,954	13,719	
NET INCOME	\$1,023,955	\$1,010,602	\$13,353	

MILWAUKEE LAND COMPANY STATEMENT OF RETAINED EARNINGS

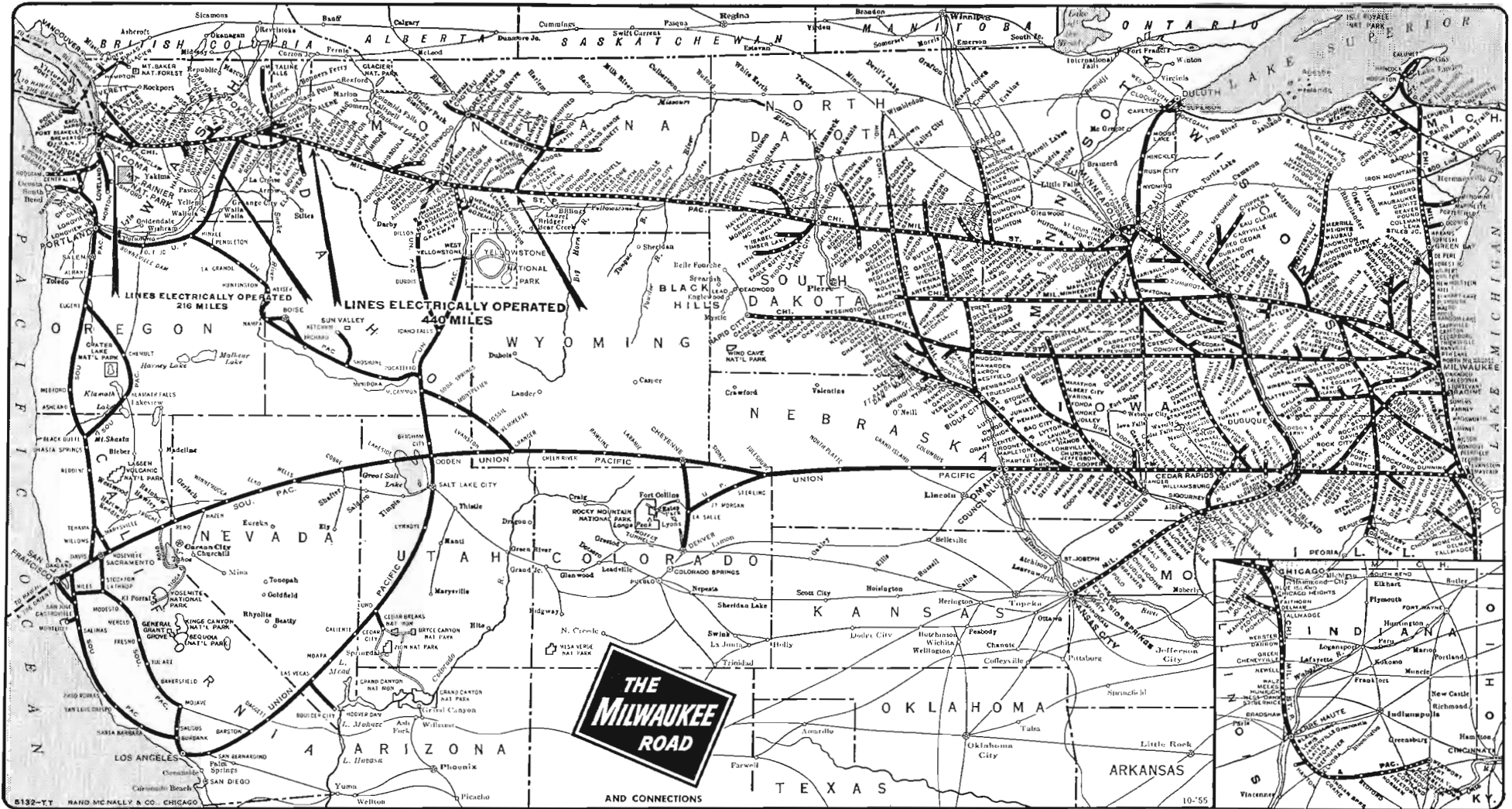
	1955	1954	INCREASE	DECREASE
Balance at January 1.....	\$1,649,338	\$1,638,644	\$ 10,694	
ADDITIONS:				
Net income for the year.....	1,023,955	1,010,602	13,353	
Miscellaneous credits.....	243,118	3,117	240,001	
	2,916,411	2,652,363	264,048	
DEDUCTIONS:				
Dividends paid.....	1,000,000	1,000,000		
Miscellaneous debits.....	39,240	3,025	36,215	
	1,039,240	1,003,025	36,215	
BALANCE AT DECEMBER 31	\$1,877,171	\$1,649,338	\$227,833	

Italics denote reverse items.

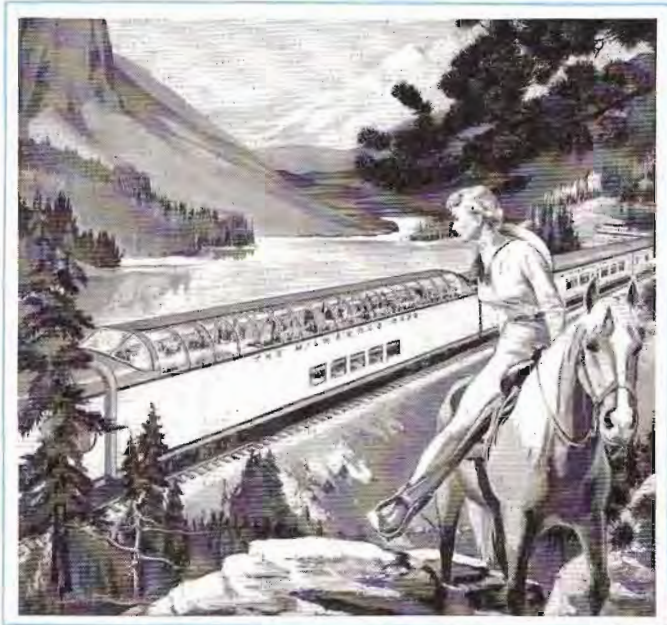
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

MILWAUKEE LAND COMPANY—BALANCE SHEET

	DECEMBER 31, 1955	DECEMBER 31, 1954	NET CHANGE DURING YEAR + INCREASE - DECREASE
ASSETS			
CURRENT ASSETS:			
Cash	\$ 760,651	\$ 811,189	- \$ 50,538
Accounts receivable	57,888	159,672	- 101,784
Notes and purchase contracts	839,332	363,155	+ 476,177
Interest receivable	46,592	40,556	+ 6,036
TOTAL CURRENT ASSETS	1,704,463	1,374,572	+ 329,891
INVESTMENTS:			
Capital stocks	1,725	54,291	- 52,566
United States Government obligations	544,000	801,352	- 257,352
C. M. St. P. & P. R. R. Co. mortgage bonds	700,917	756,470	- 55,553
Other investments	5,000	17,500	- 12,500
TOTAL INVESTMENTS	1,251,642	1,629,613	- 377,971
OTHER ASSETS:			
Timber sale contracts	200,000	230,000	- 30,000
Other assets	1	14,055	- 14,054
TOTAL OTHER ASSETS	200,001	244,055	- 44,054
PROPERTIES:			
Timber land and timber	1,669,907	1,519,341	+ 150,566
Real estate	933,876	699,381	+ 234,495
Automobiles less accrued depreciation	6,383	7,440	- 1,057
Furniture and fixtures less accrued depreciation	637	728	- 91
TOTAL PROPERTIES	2,610,803	2,226,890	+ 383,913
	\$5,766,909	\$5,475,130	+ \$ 291,779
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	\$ 11,718	\$ 16,997	- \$ 5,279
Interest payable	92,820	92,820	.....
Taxes (Other than federal taxes on income)	69,592	72,846	- 3,254
Federal taxes on income	293,200	348,784	- 55,584
TOTAL CURRENT LIABILITIES	467,330	531,447	- 64,117
OTHER LIABILITIES:			
Note payable—C. M. St. P. & P. R. R. Co.	2,652,000	2,652,000	.....
Advances on coal leases and cutting contracts	223,083	142,345	+ 80,738
Other liabilities	47,325	.....	+ 47,325
TOTAL OTHER LIABILITIES	2,922,408	2,794,345	+ 128,063
STOCKHOLDERS' EQUITY:			
Capital stock:			
Common stock—par value \$100 per share:			
Authorized—5,000 shares .....			.....
Issued and outstanding—5,000 shares	500,000	500,000	.....
Retained earnings	1,877,171	1,649,338	+ 227,833
TOTAL STOCKHOLDERS' EQUITY	2,377,171	2,149,338	+ 227,833
	\$5,766,909	\$5,475,130	+ \$ 291,779



CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY



**THE
MILWAUKEE
ROAD**