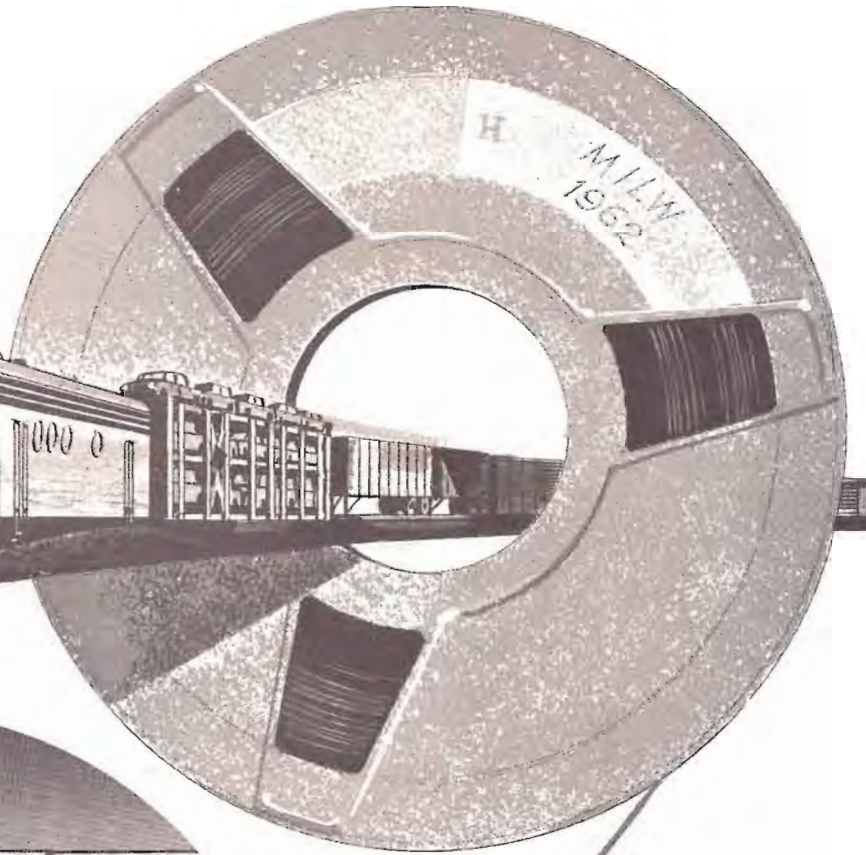
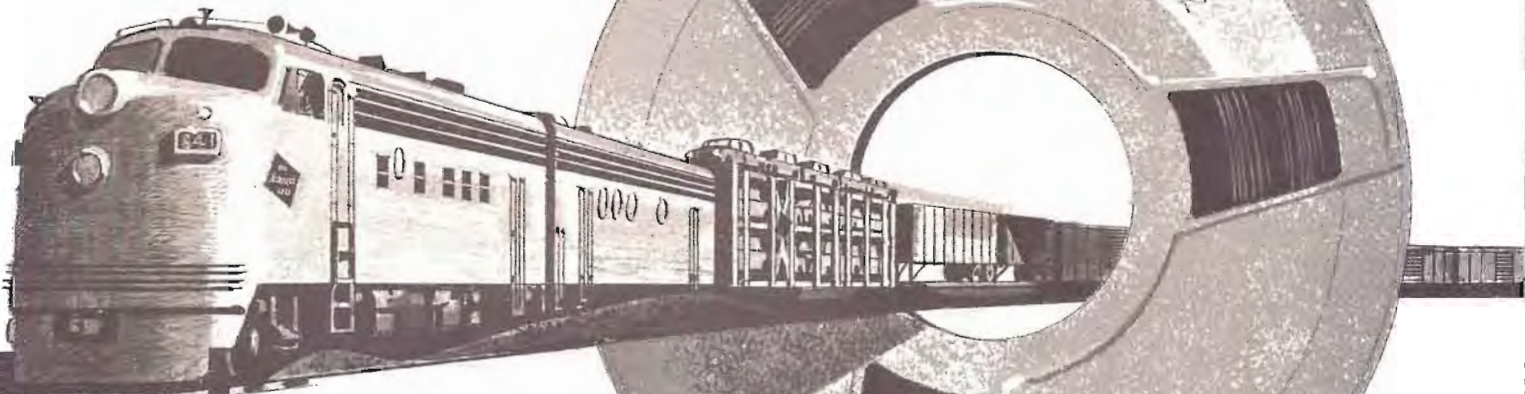


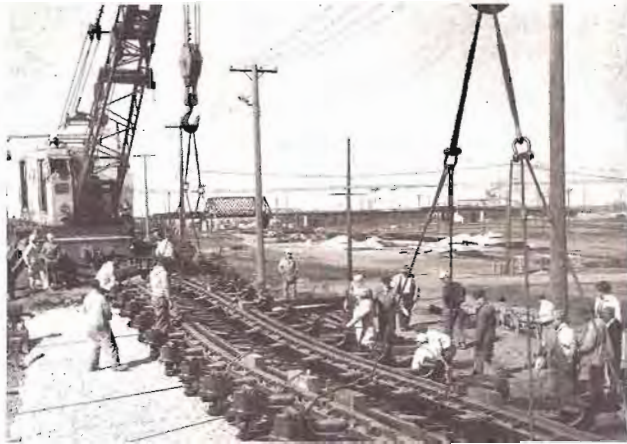
ANNUAL REPORT 1962





Working in a large glass-enclosed room, a skilled staff operates the computer and auxiliary electronic equipment which handle an increasingly large volume of Milwaukee Road accounting

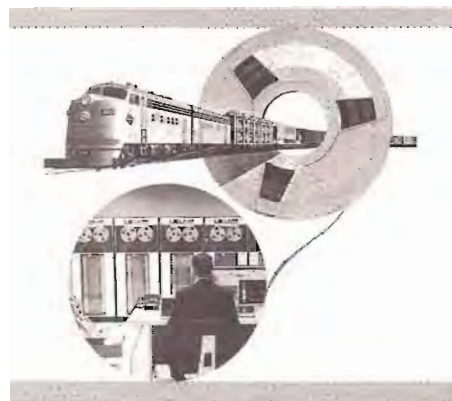
work and related procedures. Shown here are the console and some of the computer equipment which control the railroad-wide data processing system.



Careful advance planning enables Milwaukee Road engineers to complete major projects such as replacing the main retarder in Bensenville yard (pictured here) almost without interrupting the flow of traffic. This yard is the key freight classification facility in the Chicago area.



Traffic in new automobiles loaded on bi-level or tri-level rack cars increased sharply in 1962, partly as a result of the tunnel enlargement program completed in the fall of 1961. The Road also enjoyed substantial increases in conventional piggyback and Flexi-Van traffic.



As the cover suggests, electronic data processing plays a new and very important role in day-to-day Milwaukee Road operations. To an ever increasing extent the railroad is, in fact, being run through the new computer. It is important to shippers and to the railroad that paper work which once took days is now completed in minutes. The speed with which the computer summarizes information is also an aid in management decision making.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

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

Board of Directors

1963	Terms Expiring: 1964	1965
JOHN D. ALLEN	J. PATRICK LANNAN	ARTHUR S. BOWES
JAMES M. BARKER	JAMES D. NORRIS	JEROME C. EPPLER
LEO T. CROWLEY	WILLIAM L. O'BRIEN	JOHN B. GALLAGHER
WALTER J. CUMMINGS	PHILIP W. PILLSBURY	JOSHUA GREEN
WILLIAM J. FROELICH	FRANKLIN B. SCHMICK	WALTER T. MAHONEY
WILLIAM J. QUINN	JOHN P. WAGNER	LOUIS QUARLES
ARTHUR M. WIRTZ		WILLIAM J. SINEK

Executive Committee

JOHN D. ALLEN	J. PATRICK LANNAN, <i>Chairman</i>	WILLIAM J. QUINN
LEO T. CROWLEY	WILLIAM J. FROELICH	WILLIAM J. SINEK
WALTER J. CUMMINGS	JOHN B. GALLAGHER	ARTHUR M. WIRTZ

Finance Committee

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JAMES M. BARKER	WILLIAM J. FROELICH*	LOUIS QUARLES*
LEO T. CROWLEY	JOHN B. GALLAGHER*	JOHN P. WAGNER
JEROME C. EPPLER		ARTHUR M. WIRTZ

*Alternate Members

Officers

L. T. CROWLEY	<i>Chairman of the Board</i>	CHICAGO
W. J. QUINN	<i>President</i>	CHICAGO
W. W. KREMER	<i>Vice President—Traffic</i>	CHICAGO
F. G. MCGINN	<i>Vice President—Operation</i>	CHICAGO
C. E. CRIPPEN	<i>Vice President—Finance and Accounting</i>	CHICAGO
E. O. SCHIEWE	<i>Vice President and General Counsel</i>	CHICAGO
L. H. DUGAN	<i>Vice President and Western Counsel</i>	SEATTLE
S. J. COOLEY	<i>Vice President—Real Estate and Industrial Development</i>	CHICAGO
R. K. MERRILL	<i>General Solicitor</i>	CHICAGO
R. F. KRATOCHWILL	<i>Comptroller</i>	CHICAGO
J. J. ROCHE	<i>Secretary</i>	CHICAGO
C. T. LANNON	<i>Treasurer</i>	CHICAGO

Stock Transfer Offices

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

Registrars

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

Annual Meeting

May 14, 1963, Chicago, Illinois

This Annual Report 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.

HIGHLIGHTS OF OPERATION

	1962	1961
Operating revenues.....	\$227,664,109	\$221,832,116
Operating expenses.....	180,984,293	175,883,563
Taxes, Federal, State and Local.....	19,274,000	19,245,000
Net railway operating income.....	11,440,093	14,112,710
Other income—Net.....	3,317,528	3,177,194
Income available for fixed charges.....	14,757,621	17,289,904
Fixed charges.....	5,986,093	5,776,173
Contingent charges.....	6,116,085	6,185,559
Net income.....	\$ 2,655,443	\$ 5,328,172
Net income per share—Series A Preferred.....	5.12	10.27
—Common.....	.03	1.29
Times fixed charges earned.....	2.47	2.99
Dividends paid:		
Series A Preferred—\$5.00 per share*.....	\$ 2,593,260	\$ 2,593,260
Number of stockholders at December 31:		
Series A Preferred.....	4,967	5,008
Common.....	9,072	9,544
*Out of earnings of prior years.		
Gross capital expenditures:		
For road property improvements.....	\$ 3,976,519	\$ 5,510,866
For equipment.....	12,113,471	17,597,166
Total.....	16,089,990	23,108,032
Traffic statistics:		
Net ton-miles of revenue freight (thousands).....	14,140,467	13,224,012
Freight revenue.....	\$189,226,927	\$183,347,242
Passengers carried one mile.....	493,863,239	513,054,084
Passenger revenue.....	\$ 13,125,613	\$ 13,138,585
Total amount of payroll.....	\$112,440,997	\$112,701,787
Average number of employees.....	17,430	18,406
Gross ton miles per train-hour.....	69,346	68,993
Gross tons per train.....	3,414	3,335
Net ton-miles per train-hour.....	31,288	30,518
Net tons per train.....	1,540	1,475
(Indices of freight-train performance)		

TO THE SHAREHOLDERS:

Substantial earnings in the third and fourth quarters of 1962 enabled the Milwaukee Road to achieve an excellent recovery from the effects of depressed business activity and the burdensome expenses reflected in operating results earlier in the year.

Intensive traffic promotion produced revenues of \$227,664,109 in 1962, compared with \$221,832,116 in 1961. Net earnings in 1962, affected as they were by increased costs, totaled \$2,655,443.

Operating expenses exceeded those of 1961 by slightly more than five million dollars. A wage increase to non-operating employes, and severe winter weather with repeated heavy snows, followed by floods and costly washouts at several points on the railroad, were largely responsible for the higher costs. An increase in equipment rents resulted from the adverse weather conditions and floods, increased use of specialized equipment and the effect of service interruptions on neighboring railroads.

On February 21, 1963, the Board of Directors declared a dividend of \$5.00 per share out of 1962 earnings on the Series A Preferred Stock, payable in four installments of \$1.25 each on March 28, June 27, September 26, and November 21, in 1963, to holders of record at the close of business on March 8, June 7, September 6, and November 1, respectively.

Action on a common stock dividend has been deferred until a better estimate of business prospects for the year can be made.

With the modernization of its physical plant well advanced, the Milwaukee Road views the future optimistically in terms of the economic growth of the regions it serves and the prospects for change in national transportation policy. In both of these areas there is cause for optimism.

This attitude is supported by the fundamental strength and stability of the agricultural and industrial Midwest, the broad grain belt of the great plains, and more particularly the rapidly developing Pacific Northwest, all of which are served by the Milwaukee Road. Despite the competition offered by other transportation agencies in these areas, the Milwaukee is confident that its competitive position will improve steadily as the economy of its service territory expands.

For the railroads, as for the entire economy, continuing high levels of production in the automobile industry contribute to a feeling of optimism regarding 1963. The Milwaukee Road, which experienced an increase of 147.6 per cent in its handling of this type of traffic in 1962, compared with 1961, is in an excellent position to take maximum advantage of this trend.

The most significant development in recent months, in the matter of railroad mergers, was the report released March 6, 1963, of the Interagency Committee appointed by President Kennedy in his Transportation Message to the 87th Congress, on April 5, 1962. The President had directed the Departments of Commerce, Justice and Labor and the Council of Economic Advisers to form a committee to develop general criteria applicable to mergers in the railroad and airline industries.

INDUSTRIAL DEVELOPMENT

The Milwaukee Road in 1962 accelerated its program of locating industries in established railroad-owned industrial districts along its system, including those at Franklin Park, Ill., Cedar Rapids and Des Moines, Ia., and Othello, Wash.

It also assisted private developers in establishing or expanding industrial districts such as the Clearing Industrial District at Franklin Park, Centex Industrial District at Elk Grove Village, Ill.; Tri-Vue Industrial District at Sioux City, Ia., and Andover Industrial District at Tukwila, Wash., near Seattle.

The railroad acquired additional property for future industrial development at several locations throughout the system. Significant among such acquisitions was the purchase of 127 acres of land at Rosemount, Minn., south of the Twin Cities, where Greif Brothers Cooperage Corporation bought 17 acres on which it has just completed a new plant for the manufacture of multi-wall paper bags.

Major industries established on the railroad during the year included:

The Plywood Division of Weyerhaeuser Corporation, the Fleetwood Paper Division of Georgia-Pacific Corporation, and Morgan-Wightman Supply Company at Franklin Park, Ill., Kitchens of Sara Lee in Deerfield, Ill.; Swift & Co. and California Packing Company in Rochelle, Ill.; and International Minerals and Chemical Corporation and Northern Natural Gas Products Company in a joint venture called Nitrin, Inc., near Cordova,

Ill., in the Quad City area; Chef Reddy Foods Corporation in Othello, Wash.; Dairyland Fertilizers, Inc., in Janesville, Wis., and Service Warehousing Company in Green Bay, Wis.

Several nationally known companies are locating facilities in the big Andover development in Tukwila, Wash. Included among these are General Electric Company, Abbott Laboratories, Parke-Davis & Co., Minnesota Mining and Manufacturing Company, and Davison Products.

With the upturn in general business toward the latter part of 1962, the pace of industrial inquiries and activities increased for the railroad. This increase is expected to result in the location of a number of major new industries along the Milwaukee Road in 1963.

Activity in real estate sales of both industrial and surplus properties by the railroad in 1962 continued at about the same high level as for the last two or three years. Indications are that the volume will increase in 1963.

Income from the leasing of railroad property continued to gain in 1962 as it has for the past several years. This increase in rental income was accomplished despite the sale of several high-rental properties.

Negotiations have been in progress for several months with the United States Post Office Department for a real estate development in downtown Milwaukee, Wis., designed to provide a new postal facility on railroad land.

WAGES AND LABOR RELATIONS

An agreement on a national scale was arrived at in June, 1962, granting members of the 11 non-operating unions a wage increase of 4 cents an hour effective February 1, 1962, and an additional increase of 6.28 cents an hour effective May 1, 1962. Similar increases were granted later to train dispatchers, mechanical department foremen, and porters.

The unanimous ruling of the United States Supreme Court early in March of 1963 freeing the railroads, in effect, to make changes in outmoded work rules practices, was a landmark decision for the industry. Negotiations are now in progress, looking toward an agreement for putting into effect the work rule changes recommended by the Presi-

dential Railroad Commission. The Supreme Court decision also cleared the way for negotiation of other issues raised by various operating unions and which necessarily had to await a final court ruling in the work rules matter.

Also unsettled at the present time are industry-wide wage increase requests on the part of the yardmasters, trainmen, switchmen, conductors and signalmen, as well as a request from the shop craft organizations for an agreement to prohibit the contracting of work. The latter request would also apply the provisions of the Washington Job Protection Agreement to all shop craft employes who might be displaced or deprived of employment.

DATA PROCESSING

As the cover of this report suggests, the Milwaukee Road program for conversion to an electronic data processing system was accelerated during 1962, with the result that an increasingly large part of the railroad's data processing work is being handled through the IBM 7070 and 1401 computers.

The system has achieved significant improvement in customer services and added measurably to the efficiency of operations. The computers are now operative in all four of the planned initial application areas: freight revenue and station accounting, inventory management, car service data, and payrolls. New applications are being developed.

The emphasis which has been placed on the assembling of complete data at source is making it possible for the new system to fill multiple requirements.

The nine regional data offices throughout the railroad system consolidate most of the clerical work formerly done in more than 800 freight offices, and are well on their way toward becoming fully operative as a data gathering network providing the input data essential to full realization of the computers' speed and versatility. Shippers, as well as the railroad itself, benefit from the current, accurate billing and rate service provided by these offices.

Electronic data processing has enabled the traffic department to introduce a new—and in some respects unique—system of comprehensive traffic analysis reports which guide salesmen in making the

most productive use of their time and enable rate specialists to weigh rate adjustment proposals more realistically. Better sales service results.

As an inventory management tool the computer application was expanded in 1962 to encompass the railroad's entire stock of material. All stock has been catalogued, re-numbered, and registered in a magnetic tape master file on an item-by-item basis by location. Using data supplied by the gathering network, the file is continuously updated to provide needed information to all store supervisors on a current basis.

The replenishment of local stocks from general store stocks is already controlled to a large degree by an automatic ordering process, and a system for the automatic ordering from outside suppliers reached the final planning stage in 1962.

The Milwaukee Road is the first railroad in the country to adapt its data processing facilities to a new freight claim procedure which gives both the railroad and the customer better information and speeds freight claim settlements.

Through use of the IBM 1401 computer the customer is now furnished a semi-monthly analysis and summary of his current claim account. Checks for the settlement of claims and the current claim accounts are mailed to the customer twice monthly.

The Milwaukee also is studying electronic data processing applications to passenger revenue accounting as an aid to more efficient operations in that field.

ENGINEERING PROGRAMS

Among the more noteworthy undertakings of the engineering department during 1962 were additions to our communications network. Two new VHF radio base stations for the railroad's police department were installed—one in Chicago and the other in Milwaukee. In addition, a radio base station was constructed in the Galewood yards in Chicago for use by the signals and communications department.

Seven new VHF radio base wayside stations, which provide communications between dispatchers, station agents, and train personnel, were added in 1962 to the system of such stations located at

various points on the railroad. The present total of 66 installations provides essentially continuous coverage of the railroad's main line between Chicago and Aberdeen, S. D.

In 1962 the railroad's own automatic dial telephone system between Chicago and Minneapolis-St. Paul, Minn., and between Milwaukee and Minneapolis-St. Paul was completed. On March 1, 1963, a similar dial system was put in service from Chicago to Savanna, Ill., and during the year it will be extended from Savanna to Kansas City, Mo., and Omaha, Neb.

Four electronic hot box detectors were installed

between Bensenville and Savanna in 1962 and an additional five will be located between Savanna and Omaha in 1963, as an extension of the program to equip main line operations with these units.

With the 11 already in service between Milwaukee and Minneapolis, these will bring the total to 20 by the end of 1963.

FREIGHT CAR AND LOCOMOTIVE PROGRAM

In 1962 the Milwaukee placed in service 655 new, 70-ton capacity, roller bearing freight cars costing approximately 8½ million dollars. They included 500 all-purpose wide door box cars, 50 airslide hopper cars, 25 jumbo covered hopper cars, and 80 miscellaneous box cars of various types, most of them insulated and featuring lading protection devices or cushion underframes.

Extensive upgrading work was continued in the Milwaukee Shops on gondola, refrigerator, and box cars. Improvements included widened doorways, increased interior dimensions, and other features.

To accommodate specific shipper requirements, 120 bi-level and tri-level freight cars for new auto-

mobiles were modified. A number of the road's cabooses were given shop repairs, including maintenance work on radio equipment.

Six road freight locomotives, purchased in 1951, were modernized in the Milwaukee Road shops. Locomotive air brake equipment is being modified to provide ready compatibility when several units having different air equipment are coupled into a train consist.

A challenging project was accomplished by Milwaukee Road engineers when they successfully modified straight electric locomotive freight units to operate with diesel locomotives over mountain grades while under the control of one engineer.

REDUCTION OF MORTGAGE BONDS

Mortgage bonds and debentures in the principal amount of \$2,129,700 were reacquired in 1962.

As shown by the following table covering the post-reorganization period from December 1, 1945, to December 31, 1962, mortgage bonds reacquired

have totaled \$52,675,700, more than 27 per cent of the original issue. In addition, \$2,478,000 of debentures have been reacquired. The resulting reduction in annual interest requirements is \$2,454,228.

ITEM	Cancelled Through Sinking Fund	Surrendered to Trustee for Cancellation	Held in Treasury	Total Principal Amount	Interest Rate	Decrease in Annual Interest
Chicago, Milwaukee, St. Paul & Pacific R.R. Co. First Mortgage 4% Bonds, Series A.....	\$ 4,218,700	\$2,280,100	\$ 234,500	\$ 6,733,300	4%	\$ 269,332
General Mortgage 4½% Income Bonds, Series A.....	24,066,400	610,000	1,100,300	25,776,700	4½	1,159,952
General Mortgage 4½% Convertible Income Bonds, Series B.....	16,726,300	.....	873,400	17,599,700	4½	791,987
Five Per Cent Income Debentures, Series A....	2,100,000	.....	378,000	2,478,000	5	123,900
The Bedford Belt Ry. Co. First Mortgage Bonds.....	.....	19,000	44,000	63,000	4¼	2,678
The Southern Indiana Ry. Co. First Mortgage Bonds.....	.....	105,000	256,000	361,000	4¼	15,343
The Chicago, Terre Haute & Southeastern Ry. Co. First and Refunding Mortgage Bonds.....	.....	.....	545,000	545,000	4¼	23,163
Income Mortgage Bonds.....	.....	.....	1,597,000	1,597,000	4¼	67,873
Total.....	<u>\$47,111,400</u>	<u>\$3,014,100</u>	<u>\$5,028,200</u>	<u>\$55,153,700</u>		<u>\$2,454,228</u>

IMPROVEMENT BUDGET-1963

The Milwaukee Road has budgeted 19½ million dollars for improvements in 1963. The largest expenditure, amounting to approximately 5 million dollars, will be for the stepped up program of major repairs to 3,000 of the railroad's 40 and 50-foot box cars.

A total of 16 new turbo-charged diesel locomotives for road haul and heavy switching service will be purchased, along with 50 insulated box cars of 50-foot length and 50 covered hopper cars equipped with pneumatic outlets. More than 4½ million dollars will be spent for the new locomotives and freight cars.

Also, 30 freight diesel locomotives will be re-

powered during the year and a large number of gondola, refrigerator, and other types of freight cars will be rebuilt, repaired, or equipped with loading devices.

Among the other important expenditures scheduled for 1963 is 6¾ million dollars for improvement to fixed properties of all kinds. Included is a major enlargement of track facilities at Franklin Park for the handling of TOFC traffic, extension of the direct telephone dialing system, installation of additional track-side hot box detection devices, and the extension of centralized traffic control signaling.

CAPITAL EXPENDITURES-1962

The following is a summary of the capital expenditures made during 1962:

Road property		\$ 3,908,938
New equipment	\$ 8,698,107	
Improvements to existing equipment	3,415,364	12,113,471
Total transportation properties		16,022,409
Miscellaneous physical property		67,581
Total properties		\$16,089,990

Equipment delivered during the year:

- 500—70-ton roller bearing steel box cars with plug and sliding doors
- 10—70-ton roller bearing steel box cars with 9' plain doors
- 10—70-ton roller bearing steel D.F. box cars with cushion underframe
- 5—70-ton roller bearing steel D.F.B. insulated box cars with cushion underframe
- 55—70-ton roller bearing steel D.F. insulated box cars
- 50—70-ton roller bearing steel airslide covered hopper cars
- 25—70-ton roller bearing steel covered hopper cars
- 144—50-ton steel refrigerator cars (rebuilt)
- 57—70-ton steel gondola cars (rebuilt)

Sources of Funds for Capital Expenditures:

Equipment obligations issued for equipment delivered during the year		\$ 8,558,862
Depreciation and retirement charges		6,125,140
Salvage from road and equipment retired		3,708,685
Moneys from property sales deposited with Mortgage Trustee withdrawn		321,009
Over expended funds, year 1961		(473,742)
Total		\$18,239,954

LONG-TERM DEBT OUTSTANDING

Long-term debt, including equipment obligations due within one year, outstanding in the hands of the public as of December 31, 1962, amounted to \$272,107,314 compared with \$275,020,548 as of December 31, 1961, a net decrease of \$2,913,234.

Decreases:

Through operation of sinking funds:

First Mortgage 4% Bonds, Series A:	
Amount cancelled	\$ 397,700
Less amount delivered to Trustee in lieu of cash from bonds held in Treasury at December 31, 1961	<u>232,000</u> \$ 165,700
General Mortgage 4½% Income Bonds, Series A	683,000
Five Per Cent Income Debentures, Series A:	
Amount cancelled	300,000
Less amount delivered to Trustee in lieu of cash from bonds held in Treasury at December 31, 1961	<u>300,000</u>
Purchased in the open market by Trustee for cancellation and cancelled during the year:	
The Southern Indiana Railway Company First Mortgage 4¼% Bonds	30,000
Purchased in the open market by the Company during the year:	
First Mortgage 4% Bonds, Series A	234,500
General Mortgage 4½% Income Bonds, Series A	598,800
General Mortgage 4½% Convertible Income Bonds, Series B	39,700
Five Per Cent Income Debentures, Series A	378,000
Cancelled pursuant to Court Order of August 16, 1961:	
First Mortgage 4% Bonds, Series A	11,400
General Mortgage 4½% Income Bonds, Series A	11,500
General Mortgage 4½% Convertible Income Bonds, Series B	51,800
Principal payments on equipment obligations:	
Equipment trust certificates	6,938,000
Conditional sale agreements	<u>2,265,423</u>
Total decrease	11,407,823
<i>Increase</i> —Conditional sale agreements covering purchase of equipment	<u>8,494,589</u>
Net decrease	\$ 2,913,234

PROPERTY TAX REFUNDS

As the result of a ruling by the Illinois Supreme Court the Milwaukee Road, along with other railroads, is obtaining refunds from several Illinois counties of part of their real estate taxes paid in 1957 and subsequent years.

These refunds, which range from 25 to 45 per cent of the total taxes paid, are the result of the railroads' objection to the inequitable valuation of their properties by the Illinois department of revenue.

The Illinois Supreme Court held that this was indeed the case and that the valuation of railroad

property should be on the same basis as other property. The Milwaukee has negotiated settlements with most of the counties in which it pays taxes at a rate of about 40 per cent of its total taxes paid therein.

The Supreme Court of South Dakota recently sustained the railroads in similar tax matters where the railroads objected to valuation of their properties at a higher than legal rate. The court's decision will bring the railroads a substantial refund of their South Dakota taxes.

GN-NP-CB&Q MERGER

Interstate Commerce Commission hearings on the proposed merger of the Great Northern, Northern Pacific, Burlington, and Pacific Coast Railroads were completed in July, 1962. Briefs have been filed and a recommended report and order by the hearing examiner is expected in 1963.

The Milwaukee Road, which would be the principal remaining competitor of the new company if the proposed merger is approved, participated

in all the hearings and has requested the Commission to impose six conditions to enable the Milwaukee to provide a strong competitive rail service.

A total of 117 witnesses from private industries, as well as other witnesses on behalf of federal government agencies, transportation regulatory commissions of nearly every state involved, and various independent interveners, testified in the proceedings in support of the Milwaukee Road.

SUBURBAN OPERATIONS

The railroad's fleet of 40 new bi-level, air conditioned suburban passenger coaches were in operation for a full year in 1962 for the first time, providing the most modern of accommodations for the great majority of Milwaukee Road suburban patrons. Despite the newly completed expressways in the Chicago area, patronage of the Milwaukee's

suburban trains increased by approximately 5.4 per cent over normal during 1962, compared with 1961.

Minor adjustments in schedules and train consists have enabled the railroad to provide service for the additional patrons who rode the Chicago, North Shore & Milwaukee Railroad prior to its ceasing operation in January, 1963.

DISCONTINUANCES

In January this year, the Milwaukee Road filed with the Interstate Commerce Commission its plan to discontinue on February 22, 1963, the operation of passenger trains No. 15 and 16 between Aberdeen, S. D., and Deer Lodge, Mont., a distance of 855 miles. The commission issued an order stay-

ing the effective date for 120 days from February 22 pending hearings in the matter.

The program of effecting changes in station services was continued in 1962, with the approval of state regulatory agencies, and is being further progressed in 1963.

DAMAGE PREVENTION

Continued close cooperation between the railroad and shippers last year helped solve many damage prevention problems. Typical of the efforts was the development of a relatively simple and small tie-down device which appears to have solved the problem of shipping big coils of heavy tin plate in regular box cars to their destination without damage.

Steel strapping run through the device anchors and cushions the coils so effectively that 12 of the tie-down units will secure a load of more than 140,000 pounds. A joint study by the Milwaukee and a shipper of coiled tin plate resulted in the employment of the new technique. Through its

use, approximately 500 carloads of the commodity have been shipped in the course of 11 months without damage.

To augment the cooperative effort of shippers and the railroad an increasing number of meetings are being held throughout the system at which the company's damage prevention experts discuss the problem with employees. These meetings are held out on the road, at depots, in the terminals—wherever and whenever the men are available. Attending are men who handle the trains—those closest to much of the source of damage. In the last three months of 1962, a total of 244 damage prevention meetings was held throughout the system.

LEGISLATION

It is hoped that the Eighty-eighth Congress will take favorable action on Bills to be introduced by the Administration to afford to the railroads greater freedom in rate making. No action was taken by the Second Session of the Eighty-seventh Congress on similar Bills. These Bills would minimize the regulation of minimum rates on bulk commodities

and agricultural products, thus enabling the railroads to become competitive with trucks and barge lines in the movement of these commodities.

It is important that legislation to aid the railroads be given wide support—from the public, its legislative representatives, the railroads, their shippers, their employees, and their stockholders.

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
111 WEST MONROE STREET
CHICAGO 3, ILLINOIS

Accountants' Report

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

We have examined the balance sheet of Chicago, Milwaukee, St. Paul and Pacific Railroad Company as of December 31, 1962 and the related statement of income and retained income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, except for the matters referred to in note 1 to the financial statements, the accompanying balance sheet and statement of income and retained income present fairly the financial position of Chicago, Milwaukee, St. Paul and Pacific Railroad Company as of December 31, 1962 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the statement of available net income and application thereof, and it is our opinion that such statement presents fairly the computations of "available net income" for the year ended December 31, 1962, in conformity with the provisions of the indentures.

PEAT, MARWICK, MITCHELL & CO.

Chicago, Illinois
February 22, 1963

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Statement of Income and Retained Income

Year ended December 31, 1962 with comparative figures for 1961

	1962	1961
OPERATING REVENUES		
Freight.....	\$189,226,927	\$183,347,242
Passenger, mail and express.....	25,638,875	25,957,633
Other.....	12,798,307	12,527,241
	<u>227,664,109</u>	<u>221,832,116</u>
OPERATING EXPENSES (including depreciation and retirement charges—\$16,595,692 in 1962, \$16,356,055 in 1961)		
Transportation.....	91,057,630	88,403,981
Maintenance of way and structures.....	31,474,075	30,341,487
Maintenance of equipment.....	36,872,791	35,481,494
Traffic.....	6,409,469	6,314,954
General and other.....	15,170,328	15,341,647
	<u>180,984,293</u>	<u>175,883,563</u>
Net revenue from railway operations.....	46,679,816	45,948,553
TAXES AND RENTS		
Payroll and other taxes (notes 1 and 4).....	19,274,000	19,245,000
Equipment and joint facility rents, net.....	15,965,723	12,590,843
	<u>35,239,723</u>	<u>31,835,843</u>
Net railway operating income.....	11,440,093	14,112,710
OTHER INCOME		
Gain on sales of properties, net.....	934,901	1,506,731
Dividends and interest (note 2).....	1,258,338	822,088
Miscellaneous, net (note 1).....	1,124,289	848,375
	<u>3,317,528</u>	<u>3,177,194</u>
	14,757,621	17,289,904
FIXED INTEREST ON LONG-TERM DEBT (including amortization of discount).....		
	5,986,093	5,776,173
	<u>8,771,528</u>	<u>11,513,731</u>
CONTINGENT INTEREST ON LONG-TERM DEBT.....		
	6,116,085	6,185,559
Net income.....	<u>2,655,443</u>	<u>5,328,172</u>
RETAINED INCOME AT BEGINNING OF YEAR.....		
	83,784,884	81,028,241
	<u>86,440,327</u>	<u>86,356,413</u>
ADD		
Discount on mortgage bonds and debentures reacquired....	555,627	367,626
Transfer from capital surplus (note 3).....	28,917	.....
	<u>87,024,871</u>	<u>86,724,039</u>
DEDUCT		
Provision for land grant repayments on shipments prior to October 1, 1946, less related Federal income tax benefit..	429,169	345,895
Dividend on Preferred Stock—\$5.00 per share.....	2,593,260	2,593,260
	<u>3,022,429</u>	<u>2,939,155</u>
RETAINED INCOME AT END OF YEAR.....	<u>\$ 84,002,442</u>	<u>\$ 83,784,884</u>

See accompanying notes to financial statements.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Balance Sheet

December 31, 1962 with comparative figures for 1961

	Assets	
	1962	1961
CURRENT ASSETS		
Cash and temporary cash investments.....	\$ 15,455,681	\$ 16,351,502
Accounts receivable.....	20,706,430	21,416,747
Material and supplies, at cost.....	16,784,411	16,580,576
Other current assets.....	2,513,060	1,670,706
Total current assets.....	55,459,582	56,019,531
 SPECIAL FUNDS.....	 839,046	 1,186,116
 INVESTMENTS, at cost (note 2)		
Affiliated companies.....	22,521,318	20,900,184
Other companies.....	555,060	596,058
Total investments.....	23,076,378	21,496,242
 PROPERTIES (notes 1 and 3)		
Road.....	668,134,243	667,033,573
Equipment.....	347,975,535	347,347,415
Other elements of investment (credits).....	(168,435,152)	(167,787,026)
	847,674,626	846,593,962
Less allowances for depreciation and amortization.....	268,256,416	262,702,751
Transportation properties.....	579,418,210	583,891,211
Nonoperating property, less depreciation.....	4,371,807	4,508,889
Total properties.....	583,790,017	588,400,100
 OTHER ASSETS AND DEFERRED CHARGES.....	 6,289,963	 6,349,330
Total assets.....	\$669,454,986	\$673,451,319

See accompanying notes to financial statements.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Balance Sheet

December 31, 1962 with comparative figures for 1961

	Liabilities and Shareholders' Equity	
	1962	1961
CURRENT LIABILITIES		
Accounts payable	\$ 26,363,500	\$ 24,994,744
Payroll and vacation pay	8,584,915	10,357,375
Accrued taxes (note 4)	8,343,294	9,202,129
Other current liabilities	144,167	1,071,995
Total current liabilities	43,435,876	45,626,243
(exclusive of equipment obligations due within one year)		
EQUIPMENT OBLIGATIONS DUE WITHIN ONE YEAR	9,467,934	8,908,041
LONG-TERM DEBT		
Mortgage bonds	137,316,800	139,143,200
Five per cent income debentures	57,522,000	57,900,000
Equipment obligations	67,800,580	69,069,307
Total long-term debt	262,639,380	266,112,507
RESERVES AND OTHER LIABILITIES	5,722,754	4,804,127
Total liabilities	321,265,944	325,450,918
SHAREHOLDERS' EQUITY		
Capital stock (note 5)		
Common Stock—no par value (stated value \$100 per share).		
Authorized 2,637,450 shares (including 514,221 shares reserved for conversion of General Mortgage Bonds, Series B); issued and outstanding 2,123,214 shares		
	212,321,400	212,321,400
Preferred Stock—par value \$100 per share, 5% participating.		
Authorized 1,150,000 shares; issued and outstanding 518,652 shares		
	51,865,200	51,865,200
	264,186,600	264,186,600
Capital surplus (notes 1 and 3) . . . . .	. . . . .	28,917
Retained income		
Appropriated	44,051,610	44,036,265
Unappropriated	39,950,832	39,748,619
	84,002,442	83,784,884
Total shareholders' equity	348,189,042	348,000,401
CONTINGENT LIABILITIES (note 6)		
Total liabilities and shareholders' equity	\$669,454,986	\$673,451,319

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Statement of Available Net Income

Year ended December 31, 1962 with comparative figures for 1961

	1962	1961
INCOME AVAILABLE FOR FIXED CHARGES.....	\$ 14,757,621	\$ 17,289,904
FIXED CHARGES		
Rent for leased roads and equipment.....	420	420
Interest on long-term debt		
On First Mortgage 4% Bonds, Series A.....	2,113,415	2,135,766
On modified Terre Haute bonds.....	532,671	533,890
On equipment obligations.....	3,219,908	2,988,859
Interest on unfunded debt.....	12,107	1,933
Amortization of discount on long-term debt.....	107,572	115,305
Total fixed charges.....	<u>5,986,093</u>	<u>5,776,173</u>
Income after fixed charges.....	8,771,528	11,513,731
ADD—Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced.....	362,237	273,130
AVAILABLE NET INCOME—as defined in the First Mortgage and General Mortgage indentures.....	<u>9,133,765</u>	<u>11,786,861</u>
APPLICATION OF SUCH AVAILABLE NET INCOME		
Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A.....	317,536	301,628
Contingent interest on General Mortgage 4½% Income Bonds, Series A.....	1,435,178	1,477,459
Contingent interest on modified Terre Haute bonds.....	290,202	290,892
Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B.....	1,517,805	1,522,909
Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B....	543,393	543,393
	<u>4,104,114</u>	<u>4,136,281</u>
Remaining available net income.....	5,029,651	7,650,580
DEDUCT—Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced.....	362,237	273,130
AVAILABLE NET INCOME—as defined in the indenture relating to Five Per Cent Income Debentures, Series A.....	4,667,414	7,377,450
APPLICATION OF SUCH AVAILABLE NET INCOME		
Contingent interest on Five Per Cent Income Debentures, Series A.....	2,872,900	2,894,300
Appropriated for sinking fund for retirement of Five Per Cent Income Debentures, Series A.....	154,464	176,435
	<u>3,027,364</u>	<u>3,070,735</u>
Remainder available for payment of dividends or any other proper corporate purposes.....	<u>\$ 1,640,050</u>	<u>\$ 4,306,715</u>

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1962

1. Accounting Principles

The accompanying financial statements have been prepared in conformity with accounting principles prescribed or authorized by the Interstate Commerce Commission. The following subparagraphs explain the effect of certain of these principles:

- a. Depreciation provisions as recorded in the books are computed by the straight-line method at appropriate normal rates, whereas larger permissible amounts have been deducted in determining federal income taxes. Under generally accepted accounting principles, it is ordinarily required in such cases that an income tax provision be included in each year equal to the resulting tax reduction, which has been as follows:

	1962	1961	Cumulative to Dec. 31, 1962
Tax reduction (increase) resulting from:			
Amortization of defense facilities.....	\$ (728,520)	\$ 9,880	\$20,340,030
Declining-balance method.....			3,810,040
Other differences in depreciation bases and rates.....	<u>1,303,640</u>	<u>1,980,680</u>	<u>9,316,320</u>

- b. Other elements of investment arose in connection with the reorganization of the Company as of January 1, 1944. The account was credited as of that date with an amount of approximately \$171,000,000 representing the excess of properties and other Company assets over the aggregate of amounts ascribed to capital stocks, bonds, and other liabilities required by the Court to be issued or paid. In 1962 the Company began the practice of writing off an equitable portion assignable to pre-reorganization properties retired during the year. The 1962 write-off amounted to \$364,000 and is included in miscellaneous other income. Under generally accepted accounting principles it appears that all or substantially all of the account would have been treated as capital surplus and that the write-off to income would not have been required.

2. Investments

Investments in affiliated companies include \$7,023,010 pledged as collateral to mortgage bonds. Cost of stock held in unconsolidated subsidiaries in the amount of \$655,000 is included in this account. The Company's equity in the net deficit since acquisition of the subsidiaries (as shown by their unaudited financial statements) amounted to \$49,994 at December 31, 1962. Operations of the subsidiaries resulted in net losses of \$734,166 in 1962 and \$187,181 in 1961. Other income includes dividends of \$765,000 in 1962 and \$315,000 in 1961 from subsidiary companies.

3. Properties

Road property (\$668,134,243) and equipment property (\$347,975,535) 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. Depreciation provisions for book accounting purposes are based upon these values to the extent that they represent properties classed as depreciable.

Assets acquired by donations and grants have heretofore been included in road property and equipment property, with offsetting credits in the donations and grants account. This practice was discontinued as of January 1, 1962. The credit balance (\$9,755,944) in the donations and grants account at that date was eliminated, and road and equipment properties were reduced by the same amount. Figures for 1961 have been restated to conform. In addition, capital surplus of \$28,917, representing amounts previously cleared from the donations and grants account upon the retirement of donated property, was transferred in 1962 to retained income.

4. Federal Income Taxes

Federal income tax provisions were reduced approximately \$638,000 in 1962 and \$525,000 in 1961 by the carry-forward of prior years' losses.

Federal income tax liabilities have been settled through the year 1955. Returns for the years 1956 through 1960 are being examined by the Internal Revenue Service, but no report has been received. On the basis of the returns as filed for the years 1956 through 1961, and estimated 1962 taxable income (determined without the benefit of additional "guideline" depreciation deductions permitted under Revenue Procedure 62-21), the Company had available at December 31, 1962 a total loss carry-forward of \$3,570,000, which may result in future tax reductions of \$1,856,000. In addition, the Company had available an unused investment tax credit under the Revenue Act of 1962 of approximately \$750,000.

5. Stock Options

The Company has a restricted stock option plan which provides for the issuance of options on 75,000 shares of Common Stock to officers and key employees through March, 1971. The stock offered under the plan may be unissued shares or reacquired shares as determined by the Board of Directors. Option prices are fixed at current market value at the date the options are granted. Options are exercisable one year from the date of the grant with a maximum of 33 1/3% of the shares subject to the option exercisable in any one year for a period of ten years from such date. At December 31, 1962, options had been granted for the purchase of 51,000 shares and 8,250 shares at \$16.00 and \$16.50, respectively. None of the options issued under the plan has been exercised.

6. Contingent Liabilities

The Company was liable, jointly with other railroads, as guarantor of certain obligations of affiliated companies amounting to approximately \$105,908,000 at December 31, 1962. Also, the Company was contingently liable as guarantor along with other railroads for its proportion (2.7%), and its proportionate share of any contingent obligations not met by other railroad participants, of obligations of Trailer Train Company aggregating approximately \$112,217,000.

INVESTMENTS—DECEMBER 31, 1962

DESCRIPTION	NUMBER OF SHARES	EXTENT OF CONTROL— PER CENT	LEDGER AMOUNT
AFFILIATED COMPANIES			
WHOLLY-OWNED SUBSIDIARIES			
CAPITAL STOCKS			
Bremerton Freight Car Ferry, Incorporated.....	10,000	100	\$ 105,000
Milwaukee Land Company..... A	5,000	100	500,000
The Milwaukee Motor Transportation Company..... A	500	100	50,000
TOTAL CAPITAL STOCKS			655,000
NOTE			
Milwaukee Land Company..... A		100	2,652,000
ADVANCES			
Milwaukee Land Company.....		100	905,640
The Milwaukee Motor Transportation Company.....		100	5,109,753
TOTAL ADVANCES			6,015,393
TOTAL INVESTMENTS—WHOLLY-OWNED SUBSIDIARIES			9,322,393
JOINTLY-OWNED TERMINAL, SWITCHING, AND OTHER COMPANIES			
CAPITAL STOCKS			
Chicago, Terre Haute & Southeastern Railway Company.....	40,755.05	53.98	1
Chicago Union Station Company..... A	7,000	25	7,000
Davenport, Rock Island & North Western Railway Company..... A	15,000	50	1,750,000
Des Moines Union Railway Company..... A	1,000	50	100,000
Des Moines Union Railway Company..... B	1,000	50	26,000
Indiana Harbor Belt Railroad Company..... A	15,200	20.2	1,520,000
Kansas City Terminal Railway Company..... C	1,833.33	8 $\frac{1}{8}$	183,333
Minneapolis Eastern Railway Company..... A	625	50	15,475
Packers Car Line Company.....	306	9.56	3,060
Railway Express Agency, Incorporated.....	26	2.6	2,600
The Minnesota Transfer Railway Company..... A	913	11 $\frac{1}{9}$	91,300
The Pullman Company.....	9,426	1.28	320,484
The St. Paul Union Depot Company..... A	1,036	12 $\frac{1}{2}$	130,475
Trailer Train Company.....	500	2.7	98,860
TOTAL CAPITAL STOCKS			4,248,588
NOTE			
Railway Express Agency, Incorporated.....		2.6	751,804
ADVANCES			
Chicago Union Station Company.....		25	4,676,126
Davenport, Rock Island & North Western Railway Company.....		50	1,287,279
Des Moines Union Railway Company.....		50	874,511
Kansas City Terminal Railway Company.....		8 $\frac{1}{8}$	774,835
Packers Car Line Company.....		9.56	39,004
The Minnesota Transfer Railway Company.....		11 $\frac{1}{9}$	340,793
The St. Paul Union Depot Company.....		12 $\frac{1}{2}$	205,985
TOTAL ADVANCES			8,198,533
TOTAL INVESTMENTS—AFFILIATED COMPANIES			22,521,318
OTHER COMPANIES			
STOCKS			
Miscellaneous.....			7,840
DEBENTURES			
Consumers Cooperative Oil Company.....			46
NOTE			
Bunte Brothers Chase Candy Company.....			702
SALE AGREEMENTS			
Best Built Company.....			34,279
Cargill, Incorporated.....			330,000
Donald Carroll Metals, Inc.....			24,000
General Warehouse & Transportation Company.....			20,000
J. K. Fiddes.....			44,400
J. Lentin Lumber Company (Nominee-Franklin Park Realty Corp.).....			26,600
Monarch Warehouses, Incorporated.....			21,280
Steven J. Kipper, Jr.....			25,159
Other companies and individuals.....			20,754
TOTAL SALE AGREEMENTS			546,472
TOTAL INVESTMENTS—OTHER COMPANIES			555,060
TOTAL INVESTMENTS			\$23,076,378

A—Pledged under Chicago, Milwaukee, St. Paul and Pacific Railroad Company First Mortgage, except Directors' qualifying shares.
 B—Deposited with Iowa-Des Moines National Bank, Des Moines, Iowa, under Stock Trust Agreement, dated June 14, 1948, and pledged under the First Mortgage.
 C—Deposited with First National Bank of Kansas City, Mo., under Stock Trust Agreement, dated June 12, 1909, and pledged under the First Mortgage, except Directors' qualifying shares.

INVESTMENT IN PROPERTIES

ACCOUNT	BALANCE AT JANUARY 1	EXPENDITURES DURING THE YEAR	CREDITS FOR PROPERTY RETIRED DURING THE YEAR	BALANCE AT DECEMBER 31
ROAD:				
Engineering	\$ 18,408,258	\$ 48,445	\$ 71,134	\$ 18,385,569
Land for transportation purposes	38,630,149	69,967	(5,880)	38,705,996
Other right-of-way expenditures	492,202	6,678	(1,546)	500,426
Grading	142,395,657	78,451	133,345	142,340,763
Tunnels and subways	10,338,202	(44,833)	.....	10,293,369
Bridges, trestles, and culverts	72,345,956	1,078,481	648,584	72,775,853
Ties	34,435,358	101,004	78,712	34,457,650
Rails	68,956,592	85,979	81,339	68,961,232
Other track material	47,857,794	281,007	69,184	48,069,617
Ballast	26,393,776	5,588	28,803	26,370,561
Track laying and surfacing	32,649,602	126,521	80,228	32,695,895
Fences, snowsheds, and signs	5,350,952	692	3,507	5,348,137
Station and office buildings	26,084,188	325,067	250,141	26,159,114
Roadway buildings	2,065,166	587	9,165	2,056,588
Water stations	1,026,922	16,157	14,110	1,028,969
Fuel stations	746,495	1,173	10,918	736,750
Shops and enginehouses	19,549,322	97,189	153,667	19,492,844
Storage warehouses	64,349	.....	.....	64,349
Wharves and docks	1,545,756	45,446	119,578	1,471,624
Communication systems	6,965,247	349,303	34,958	7,279,592
Signals and interlockers	21,875,302	468,057	123,850	22,219,509
Power plants	1,544,544	1,939	40,505	1,505,978
Power-transmission systems	9,813,055	19,495	145,155	9,687,395
Miscellaneous structures	661,753	1,680	4,723	658,710
Roadway machines	9,351,139	320,145	287,953	9,383,331
Roadway small tools	321,384	(387)	.....	320,997
Public improvements—Construction	15,398,115	236,497	16,187	15,618,425
Other expenditures—Road	335	.....	.....	335
Shop machinery	7,497,818	122,429	251,267	7,368,980
Power-plant machinery	5,466,324	66,181	21,193	5,511,312
TOTAL ROAD	628,231,712	3,908,938	2,670,780	629,469,870
GENERAL EXPENDITURES:				
Organization expenses	275,448	.....	.....	275,448
General officers and clerks	2,165,638	.....	8,260	2,157,378
Law	1,324,546	.....	4,997	1,319,549
Stationery and printing	157,315	.....	592	156,723
Taxes	1,913,007	.....	2,848	1,910,159
Interest during construction	31,866,804	.....	118,896	31,747,908
Other expenditures—General	477,978	.....	1,895	476,083
TOTAL GENERAL EXPENDITURES	38,180,736	.....	137,488	38,043,248
IMPROVEMENTS ON LEASED PROPERTY	621,125	.....	.....	621,125
TOTAL ROAD AND ROADWAY STRUCTURES	667,033,573	3,908,938	2,808,268	668,134,243
EQUIPMENT:				
Locomotives	124,349,801	556,148	516,796	124,389,153
Freight-train cars	179,387,066	10,996,607	10,112,868	180,270,805
Passenger-train cars	34,161,214	311,803	652,367	33,820,650
Floating equipment	278,731	.....	.....	278,731
Work equipment	6,659,640	31,491	108,676	6,582,455
Miscellaneous equipment	2,510,963	217,422	94,644	2,633,741
TOTAL EQUIPMENT	347,347,415	12,113,471	11,485,351	347,975,535
TOTAL ROAD AND EQUIPMENT PROPERTIES	\$1,014,380,988	\$ 16,022,409	\$ 14,293,619	\$1,016,109,778

() Denotes adjustment of prior year

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES
AS OF DECEMBER 31, 1962

ITEMS	AMOUNT
CHICAGO UNION STATION COMPANY:	
1. First Mortgage Bonds, 3 $\frac{1}{8}$ %, Series F, due July 1, 1963	\$ 13,377,000
2. First Mortgage Bonds, 2 $\frac{7}{8}$ %, Series G, due July 1, 1963	32,989,000
3. Note 4 $\frac{1}{2}$ % due July 1, 1963	2,450,000
	48,816,000
Principal and interest guaranteed jointly and severally by the Railroad Company and 3 other proprietors at time of issue. The Railroad Company with other proprietors has agreed that gross rental to be paid by them for use of Chicago Union Station facilities shall include a sum sufficient to pay interest on all of these securities and the payment into the Retirement Fund for First Mortgage bonds beginning in 1955, and to advance amounts required to pay at maturity principal of Item 3.	
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INDIANA HARBOR BELT RAILROAD COMPANY:	
1. First Mortgage Bonds, 5 $\frac{1}{8}$ %, due June 1, 1982	7,235,000
2. Equipment Trust Certificates, 2 $\frac{3}{8}$ %, due annually September 15, 1963 to September 15, 1964	396,000
3. Equipment Trust Certificates, 2 $\frac{1}{4}$ %, due annually February 15, 1963 to February 15, 1965	360,000
	7,991,000
Principal and interest is guaranteed jointly and severally by the Railroad Company, New York Central Railroad Company, Michigan Central Railroad Company and Chicago and North Western Railway Company.	
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KANSAS CITY TERMINAL RAILWAY COMPANY:	
1. First Mortgage Serial Bonds, due annually October 1, 1963 to October 1, 1974	37,070,000
Under a certain operating agreement, the Railroad Company and 11 other proprietors are obligated to pay to the Terminal Company, or in case of default to the Mortgage Trustee, in equal shares the principal of these bonds, as they mature, in the nature of non-interest bearing advances, and interest thereon as rental.	
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PACKERS CAR LINE COMPANY:	
1. Conditional Sale Agreements	240,632
The Railroad Company's portion of principal guaranteed, based on its proportion of stock ownership—9.56%.	
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THE MINNESOTA TRANSFER RAILWAY COMPANY:	
1. 3 $\frac{3}{4}$ % Sinking Fund Promissory Notes, due June 1, 1976	1,380,400
Under provisions of the by-laws of the Transfer Co., the Railroad Company and 8 other proprietors are required to contribute, on an ownership basis, to (a) an annual sinking fund for these Notes equal to \$41,412 payable on or before May 20 of each year and (b) semi-annual installments of interest on the Notes.	
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THE ST. PAUL UNION DEPOT COMPANY:	
1. First and Refunding Mortgage Bonds, 3 $\frac{1}{8}$ %, Series B, due October 1, 1971	10,410,000
Guaranteed jointly and severally by the Railroad Company and 7 other proprietors, each of which is also obligated to advance its ownership proportion of amounts required for Sinking Fund payments and to pay its proportion, based upon use, of the interest on the bonds.	
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TRAILER TRAIN COMPANY:	
1. Conditional Sale Agreements	3,029,862
The Railroad Company's portion of principal guaranteed, based on its proportion of stock ownership—2.70%.	
<hr/>	
TOTAL	\$108,937,894

LONG-TERM DEBT, DECEMBER 31, 1962

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT ORIGINALLY ISSUED OR ASSUMED	AMOUNT AS OF DEC. 31, 1962	AMOUNT HELD BY COMPANY	AMOUNT OUTSTANDING DEC. 31, 1962	INTEREST		
							RATE	PAYABLE	ACCRUED DURING YEAR
First mortgage bonds, Series A.....	Jan. 1, 1944	Jan. 1, 1994	\$ 59,515,100	\$ 53,004,900	\$ 234,500	\$ 52,770,400	4 %	J. & J.	\$ 2,113,415
General mortgage income bonds, Series A.....	Jan. 1, 1944	Jan. 1, 2019	57,256,600	32,568,700	1,100,300	31,468,400	4½	April	1,435,178
General mortgage convertible income bonds, Series B.....	Jan. 1, 1944	Jan. 1, 2044	51,422,100	34,588,600	873,400	33,715,200	4½	April	1,517,805
Five per cent income debentures, Series A.....	Jan. 1, 1955	Jan. 1, 2055	60,000,000	57,900,000	378,000	57,522,000	5	M. & S.	2,872,900
The Bedford Belt Ry. Co. first mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	350,000	331,000	*144,000	187,000	4¼	J.A. & J.	7,947
The Southern Indiana Ry. Co. first mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	7,287,000	7,182,000	256,000	6,926,000	4¼	J.A. & J.	294,309
Chicago, Terre Haute and Southeastern Ry. Co.: First and refunding mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	9,571,000	9,571,000	**2,060,000	7,511,000	4¼	J.A. & J.	319,218
Income mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	6,335,800	6,335,800	1,597,000	4,738,800	4¼	J.A. & J.	201,399
Equipment obligations (See details below).....			140,875,258	77,268,514		77,268,514			3,219,908
Total long-term debt.....			\$392,612,858	\$278,750,514	\$ 6,643,200	\$272,107,314			\$11,982,079

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

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1962

DESCRIPTION	DATE OF LEASE OR AGREEMENT	DATE OF FINAL MATURITY	ORIGINAL COST OF EQUIPMENT	AMOUNT ORIGINALLY ISSUED	AMOUNT OUTSTANDING DEC. 31, 1962	PRINCIPAL PAYABLE DURING 1963	INTEREST		
							RATE	PAYABLE	ACCRUED DURING YEAR
EQUIPMENT TRUST CERTIFICATES:									
Series HH.....	Apr. 1, 1949	Apr. 1, 1964	\$ 8,112,742	\$ 6,060,000	\$ 606,000	\$ 404,000	2¾%	A. & O.	\$ 19,190
Series JJ.....	Sept. 1, 1949	Sept. 1, 1964	7,604,384	5,640,000	752,000	376,000	2½	M. & S.	18,754
Series KK.....	Oct. 1, 1949	Oct. 1, 1964	6,026,868	4,500,000	600,000	300,000	2¼	A. & O.	16,875
Series LL.....	June 1, 1950	June 1, 1965	6,289,514	4,650,000	775,000	310,000	2¼	J. & D.	22,088
Series MM.....	Nov. 1, 1950	Nov. 1, 1965	7,251,863	5,430,000	1,086,000	362,000	2½	M. & N.	32,429
Series OO.....	Oct. 1, 1951	Oct. 1, 1966	10,053,530	7,500,000	2,000,000	500,000	2½	A. & O.	64,688
Series PP.....	Mar. 1, 1952	Mar. 1, 1967	3,215,855	2,400,000	720,000	160,000	2½	M. & S.	22,617
Series QQ.....	Sept. 1, 1952	Sept. 1, 1967	5,441,323	3,990,000	1,330,000	266,000	3½	M. & S.	45,026
Series RR.....	Jan. 1, 1954	Jan. 1, 1969	10,379,112	7,650,000	3,315,000	510,000	3½	J. & J.	107,579
Series SS.....	July 1, 1954	July 1, 1969	9,931,620	7,800,000	3,640,000	520,000	2¾	J. & J.	103,675
Series TT.....	Nov. 1, 1954	Nov. 1, 1969	9,141,903	7,200,000	3,360,000	480,000	2½	M. & N.	104,650
Series UU.....	Jan. 1, 1956	Jan. 1, 1971	9,655,380	7,500,000	4,250,000	500,000	3¾	J. & J.	147,658
Series VV (1st Install.).....	Feb. 1, 1957	Feb. 1, 1972	3,000,000	3,000,000	200,000	4	F. & A.	78,667	
Series VV (2nd Install.).....	Feb. 1, 1957	Feb. 1, 1972	11,745,718	6,000,000	3,800,000	400,000	4¾	F. & A.	172,084
Series WW.....	Jan. 1, 1958	Jan. 1, 1973	6,814,810	5,400,000	3,780,000	360,000	4½	J. & J.	159,638
Series XX.....	Feb. 1, 1959	Feb. 1, 1974	7,419,495	5,850,000	4,485,000	390,000	4½	F. & A.	207,675
Series YY (1st Install.).....	Feb. 1, 1960	Feb. 1, 1975	3,000,000	3,000,000	200,000	4¾	F. & A.	125,125	
Series YY (2nd Install.).....	Feb. 1, 1960	Feb. 1, 1975	9,683,950	4,650,000	3,875,000	310,000	4¾	F. & A.	188,971
Series ZZ.....	Mar. 1, 1961	Mar. 1, 1976	7,424,925	5,850,000	5,265,000	390,000	4	M. & S.	217,100
CONDITIONAL SALE AGREEMENTS:									
Seattle-First National Bank, Assignee of the Sellers: American Locomotive Co.....	Sept. 1, 1953	Feb. 1, 1962	529,935	396,000			3.35	F.M.A.&N.	39
The First National Bank of Chicago, Assignee of the Sellers: Pacific Car & Foundry Co.....	May 1, 1956	Nov. 1, 1964	1,843,205	1,428,400	358,192	197,876	3.95	F.M.A.&N.	17,616
Continental Illinois National Bank and Trust Company of Chicago, Assignee of the Sellers: Pullman, Incorporated.....	May 1, 1958	Nov. 1, 1973	4,920,125	4,920,125	3,589,600	328,008	4.40	M. & N.	166,361
General American Transportation Corporation.....	May 1, 1958	Nov. 1, 1973	6,165,438	6,165,438	4,474,330	411,030	4.40	M. & N.	207,420
United States Railway Equipment Co.....	May 1, 1958	Nov. 1, 1973	570,706	570,706	418,518	38,047	4.40	M. & N.	19,391
General Motors Corpn.....	Jan. 15, 1959	Mar. 1, 1974	8,680,000	8,680,000	6,654,667	578,667	5.	M. & S.	344,789
General Motors Corpn.....	May 1, 1961	May 1, 1976	1,332,480	1,332,480	1,199,232	88,832	5.25	M. & N.	65,680
The Budd Company.....	May 1, 1961	May 1, 1976	4,817,520	4,817,520	4,335,768	321,168	5.25	M. & N.	237,464
Pullman, Incorporated.....	Dec. 1, 1961	Jan. 1, 1977	7,774,308	7,774,308	7,502,935	518,287	Var.	J. & J.	286,116
General American Transportation Corporation.....	Dec. 1, 1961	Jan. 1, 1977	720,281	720,281	696,272	48,019	Var.	J. & J.	20,543
Total equipment obligations.....			\$173,546,990	\$140,875,258	\$ 77,268,514	\$ 9,467,934			\$ 3,219,908

PAYMENTS MATURING IN YEARS ENDING:

December 31, 1963.....	\$ 9,467,934	December 31, 1968.....	\$ 6,592,057	December 31, 1973.....	\$ 3,736,576
December 31, 1964.....	9,228,372	December 31, 1969.....	6,337,057	December 31, 1974.....	2,360,641
December 31, 1965.....	8,035,057	December 31, 1970.....	5,082,057	December 31, 1975.....	1,621,306
December 31, 1966.....	7,518,057	December 31, 1971.....	4,832,057	December 31, 1976.....	966,306
December 31, 1967.....	6,938,057	December 31, 1972.....	4,282,057	December 31, 1977.....	270,923
		Total.....	\$77,268,514		

MILES OF ROAD BY STATES, DECEMBER 31, 1962

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.....	432.96	117.10	2.40	.14	.....	132.31	684.91
Indiana.....	155.91	.....	.....	.....	.....	.....	155.91
Iowa.....	#1,199.92	514.57	.08	.04	.10	67.06	1,781.77
Kansas.....	.....	.....	.....	.....	.....	7.05	7.05
Michigan.....	57.82	119.78	.....	.25	.....	5.83	183.68
Minnesota.....	755.35	351.50	5.03	22.70	.....	194.10	1,328.68
Missouri.....	130.02	.....	9.44	.....	.....	16.51	155.97
Montana.....	747.53	467.92	.....	29.99	.....	.46	1,245.90
Nebraska.....	.....	.....	.....	.....	.....	5.62	5.62
North Dakota.....	102.50	263.29	.....	1.10	.....	.....	366.89
South Dakota.....	1,042.63	691.74	.....	.....	.....	.....	1,734.37
Washington.....	314.69	467.01	26.88	50.00	.....	201.10	1,059.68
Wisconsin.....	1,038.27	470.69	.....	17.68	.....	70.51	1,597.15
Total.....	6,090.36	3,574.43	43.83	121.90	.10	709.66	10,540.28

#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, 1962

ITEMS	OWNED SOLELY	OWNED JOINTLY	LEASED	TRACKAGE RIGHTS	TOTAL
Miles of Road (First Main Track):					
Operated.....	*9,664.79	165.73	.10	709.66	10,540.28
Not operated.....	3.62	.....	.....	.....	3.62
Additional Main Tracks:					
Operated.....	693.35	14.24	.41	313.29	1,021.29
Not operated.....	.....	.....	.....	.....	.....
Yard Tracks and Sidings:					
Operated.....	*3,191.64	260.10	2.19	476.92	3,930.85
Not operated.....	2.28	26.26	.....	.....	28.54
Total operated.....	13,549.78	440.07	2.70	1,499.87	15,492.42
Total not operated.....	5.90	26.26	.....	.....	32.16
Grand Total.....	13,555.68	466.33	2.70	1,499.87	15,524.58

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

DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES
RAILWAY OPERATING REVENUES

	1962	1961	INCREASE	DECREASE
TRANSPORTATION				
Freight.....	\$189,226,927	\$183,347,242	\$5,879,685	.....
Passenger.....	13,125,613	13,138,585	.....	\$ 12,972
Baggage.....	62,683	66,111	.....	3,428
Parlor and chair car.....	68,767	72,639	.....	3,872
Mail.....	10,057,125	9,931,741	125,384	.....
Express.....	2,456,137	2,887,307	.....	431,170
Other passenger-train.....	108,458	103,886	4,572	.....
Milk.....	18,462	15,888	2,574	.....
Switching.....	6,302,106	6,016,610	285,496	.....
TOTAL TRANSPORTATION REVENUE	221,426,278	215,580,009	5,846,269	.....
INCIDENTAL				
Dining and buffet.....	1,203,988	1,262,011	.....	58,023
Station, train, and boat privileges.....	46,046	49,213	.....	3,167
Storage—Freight.....	4,633	6,592	.....	1,959
Demurrage.....	1,219,849	1,001,098	218,751	.....
Communication.....	40,281	50,191	.....	9,910
Rents of buildings and other property.....	240,133	254,199	.....	14,066
Miscellaneous.....	484,019	462,283	21,736	.....
TOTAL INCIDENTAL OPERATING REVENUE	3,238,949	3,085,587	153,362	.....
JOINT FACILITY				
Joint facility—Credit.....	3,010,379	3,179,147	.....	168,768
Joint facility—Debit.....	(11,497)	(12,627)	.....	(1,130)
TOTAL JOINT FACILITY OPERATING REVENUE	2,998,882	3,166,520	.....	167,638
TOTAL RAILWAY OPERATING REVENUE	\$227,664,109	\$221,832,116	\$5,831,993	.....

() Denotes contra items.

RAILWAY OPERATING EXPENSES

	1962	1961	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$ 2,938,451	\$ 2,937,045	\$ 1,406	.....
Roadway maintenance.....	2,275,838	2,735,748	.....	\$459,910
Tunnels and subways.....	42,097	25,002	17,095	.....
Bridges, trestles, and culverts.....	675,833	800,219	.....	124,386
Ties.....	1,678,795	1,119,907	558,888	.....
Rails.....	405,052	234,749	170,303	.....
Other track material.....	1,074,097	1,174,920	.....	100,823
Ballast.....	337,407	242,768	94,639	.....
Track laying and surfacing.....	5,950,523	5,897,138	53,385	.....
Fences, snowsheds, and signs.....	281,720	296,533	.....	14,813
Station and office buildings.....	641,329	623,011	18,318	.....
Roadway buildings.....	49,398	59,271	.....	9,873
Water stations.....	17,123	10,672	6,451	.....
Fuel stations.....	19,694	22,585	.....	2,891
Shops and enginehouses.....	461,586	511,062	.....	49,476

RAILWAY OPERATING REVENUES AND EXPENSES—Continued

RAILWAY OPERATING EXPENSES—Continued

	1962	1961	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Wharves and docks	\$ 16,688	\$ 48,920		\$ 32,232
Communication systems	739,838	789,623		49,785
Signals and interlockers	1,536,670	1,555,719		19,049
Power plants	38,450	28,377	\$ 10,073	
Power-transmission systems	286,625	300,464		13,839
Miscellaneous structures	7,874	10,359		2,485
Road property—Depreciation	5,013,076	5,109,307		96,231
Retirements—Road	403,370	290,594	112,776	
Roadway machines	645,433	681,565		36,132
Dismantling retired road property	266,102	230,562	35,540	
Small tools and supplies	699,100	655,768	43,332	
Removing snow, ice and sand	1,257,554	529,286	728,268	
Public improvements—Maintenance	593,055	547,181	45,874	
Injuries to persons	292,699	285,101	7,598	
Insurance	58,488	49,421	9,067	
Stationery and printing	66,827	71,424		4,597
Employees health and welfare benefits	750,459	690,283	60,176	
Other expenses	23,616	12,673	10,943	
Right-of-way expenses	48,776	32,781	15,995	
Maintaining joint tracks, yards, and other facilities—Debit	2,357,365	2,302,759	54,606	
Maintaining joint tracks, yards, and other facilities—Credit	(476,933)	(571,310)		(94,377)
TOTAL MAINTENANCE OF WAY AND STRUCTURES	31,474,075	30,341,487	1,132,588	
MAINTENANCE OF EQUIPMENT				
Superintendence	1,797,202	1,727,775	69,427	
Shop machinery	484,043	444,769	39,274	
Power-plant machinery	180,935	137,912	43,023	
Shop and power-plant machinery—Depreciation	288,294	289,959		1,665
Dismantling retired shop and power-plant machinery	1,579	591	988	
Other locomotives—Repairs	10,913,437	10,658,156	255,281	
Freight-train cars—Repairs	7,333,884	7,140,604	193,280	
Passenger-train cars—Repairs	2,972,625	2,527,302	445,323	
Work equipment—Repairs	298,864	251,533	47,331	
Miscellaneous equipment—Repairs	241,805	220,217	21,588	
Dismantling retired equipment	102,618	40,728	61,890	
Retirements—Equipment	(221,234)	(148,645)	(72,589)	
Equipment—Depreciation	11,112,186	10,814,840	297,346	
Injuries to persons	282,906	318,741		35,835
Insurance	69,276	66,048	3,228	
Stationery and printing	48,790	51,926		3,136
Employees health and welfare benefits	648,636	615,886	32,750	
Other expenses	79,740	74,296	5,444	
Joint maintenance of equipment expenses—Debit	265,074	281,312		16,238
Joint maintenance of equipment expenses—Credit	(27,869)	(32,456)		(4,587)
TOTAL MAINTENANCE OF EQUIPMENT	36,872,791	35,481,494	1,391,297	
TRAFFIC				
Superintendence	1,751,447	1,836,113		84,666
Outside agencies	3,335,380	3,177,661	157,719	
Advertising	558,778	553,810	4,968	
Traffic associations	301,369	311,812		10,443
Industrial and immigration bureaus	53,611	51,691	1,920	
Insurance	1,195	958	237	
Stationery and printing	275,456	286,852		11,396
Employees health and welfare benefits	132,114	97,134	34,980	
Other expenses	119	(1,077)	1,196	
TOTAL TRAFFIC EXPENSES	\$ 6,409,469	\$ 6,314,954	\$ 94,515	

() Denotes contra items.

RAILWAY OPERATING REVENUES AND EXPENSES—Concluded

RAILWAY OPERATING EXPENSES—Concluded

	1962	1961	INCREASE	DECREASE
TRANSPORTATION				
Superintendence	\$ 2,888,097	\$ 2,854,370	\$ 33,727	.....
Dispatching trains	739,321	740,943	.....	\$ 1,622
Station employees	10,766,791	11,123,541	.....	356,750
Weighing, inspection, and demurrage bureaus	328,055	303,490	24,565	.....
Station supplies and expenses	990,221	994,979	.....	4,758
Yardmasters and yard clerks	3,984,384	3,937,364	47,020	.....
Yard conductors and brakemen	9,392,621	9,067,394	325,227	.....
Yard switch and signal tenders	620,546	679,801	.....	59,255
Yard enginemen	6,193,920	5,956,937	236,983	.....
Yard switching fuel	934,923	873,708	61,215	.....
Yard switching power purchased	15,484	11,573	3,911	.....
Water for yard locomotives	16,417	16,269	148	.....
Lubricants for yard locomotives	110,341	91,836	18,505	.....
Other supplies for yard locomotives	64,175	46,793	17,382	.....
Enginehouse expenses—Yard	575,714	471,332	104,382	.....
Yard supplies and expenses	522,654	509,704	12,950	.....
Operating joint yards and terminals—Debit	5,384,482	5,451,343	.....	66,861
Operating joint yards and terminals—Credit	(626,245)	(665,643)	.....	(39,398)
Train enginemen	9,218,842	9,137,583	81,259	.....
Train fuel	7,240,054	6,913,371	326,683	.....
Train power purchased	802,401	784,613	17,788	.....
Water for train locomotives	120,279	70,968	49,311	.....
Lubricants for train locomotives	722,106	677,539	44,567	.....
Other supplies for train locomotives	195,610	195,594	16	.....
Enginehouse expenses—Train	1,154,720	1,006,695	148,025	.....
Trainmen	11,738,190	11,522,294	215,896	.....
Train supplies and expenses	5,731,851	5,599,373	132,478	.....
Operating sleeping cars	230,203	526,024	.....	295,821
Signal and interlocker operation	1,071,944	1,057,859	14,085	.....
Crossing protection	611,266	673,032	.....	61,766
Drawbridge operation	173,805	215,686	.....	41,881
Communication system operation	1,057,867	1,034,284	23,583	.....
Operating floating equipment	12,693	12,797	.....	104
Employees health and welfare benefits	1,111,504	1,012,942	98,562	.....
Stationery and printing	375,883	347,289	28,594	.....
Other expenses	611,886	197,467	.....	26,581
Operating joint tracks and facilities—Debit	932,952	1,093,285	.....	160,333
Operating joint tracks and facilities—Credit	(708,286)	(702,266)	(6,020)	.....
Insurance	81,990	81,521	469	.....
Clearing wrecks	302,389	223,208	79,181	.....
Damage to property	164,692	268,205	.....	103,513
Damage to live stock on right-of-way	77,414	77,990	.....	576
Loss and damage—Freight	3,371,233	2,664,267	706,966	.....
Loss and damage—Baggage	1,586	3,493	.....	1,907
Injuries to persons	2,191,655	1,243,134	948,521	.....
TOTAL TRANSPORTATION EXPENSES	91,057,630	88,403,981	2,653,649	.....
MISCELLANEOUS OPERATIONS				
Dining and buffet service	2,101,641	2,320,574	.....	218,933
Operating joint miscellaneous facilities—Debit	130,300	125,623	4,677	.....
Employees health and welfare benefits	54,299	49,335	4,964	.....
TOTAL MISCELLANEOUS OPERATIONS	2,286,240	2,495,532	.....	209,292
GENERAL				
Salaries and expenses of general officers	1,334,796	1,319,262	15,534	.....
Salaries and expenses of clerks and attendants	7,232,164	7,221,676	10,488	.....
General office supplies and expenses	1,044,202	884,066	160,136	.....
Law expenses	884,587	874,036	10,551	.....
Insurance	6,742	6,357	385	.....
Employees health and welfare benefits	354,755	289,744	65,011	.....
Pensions and gratuities	997,084	941,359	55,725	.....
Stationery and printing	344,881	391,115	.....	46,234
Other expenses	455,977	672,266	.....	216,289
General joint facilities—Debit	236,597	253,848	.....	17,251
General joint facilities—Credit	(7,697)	(7,614)	(83)	.....
TOTAL GENERAL EXPENSES	12,884,088	12,846,115	37,973	.....
GRAND TOTAL RAILWAY OPERATING EXPENSES	\$180,984,293	\$175,883,563	\$5,100,730	.....

() Denotes contra items.

ANALYSIS OF INCREASES AND DECREASES IN TOTAL
RAILWAY OPERATING EXPENSES 1962 COMPARED WITH 1961

ITEMS	MAINTENANCE OF WAY AND STRUCTURES	MAINTENANCE OF EQUIPMENT	TRANS- PORTATION	ALL OTHER	TOTAL
LABOR:					
General wage increases.....	+ \$ 407,800	+ \$ 374,824	+ \$ 712,607	+ \$ 326,748	+ \$1,821,979
Straight time worked.....	- 464,193	- 579,866	- 1,226,424	- 400,358	- 2,670,841
Overtime worked.....	+ 203,589	+ 20,906	+ 766,987	+ 1,909	+ 993,391
Time paid for not worked (incl. vacations and holidays).....	- 58,139	+ 39,693	+ 164,533	- 66,783	+ 79,304
TOTAL LABOR.....	+ 89,057	- 144,443	+ 417,703	- 138,484	+ 223,833
FUEL:					
Price.....			+ 161,704		+ 161,704
Consumption.....			+ 226,195		+ 226,195
TOTAL FUEL.....			+ 387,899		+ 387,899
ELECTRIC POWER.....					
			+ 21,700		+ 21,700
MATERIAL—Other than fuel:					
Price.....	+ 43,657	+ 168,143	- 109,866	+ 9,568	+ 111,502
Quantity.....	+ 614,533	- 124,735	- 43,499	- 82,950	+ 363,349
TOTAL MATERIAL OTHER THAN FUEL.....	+ 658,190	+ 43,408	- 153,365	- 73,382	+ 474,851
MISCELLANEOUS:					
Health and welfare benefits.....	+ 32,020	+ 5,438	+ 55,613	+ 90,700	+ 183,771
Other miscellaneous.....	+ 336,776	+ 1,263,802	+ 1,924,099	+ 44,362	+ 3,569,039
TOTAL MISCELLANEOUS.....	+ 368,796	+ 1,269,240	+ 1,979,712	+ 135,062	+ 3,752,810
TOTAL LABOR, MATERIAL AND MISCELLANEOUS.....	+ 1,116,043	+ 1,168,205	+ 2,653,649	- 76,804	+ 4,861,093
DEPRECIATION.....	- 96,231	+ 295,681			+ 199,450
RETIREMENTS.....	+ 112,776	- 72,589			+ 40,187
TOTAL DEPRECIATION AND RETIREMENTS.....	+ 16,545	+ 223,092			+ 239,637
TOTAL RAILWAY OPERATING EXPENSES.....	+ \$1,132,588	+ \$1,391,297	+ \$2,653,649	- \$ 76,804	+ \$5,100,730

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME
BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1962

1962	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.....	\$ 16,929,108	\$ 15,156,247	\$ 1,772,861	\$ 1,633,000	\$ 139,861	\$ 605,177	\$ 236,623	\$ (701,939)
February.....	16,883,164	13,915,838	2,967,326	1,651,000	1,316,326	701,088	206,770	408,468
March.....	18,232,900	15,242,213	2,990,687	1,658,000	1,332,687	894,057	215,732	222,898
April.....	17,474,885	14,866,947	2,607,938	1,532,000	1,075,938	836,873	228,124	10,941
May.....	18,739,972	15,709,088	3,030,884	1,664,000	1,366,884	889,203	246,147	231,534
June.....	18,674,284	15,084,132	3,590,152	1,634,000	1,956,152	821,227	230,420	904,505
July.....	17,751,036	15,465,719	2,285,317	1,653,000	632,317	1,143,083	259,144	(769,910)
August.....	22,689,458	15,886,160	6,803,298	1,716,000	5,087,298	1,577,574	263,283	3,246,441
September.....	21,595,574	15,282,431	6,313,143	1,646,000	4,667,143	2,044,162	213,171	2,409,810
October.....	22,425,937	15,913,575	6,512,362	1,669,000	4,843,362	1,626,727	233,884	2,982,751
November.....	18,890,339	14,557,082	4,333,257	1,495,000	2,838,257	1,129,945	222,077	1,486,235
December.....	17,377,452	13,904,861	3,472,591	1,323,000	2,149,591	915,226	226,006	1,008,359
Total.....	\$227,664,109	\$180,984,293	\$46,679,816	\$19,274,000	\$27,405,816	\$13,184,342	\$2,781,381	\$11,440,093

(1) Dollars contra income.

REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE

YEAR	TONS CARRIED	TONS MILES	AVERAGE HAUL—MILES	FREIGHT REVENUE		
				TOTAL	PER TON	PER TON MILE (CENTS)
1953	46,810,989	15,413,226,569	329.27	\$215,622,726	\$4.61	1.399
1954	43,123,214	14,178,678,856	328.79	197,712,105	4.58	1.394
1955	45,481,060	15,561,748,530	342.16	205,993,029	4.53	1.324
1956	45,351,213	15,612,344,863	344.25	209,886,542	4.63	1.344
1957	42,951,573	14,614,118,553	340.25	212,631,339	4.95	1.455
1958	40,117,213	13,884,510,331	346.10	205,489,920	5.12	1.480
1959	40,199,394	14,121,939,599	351.30	201,705,278	5.02	1.428
1960	38,305,568	13,604,642,301	355.16	189,750,236	4.95	1.395
1961	37,300,275	13,223,111,384	354.50	183,519,327	4.92	1.388
1962	39,513,106	14,139,667,771	357.85	189,394,619	4.79	1.339

REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE

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

OTHER THAN COMMUTATION

1953	3,158,639	658,842,799	208.58	\$15,396,026	\$4.87	2.337
1954	3,057,733	599,281,006	195.99	13,582,309	4.44	2.266
1955	3,003,108	571,128,913	190.18	12,413,340	4.13	2.173
1956	3,266,663	696,906,549	213.34	15,758,692	4.82	2.261
1957	2,943,819	587,947,230	199.72	14,064,509	4.78	2.392
1958	2,889,740	549,258,597	190.07	12,969,955	4.49	2.361
1959	1,839,572	523,514,965	284.59	12,490,275	6.79	2.386
1960	1,759,253	515,650,913	293.11	12,095,377	6.88	2.346
1961	1,605,362	419,009,241	261.01	10,229,408	6.37	2.441
1962	1,568,167	391,940,911	249.94	9,958,110	6.35	2.541

*COMMUTATION

1953	3,823,231	88,929,041	23.26	\$ 1,316,554	\$.34	1.480
1954	3,920,824	93,543,801	23.86	1,374,494	.35	1.469
1955	4,176,751	98,901,556	23.68	1,463,125	.35	1.479
1956	4,150,616	100,135,407	24.13	1,474,073	.36	1.472
1957	4,074,228	98,630,820	24.21	1,463,767	.36	1.484
1958	4,338,777	103,055,843	23.75	1,567,002	.36	1.521
1959	5,521,115	123,694,172	22.40	2,818,185	.51	2.278
1960	5,036,666	111,139,202	22.07	3,095,340	.61	2.785
1961	4,215,466	93,091,548	22.08	2,925,821	.69	3.143
1962	4,601,453	101,001,773	21.95	3,191,195	.69	3.160

TOTAL

1953	6,981,870	747,771,840	107.10	\$16,712,580	\$2.39	2.235
1954	6,978,557	692,824,807	99.28	14,956,803	2.14	2.159
1955	7,179,859	670,030,469	93.32	13,876,465	1.93	2.071
1956	7,417,279	797,041,956	107.46	17,232,765	2.32	2.162
1957	7,018,047	686,578,050	97.83	15,528,276	2.21	2.262
1958	7,228,517	652,314,440	90.24	14,536,957	2.01	2.229
1959	7,360,687	647,209,137	87.93	15,308,460	2.08	2.365
1960	6,795,919	626,790,115	92.23	15,190,717	2.24	2.424
1961	5,820,828	512,100,789	87.98	13,155,229	2.26	2.569
1962	6,169,620	492,942,684	79.90	13,149,305	2.13	2.668

*Beginning with year 1959, includes cash fares, single and round trip tickets sold for travel within suburban area, which in prior years were included in "Other than Commutation."

STATISTICS OF OPERATIONS

ITEMS	FREIGHT TRAINS		PASSENGER TRAINS		TOTAL TRANSPORTATION SERVICE	
	1962	1961	1962	1961	1962	1961
RAIL-LINE						
Average miles of road operated	10,547	10,557	2,796	3,014	10,555	10,565
TRAIN MILES						
Ordinary	9,289,701	9,095,214	5,253,183	5,462,022	14,542,884	14,557,236
Light	27,738	27,091			27,738	27,091
Total train miles	9,317,439	9,122,305	5,253,183	5,462,022	14,570,622	14,584,327
LOCOMOTIVE MILES						
Principal	9,320,638	9,124,822	5,253,183	5,462,022	14,573,821	14,586,844
Helper	60,814	66,370		65	60,814	66,435
Light	86,311	97,935	101,760	116,634	188,071	214,569
Train switching	844,860	832,236			844,860	832,236
Yard switching	5,447,996	5,260,555	389,724	405,745	5,837,720	5,666,300
Total locomotive miles	15,760,619	15,381,918	5,744,667	5,984,466	21,505,286	21,366,384
CAR MILES						
Loaded car miles	420,635,792	407,817,084	648,825	817,108	421,284,617	408,634,192
Empty freight cars	263,835,111	257,843,082	55,558	86,186	263,890,669	257,929,268
Total loaded and empty freight cars	684,470,903	665,660,166	704,383	903,294	685,175,286	666,563,460
Caboose	9,712,751	9,312,145	10,876	15,082	9,723,627	9,327,227
Total freight car miles	694,183,654	674,972,311	715,259	918,376	694,898,913	675,890,687
Passenger coaches	12,877	37,595	16,918,398	19,010,156	16,931,275	19,047,751
Sleeping and parlor cars (Company)			1,493,283	1,643,743	1,493,283	1,643,743
Sleeping cars (Pullman)	7,448	28,201	6,809,932	8,958,820	6,817,380	8,987,021
Club, lounge, dining and observation cars	690	3,862	3,355,322	3,821,969	3,356,012	3,825,831
Combination passenger and head end cars	371,561	444,137	114,736	153,442	486,297	597,579
Mail, express and baggage cars	2,609,201	2,196,173	20,026,338	20,586,478	22,635,539	22,782,651
Business cars	40,864	41,846	81,851	103,405	122,715	145,251
Total passenger car miles	3,042,641	2,751,814	48,799,860	54,278,013	51,842,501	57,029,827
Grand total car miles	697,226,295	677,724,125	49,515,119	55,196,389	746,741,414	732,920,514
GROSS TON MILES						
Locomotives and tenders (thousands)	3,372,261	3,248,118	1,689,093	1,792,230	5,061,354	5,040,348
Freight cars, contents, and cabooses (thousands)	31,571,417	30,189,005	36,184	43,066	31,607,601	30,232,071
Passenger cars, and contents (thousands)	146,615	144,461	3,100,714	3,459,217	3,247,329	3,603,678
Total freight and passenger (thousands)	31,718,032	30,333,466	3,136,898	3,502,283	34,854,930	33,835,749
TRAIN HOURS						
Train hours in road service	457,386	439,661	116,749	122,851	574,135	562,512
REVENUE AND NONREVENUE FREIGHT TRAFFIC						
Tons of revenue freight					39,513,106	37,300,275
Tons of nonrevenue freight					775,053	748,712
Total tons of freight					40,288,159	38,048,987
Net ton miles revenue freight (thousands)					14,139,668	13,223,111
Net ton miles nonrevenue freight (thousands)					185,923	214,245
Total net ton miles of freight (thousands)	14,310,684	13,417,485	14,907	19,871	14,325,591	13,437,356
REVENUE PASSENGER TRAFFIC						
Passengers carried					6,169,620	5,820,828
Passenger miles					492,942,684	512,100,789
MOTOR VEHICLE OPERATIONS EXCLUDED ABOVE						
Net ton miles revenue freight (thousands)					799	901
Passengers carried					714	814
Passenger miles					920,555	953,295

STATISTICS OF OPERATIONS—Concluded

ITEMS	1962	1961	1960	1959	1958	1957
FREIGHT TRAIN STATISTICS AND AVERAGE						
Gross ton miles, trailing (thousands)	31,718,032	30,333,466	31,573,291	32,771,008	32,413,288	34,236,747
Eastbound	17,317,159	16,528,811	17,124,676	18,176,737	18,125,895	18,805,435
Westbound	14,400,873	13,804,655	14,448,615	14,594,271	14,287,393	15,431,312
Diesel-electric	29,895,035	28,117,816	29,107,869	29,901,296	29,705,585	31,129,417
Electric	1,822,997	2,215,650	2,465,422	2,869,712	2,707,703	3,107,330
Per cent Diesel-electric	94.3%	92.7%	92.2%	91.2%	91.6%	90.9%
Per cent electric	5.7%	7.3%	7.8%	8.8%	8.4%	9.1%
Loaded freight cars per train	45.3	44.8	45.2	45.9	44.3	44.3
Empty freight cars per train	28.4	28.4	27.9	27.0	27.7	26.7
Total freight cars per train	73.7	73.2	73.1	72.9	72.0	71.0
Gross tons per train	3,414	3,335	3,305	3,228	3,157	3,117
Net tons per train	1,540	1,475	1,450	1,428	1,390	1,373
Net tons per loaded car	34.0	32.9	32.1	31.1	31.3	31.0
Miles per car per day (serviceable freight)	40.7	37.6	39.3	39.0	35.7	37.0
Net ton miles per freight car-day	773	702	736	734	655	673
Train speed (train miles per train hour)	20.4	20.7	20.2	20.0	19.6	19.2
Gross ton miles (trailing) per train hour	69,346	68,993	66,674	64,565	61,714	59,780
PASSENGER TRAIN STATISTICS AND AVERAGES						
Passenger car miles (excluding motor)	49,515,119	55,196,389	64,230,016	66,525,240	69,087,808	75,256,765
Diesel-electric	49,511,316	55,194,119	64,227,781	66,502,614	65,218,200	71,665,998
Electric	3,803	2,270	2,235	22,626	3,869,608	3,590,767
Per cent Diesel-electric	100.0%	100.0%	100.0%	100.0%	94.4%	95.2%
Per cent electric					5.6%	4.8%
Cars per train (excluding motor)	9.43	10.11	10.38	9.87	9.60	9.60
Revenue passengers per train	94.0	93.9	101.2	95.2	89.8	86.5
Revenue passengers per car	19.4	17.1	16.6	16.5	16.1	16.0
Train speed (train miles per train hour)	45.0	44.5	45.2	44.1	44.4	43.9
YARD SWITCHING STATISTICS						
Yard switching hours	972,952	944,382	1,002,686	1,050,766	1,063,803	1,184,130
Diesel-electric	962,952	936,721	994,370	1,038,534	1,056,660	1,174,874
Electric	10,000	7,661	8,316	12,232	7,143	9,256
Per cent Diesel-electric	99.0%	99.2%	99.2%	98.8%	99.3%	99.2%
Per cent electric	1.0%	.8%	.8%	1.2%	.7%	.8%
DENSITY STATISTICS						
Per mile of road per day (freight service):						
Train miles, ordinary	2.4	2.4	2.5	2.6	2.7	2.8
Net ton miles	3,717	3,482	3,575	3,753	3,694	3,896
Per mile of road per day (passenger service):						
Train miles	5.1	5.0	4.9	4.7	4.8	4.7
Car miles	48.5	50.2	50.7	46.3	45.5	45.0

REVENUE FREIGHT BY PRINCIPAL COMMODITIES—1962 AND 1961

COMMODITIES	1962		1961		INCREASE + OR DECREASE—	
	TONS CARRIED	PERCENT OF TOTAL	TONS CARRIED	PERCENT OF TOTAL	TONS	PERCENT
PRODUCTS OF AGRICULTURE:						
Wheat.....	1,752,345	4.4	1,830,662	4.9	—	78,317 4.3
Corn.....	2,203,359	5.6	1,641,817	4.4	+	561,542 34.2
Barley and rye.....	647,186	1.6	713,251	1.9	—	66,065 9.3
Oats.....	300,493	.8	333,775	.9	—	33,282 10.0
Flour, meal and mill products.....	1,324,182	3.4	1,267,028	3.4	+	57,154 4.5
Citrus fruits.....	28,035	.1	37,047	.1	—	9,012 24.3
Other fruits, fresh and frozen.....	123,620	.3	114,293	.3	+	9,327 8.2
Potatoes, other than sweet.....	237,025	.6	221,166	.6	+	15,859 7.2
Other vegetables, fresh and frozen.....	139,019	.3	124,855	.3	+	14,164 11.3
Sugar beets.....	330,827	.8	266,447	.7	+	64,380 24.2
Other products of agriculture.....	1,608,044	4.1	1,412,307	3.8	+	195,737 13.9
Total.....	8,694,135	22.0	7,962,648	21.3	+	731,487 9.2
ANIMALS AND PRODUCTS:						
Cattle, calves, sheep and goats.....	151,403	.4	151,875	.4	—	472 .3
Swine.....	8,327	.....	11,297	.....	—	2,970 26.3
Fresh meats.....	373,666	.9	418,651	1.1	—	44,985 10.7
Poultry, eggs, butter and cheese.....	178,457	.5	138,908	.4	+	39,549 28.5
Wool, hides and leather.....	154,861	.4	151,334	.4	+	3,527 2.3
Other animals and products.....	258,501	.7	251,854	.7	+	6,647 2.6
Total.....	1,125,215	2.9	1,123,919	3.0	+	1,296 .1
PRODUCTS OF MINES:						
Bituminous coal.....	4,710,491	11.9	4,474,411	12.0	+	236,080 5.3
Coke.....	230,152	.6	221,518	.6	+	8,634 3.9
Ores and concentrates.....	330,440	.8	520,255	1.4	—	189,815 36.5
Gravel and sand.....	1,066,362	2.7	930,076	2.5	+	136,286 14.7
Stone, broken, ground or crushed.....	1,586,570	4.0	1,424,277	3.8	+	162,293 11.4
Stone, tough and finished.....	59,375	.2	68,115	.2	—	8,740 12.8
Asphalt.....	248,320	.6	251,329	.7	—	3,009 1.2
Salt.....	186,859	.5	154,325	.4	+	32,534 21.1
Other products of mines.....	1,174,334	3.0	1,144,351	3.0	+	29,983 2.6
Total.....	9,592,903	24.3	9,188,657	24.6	+	404,246 4.4
PRODUCTS OF FORESTS:						
Logs, posts, poles and cordwood.....	1,076,823	2.7	1,001,555	2.7	+	75,268 7.5
Pulpwood.....	957,124	2.4	943,717	2.5	+	13,407 1.4
Lumber and mill products.....	2,054,349	5.2	1,841,034	5.0	+	213,315 11.6
Veneer and built-up wood.....	536,170	1.4	482,623	1.3	+	53,547 11.1
Other products of forests.....	127,569	.3	228,738	.6	—	101,169 44.2
Total.....	4,752,035	12.0	4,497,667	12.1	+	254,368 5.7
MANUFACTURES AND MISCELLANEOUS:						
Refined petroleum and products.....	900,466	2.3	1,001,719	2.7	—	101,253 10.1
Sugar, table syrups and molasses.....	361,861	.9	314,706	.8	+	47,155 15.0
Iron and steel products.....	2,022,606	5.1	1,854,108	5.0	+	168,498 9.1
Machinery and boilers.....	199,537	.5	193,657	.5	+	5,880 3.0
Cement.....	864,996	2.2	1,083,918	2.9	—	218,922 20.2
Brick, building tile and artificial stone.....	222,583	.6	194,647	.5	+	27,936 14.4
Lime and plaster.....	82,791	.2	89,069	.3	—	6,278 7.0
Agricultural implements, tractors and parts.....	156,332	.4	156,645	.4	—	313 .2
Autos, trucks, parts and tires.....	885,387	2.2	637,932	1.7	+	247,455 38.8
Beverages.....	701,750	1.8	624,083	1.7	+	77,667 12.4
Ice.....	306	.....	25,877	.1	—	25,571 98.8
Fertilizers.....	612,934	1.5	595,706	1.6	+	17,228 2.9
Paper and paper products.....	1,509,752	3.8	1,279,288	3.4	+	230,464 18.0
Canned food products.....	1,174,633	3.0	1,065,127	2.9	+	109,506 10.3
Scrap iron and scrap steel.....	698,367	1.8	676,559	1.8	+	21,808 3.2
Building paper, roofing and woodwork.....	456,563	1.1	424,503	1.1	+	32,060 7.6
Other manufactures and miscellaneous.....	4,417,153	11.2	4,209,968	11.3	+	207,185 4.9
Total.....	15,268,017	38.6	14,427,512	38.7	+	840,505 5.8
GRAND TOTAL CARLOAD TRAFFIC.....	39,432,305	99.8	37,200,403	99.7	+	2,231,902 6.0
ALL L.C.L. FREIGHT.....	80,801	.2	99,872	.3	—	19,071 19.1
GRAND TOTAL, CARLOAD AND L.C.L. TRAFFIC.....	39,513,106	100.0	37,300,275	100.0	+	2,212,831 5.9

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
1950	33,668	\$128,201,025	\$3,808	\$167,342	\$128,368,367	\$121,226,784	\$7,141,583
1951	33,846	143,260,363	4,233	219,693	143,480,056	134,493,624	8,986,432
1952	32,550	145,397,263	4,467	149,515	145,546,778	138,390,501	7,156,277
1953	31,138	138,117,562	4,436	145,500	138,263,062	131,304,863	6,958,199
1954	27,961	126,272,397	4,516	143,400	126,415,797	120,564,532	5,851,265
1955	27,936	126,447,937	4,526	139,330	126,587,267	120,732,130	5,855,137
1956	27,408	134,534,522	4,909	123,452	134,657,974	126,936,601	7,721,373
1957	26,007	133,239,878	5,123	117,455	133,357,333	125,221,025	8,136,308
1958	23,402	128,237,334	5,480	119,269	128,356,603	123,103,272	5,253,331
1959	22,243	128,292,584	5,767	107,083	128,399,667	122,031,078	6,368,589
1960	20,229	121,037,664	5,983	98,143	121,135,807	114,993,442	6,142,365
1961	18,406	112,604,796	6,118	96,991	112,701,787	107,175,948	5,525,839
1962	17,430	112,343,937	6,445	97,060	112,440,997	107,196,227	5,244,770

NUMBER OF EMPLOYEES AND COMPENSATION BY STATES

STATE	REGULAR EMPLOYEES			PART TIME EMPLOYEES TOTAL COMPENSATION	TOTAL COMPENSATION ALL EMPLOYEES
	AVERAGE NUMBER	TOTAL COMPENSATION	AVERAGE COMPENSATION PER EMPLOYEE		
Illinois	5,137	\$ 33,138,106	\$6,451	\$17,744	\$ 33,155,850
Iowa	1,798	11,636,557	6,472	4,602	11,641,159
Wisconsin	4,463	28,083,190	6,292	19,559	28,102,749
Minnesota	2,174	13,869,467	6,380	10,152	13,879,619
Michigan	105	841,264	8,012	0	841,264
Missouri	298	1,904,120	6,390	10,780	1,914,900
Indiana	238	1,602,483	6,733	9,180	1,611,663
South Dakota	845	5,218,861	6,176	180	5,219,041
North Dakota	85	495,677	5,831	2,889	498,566
Montana	929	6,237,530	6,714	21,854	6,259,384
Idaho	84	518,261	6,170	0	518,261
Washington	1,134	7,814,235	6,891	120	7,814,355
All other	140	984,186	7,030	0	984,186
Total	17,430	\$112,343,937	\$6,445	\$97,060	\$112,440,997

TOTAL PAYROLLS AND COMPANY CONTRIBUTIONS AVERAGE PER EMPLOYEE

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
1950	\$128,201,025	\$7,234,363	.....	\$135,435,388	\$4,023	\$1.580	117.9
1951	143,260,363	7,774,582	.....	151,034,945	4,463	1.754	141.9
1952	145,397,263	7,696,578	.....	153,093,841	4,703	1.852	155.4
1953	138,117,562	7,441,326	.....	145,558,888	4,675	1.895	161.4
1954	126,272,397	7,035,232	.....	133,307,629	4,768	1.945	168.3
1955	126,447,937	7,276,300	\$ 624,381	134,348,618	4,809	1.959	170.2
1956	134,534,522	8,581,092	1,403,449	144,519,063	5,273	2.130	193.8
1957	133,239,878	8,692,650	2,106,181	144,038,709	5,538	2.290	215.9
1958	128,237,334	8,420,346	1,934,613	138,592,293	5,922	2.465	240.0
1959	128,292,584	9,894,538	1,819,163	140,006,285	6,294	2.566	253.9
1960	121,037,664	9,969,699	1,646,241	132,653,604	6,558	2.638	263.9
1961	112,604,796	9,099,691	2,867,995	124,572,482	6,768	2.704	273.0
1962	112,343,937	9,407,264	3,051,767	124,802,968	7,160	2.767	281.7

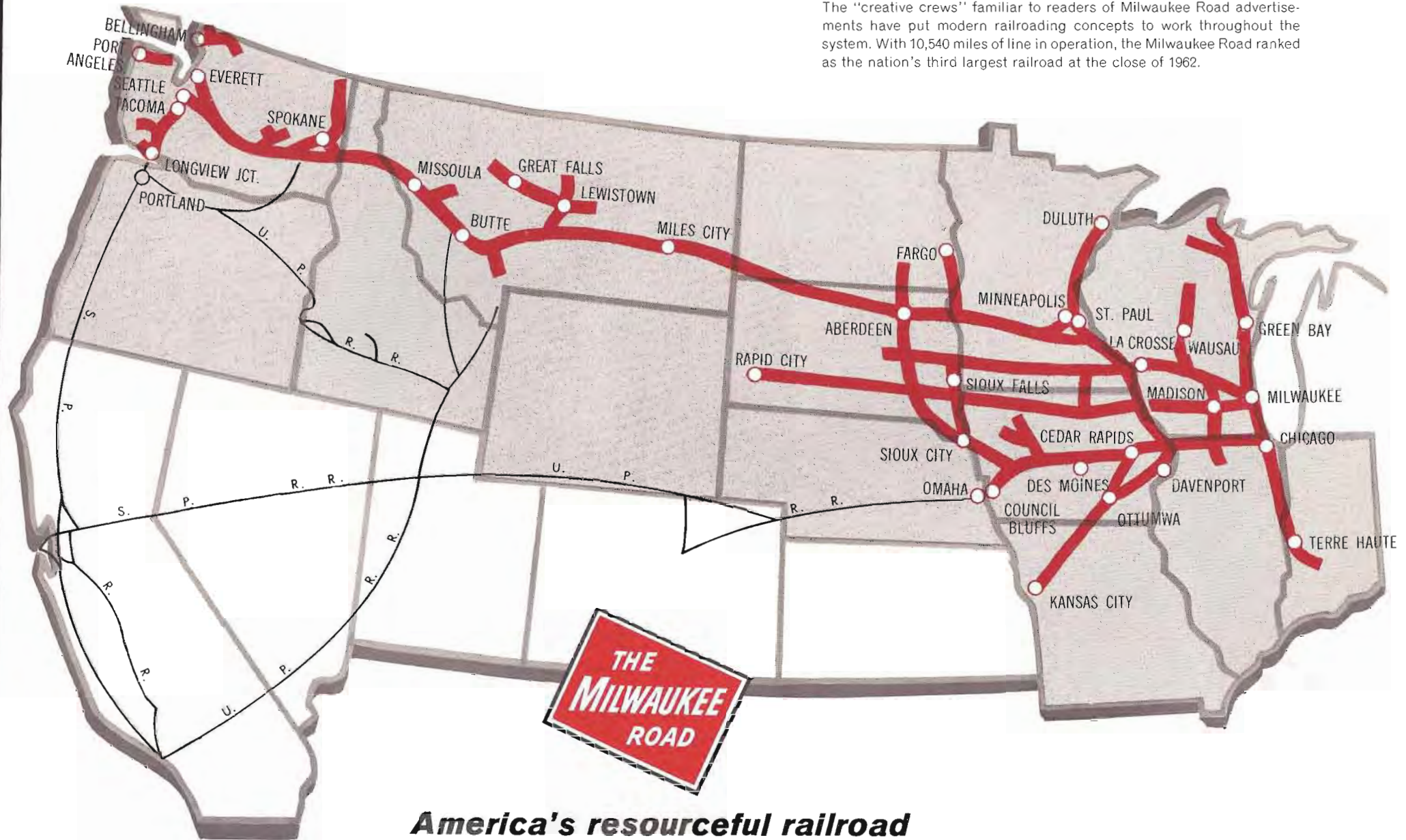
EQUIPMENT OWNED

	JAN. 1, 1962 NUMBER	ADDED (NEW)	RETIRED	ALL OTHER INCLUDING RECLASSI- FICATIONS	DECEMBER 31, 1962	
					NUMBER	CAPACITY
LOCOMOTIVES						
DIESEL-ELECTRIC (UNITS)						
Freight.....	159	.....	.....	.....	159	9,583,366
Passenger.....	87	.....	.....	.....	87	5,177,418
Multiple purpose.....	273	.....	.....	.....	273	17,287,790
Switching.....	285	.....	1	.....	284	16,644,860
ELECTRIC (UNITS)						
Freight.....	89	.....	.....	.....	89	5,646,185
Switching.....	4	.....	.....	.....	4	179,375
TOTAL.....	897	.....	1	.....	896	54,518,994
FREIGHT CARS						
Tons						
Box.....	22,844	520	2,354	.....	21,010	1,048,760
Gondola.....	8,256	.....	736	*+ 59	7,579	435,610
Hopper.....	4,649	75	322	.....	4,402	253,260
Ballast.....	839	.....	2	.....	837	58,590
Ore.....	794	.....	.....	.....	794	55,580
Stock.....	3,128	.....	209	.....	2,919	116,760
Flat.....	3,462	.....	74	- 3	3,385	173,860
Refrigerator.....	883	60	148	#+144	939	49,380
Tank.....	4	.....	1	.....	3	300
Caboose.....	460	.....	3	.....	457	.....
TOTAL.....	45,319	655	3,849	+200	42,325	2,192,100
PASSENGER CARS						
Passengers						
Coaches.....	241	.....	.....	.....	241	20,234
Sleepers.....	41	.....	.....	.....	41	1,054
Parlor.....	12	.....	.....	.....	12	444
Parlor cafe.....	4	.....	.....	.....	4	160
Dining.....	22	.....	.....	.....	22	1,040
Tap, lounge and observation.....	10	.....	.....	.....	10	960
Baggage, express and mail.....	293	.....	49	+ 5	249	.....
Passenger and baggage.....	10	.....	3	.....	7	256
Passenger, mail and baggage.....	2	.....	.....	.....	2	48
TOTAL.....	635	.....	52	+ 5	588	24,196
COMPANY SERVICE EQUIPMENT						
Business cars.....	10	.....	.....	.....	10	.....
Ballast and dumpcars.....	85	.....	.....	.....	85	.....
Derrick cars.....	17	.....	.....	.....	17	.....
Boarding outfit cars.....	326	.....	4	.....	322	.....
Snow removing cars.....	137	.....	.....	.....	137	.....
Other company service equipment.....	1,150	.....	89	+ 28	1,089	.....
TOTAL.....	1,725	.....	93	+ 28	1,660	.....
FLOATING EQUIPMENT						
Car floats.....	4	.....	.....	.....	4	.....
HIGHWAY VEHICLES						
Passenger automobiles.....	201	32	23	.....	210	.....
Trucks.....	438	37	20	+ 15	470	.....
Other.....	149	.....	.....	- 13	136	.....
TOTAL.....	788	69	43	+ 2	816	.....
					LEDGER VALUE	
					DECEMBER 31, 1962	DECEMBER 31, 1961
					INCREASE OR DECREASE	
Locomotives.....	\$124,389,153		\$124,349,801		Inc. \$ 39,352	
Freight cars.....	180,270,805		179,387,066		Inc. 883,739	
Passenger cars.....	33,820,650		34,166,894		Dec. 346,244	
Work equipment.....	6,582,455		6,659,640		Dec. 77,185	
Floating equipment.....	278,731		278,731		.....
Miscellaneous equipment.....	2,633,741		2,510,963		Inc. 122,778	
TOTAL.....	\$347,975,535		\$347,353,095		Inc. \$622,440	

*57 rebuilt #Rebuilt



The "creative crews" familiar to readers of Milwaukee Road advertisements have put modern railroading concepts to work throughout the system. With 10,540 miles of line in operation, the Milwaukee Road ranked as the nation's third largest railroad at the close of 1962.



America's resourceful railroad

