



NOW...100% DIESEL  
AND ELECTRIC

## ANNUAL REPORT • 1954







A



B



C

## Lowering maintenance costs with NEW TOOLS

A. One of the new and efficient portable car washers in action at Miles City, Montana.

B. "Luberizing" pistons of diesel engines with melted babbitt saves buying oversize cylinder liners after an overhaul.

C. New communication center has duplex equipment panels, telephone and line testing switchboard.

D. New Niles wheel borer doubles former capacity to forty wheels per eight hour shift.

E. New wheel truing machine restores correct contour without removing either trucks or wheels.

F. This locomotive crane is being converted from steam to diesel power at the shops in Milwaukee.

G. New mounting press saves two men in crew, mounts seventy-five pairs of wheels in eight hours.



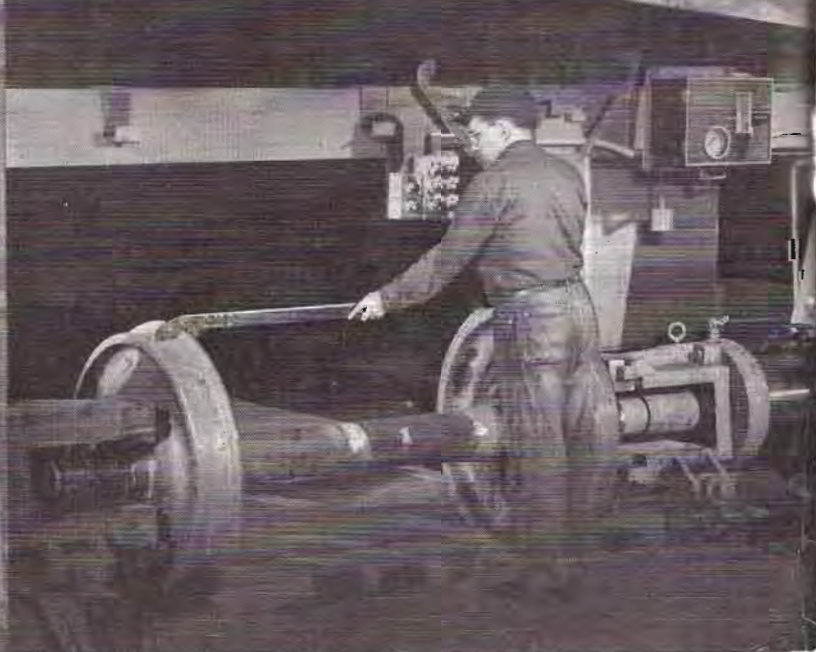
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# CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

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

## BOARD OF DIRECTORS

Terms Expiring:

1955

JUDSON LARGE  
ROBERT J. MARONY  
WILLIAM L. O'BRIEN  
PHILIP W. PILLSBURY  
JOHN W. SEVERS  
JOHN P. WAGNER

1956

JOHN B. GALLAGHER  
JOSHUA GREEN  
ARNOLD B. KELLER  
WALTER T. MAHONEY  
LOUIS QUARLES  
WILLIAM J. SINEK

1957

JOHN D. ALLEN  
JAMES M. BARKER  
LEO T. CROWLEY  
WALTER J. CUMMINGS  
WILLIAM J. FROELICH  
JOHN P. KILEY  
ELMER RICH

## EXECUTIVE COMMITTEE

LEO T. CROWLEY  
JOHN B. GALLAGHER

JOHN D. ALLEN, *Chairman*  
WILLIAM J. FROELICH  
ARNOLD B. KELLER

JOHN P. KILEY  
ELMER RICH  
WILLIAM J. SINEK

## FINANCE COMMITTEE

JOHN D. ALLEN  
JAMES M. BARKER  
\*Alternate Members

WALTER J. CUMMINGS, *Chairman*  
LEO T. CROWLEY  
WILLIAM J. FROELICH\*

JOHN B. GALLAGHER\*  
ELMER RICH  
LOUIS QUARLES\*

## OFFICERS

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

## STOCK TRANSFER OFFICES

The Chase National Bank of the City of New York, New York 15, N. Y.  
Room 732 Union Station, Chicago 6, Ill.

## REGISTRARS

The 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 10, 1955, in Room 220 Union Station, Chicago, Illinois

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

## RESULTS OF OPERATION

	1954	1953
Railway operating revenues.....	\$237,744,639	\$259,860,191
Railway operating expenses.....	199,410,604	218,183,759
Net revenue from railway operations.....	38,334,035	41,676,432
Railway tax accruals.....	15,329,000	17,972,000
Equipment rents—net charge.....	5,873,693	6,444,879
Joint facility rents—net charge.....	2,562,824	2,595,865
Net railway operating income.....	14,568,518	14,663,688
Other income—net.....	3,828,135	3,723,374
Income available for fixed charges.....	18,396,653	18,387,062
Total fixed charges.....	4,592,848	4,415,366
Times fixed charges earned.....	4.01	4.16
Income after fixed charges.....	13,803,805	13,971,696
Total contingent charges.....	3,899,346	3,958,678
Net income.....	9,904,459	10,013,018
Appropriations of income for sinking funds.....	763,661	755,005
Transferred to retained earnings—unappropriated.....	\$ 9,140,798	\$ 9,258,013
Earnings per share—Preferred.....	\$ 8.17	\$ 8.28
Earnings per share—Common.....	\$ 1.67	\$ 1.73

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

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

There was an abrupt and severe decline in traffic which persisted during most of 1954. Despite this, and increases in wages and vacation allowances and pay for holidays, the net income for the year, after fixed and contingent interest charges and appropriations of income for sinking funds as required by the Company's mortgages, amounted to \$9,140,798, compared with \$9,258,013 for the year 1953.

Included in net income for the year was a dividend of \$1,000,000 received from the Milwaukee Land Company, a wholly owned subsidiary, and \$1,184,400 of interest collected from that company that had accrued in prior years on a note held by the Railroad Company. Net income of the company for 1953 included \$1,985,836 of interest collected from the Land Company.

Gross operating revenues of \$237,744,639, which showed a decline of \$22,115,552, or 8.5%, compared with 1953, reflected decreases in carloadings in the first ten months of the year varying from 15.8% in January to 7.1% in October. November was the first month in which an increase was shown. Loadings in December also showed an increase. For the year there was a decrease in loadings of 8.4% and a decrease in freight revenue of \$17,879,799, or 8.3%.

Decreases in passenger revenue occurred in every month of the year and for the year showed a decrease of \$1,755,457, or 10.5%.

With the exception of January and April, in the case of Mail, and February, March, April and December for Express, revenue from these sources was also down in monthly comparisons with 1953. The decrease in mail revenue for the year amounted to \$947,699, or 10.2% and, in Express, \$224,733, or 5.8%.

Railway operating expenses showed a reduction in every month. The total for the year, \$199,410,604, showed a reduction of \$18,773,155, or 8.6%, compared with 1953.

Taxes and rents showed a reduction of \$3,247,227.

Net railway operating income for the year, \$14,568,518, showed a decrease of only \$95,170, or .6%, compared with 1953.

Contributing to this result was a rise in operational efficiency through the use of an increasingly higher percentage of diesel locomotives, together with the use of improved tools and methods, which has made it possible to reduce car and locomotive costs.

Increased efficiency is also reflected in gross tons per train and per train hour, as well as speed of freight trains. The increase in the transportation ratio has been very small, from 39.9% to 40.3%, despite the loss in traffic and increased wages and allowances.

With the delivery of 74 diesel-electric units, ordered in the latter part of 1954, the motive power of the company is now 100% dieselized and electrified, making the Milwaukee Road the first one in the Northwest to be so operated.

The experience of a full year of operation of the retarder classification yard at Bensenville, and over two and one-half years in the case of the one at Milwaukee, has fully justified the installation of these facilities by accelerated traffic movements and a reduction in costs.

Further progress has been made in the centralization of locomotive, car and store department facilities, and the modernization of locomotive shops for diesel repairs.

Indicative of the modern tools that have been installed are wheel truing machines at Milwaukee Shops and Western Avenue, Chicago. These machines can bring back to a

standard contour the wheels of a car or diesel locomotive without removing the trucks from the unit or the wheels from the truck. This has made it possible to turn wheels at one-tenth of the former labor cost and, in addition, get additional turnings of a wheel, thus extending its life.

Other modern shop equipment installed at Milwaukee includes a wheel mounting and stripping press, car wheel journaling lathe and wheel borer which makes it possible to increase the output of this type of work and reduce labor costs.

In addition to the use of improved tools, more economical methods of operation have been developed through experiment and research. Typical of this is the method of reclaiming diesel pistons, cylinder heads and traction motor nose bearings, which has resulted in very attractive savings.

## SOURCE OF INCOME

		%
Hauling freight.....	\$197,504,960	81.7
Carrying passengers.....	14,916,558	6.2
Transporting mail and express.....	12,011,828	5.0
Other passenger train revenue, including dining and buffet car service....	2,901,808	1.2
Switching.....	5,741,531	2.4
Other operating revenues.....	4,667,954	1.9
Total operating revenues.....	\$237,744,639	98.4
Other income—net.....	3,828,135	1.6
TOTAL.....	\$241,572,774	100.0

## DISPOSITION OF INCOME

			%
Wages and salaries of employees included in operating expenses.....	\$120,564,532		
Payroll taxes for benefit of employees.....	7,035,232	\$127,599,764	52.8
Materials, contract work, depreciation, etc.....	78,846,072		32.7
Property and other miscellaneous taxes.....	9,426,987		3.9
Federal income taxes.....	Cr. 1,133,219	Cr. .5	
Rental of equipment and joint facilities.....	8,436,517	95,576,357	3.5
Interest paid security holders.....		8,492,194	3.5
Payments into sinking funds required by mortgages.....		763,661	.3
Dividend on preferred stock.....	5,593,255		2.3
Dividend on common stock, including payment into Contingent Sinking Fund.....	3,184,820	8,778,075	1.3
Remainder for improvements to property and other corporate purposes...		362,723	.2
TOTAL.....		\$241,572,774	100.0

## DIVIDENDS DECLARED

The Board of Directors, at a meeting on January 9, 1955, declared a dividend of \$5.00 per share on the Series A Preferred Stock of the Company out of 1954 earnings, payable March 11, 1955 to holders of record at the close of business February 19, 1955.

At a meeting on March 9, 1955 the Board of Directors declared a dividend of \$1.00 per share on the Common Stock, payable April 7, 1955 to holders of record at the close of business March 19, 1955. Pursuant to the Company's charter, the payment of this dividend required the deposit of 50c per share, or \$1,061,607, in a sinking fund with the Trustee under the General Mortgage for the retirement in equal parts of Series A and Series B Bonds.

After the payment of these dividends, the remainder of net income, amounting to \$362,723, was retained by the Company for other corporate purposes.

## SOURCES OF REVENUE

SERVICES AND CLASSES OF TRAFFIC	Revenue	Percentages of Grand Total
<b>FREIGHT SERVICE</b>		
<b>FREIGHT TRAFFIC</b>		
Manufactured articles .....	\$ 87,508,489	36.8%
Wheat, grain, products of agriculture .....	39,721,278	16.7
Coal, ore, products of mines .....	22,413,477	9.4
Lumber, products of forests .....	25,387,169	10.7
Livestock, products of animals .....	14,182,749	6.0
L.C.L. traffic .....	4,912,814	2.1
Forwarder traffic .....	3,245,752	1.3
Total Freight Traffic .....	197,371,728	83.0
<b>OTHER FREIGHT SERVICE</b>		
Switching .....	5,741,531	2.4
Joint facility—Net Cr. ....	1,968,179	.8
Demurrage .....	609,225	.3
All other .....	1,229,866	.5
Total Other Freight Service .....	9,548,801	4.0
Total Freight Service .....	\$206,920,529	87.0
<b>PASSENGER SERVICE</b>		
<b>PASSENGER TRAFFIC</b>		
Passengers in coaches .....	\$ 10,198,638	4.3
Passengers in parlor and sleeping cars .....	4,702,481	2.0
Total Passenger Traffic .....	14,901,119	6.3
<b>OTHER PASSENGER SERVICE</b>		
Mail .....	8,320,625	3.5
Express .....	3,657,896	1.6
Dining and buffet .....	1,964,736	.8
All other .....	1,979,734	.8
Total Other Passenger Service .....	15,922,991	6.7
Total Passenger Service .....	\$ 30,824,110	13.0
<b>FREIGHT, PASSENGER &amp; OTHER SERVICES .....</b>	<b>\$237,744,639</b>	<b>100.0</b>

## OPERATING EXPENSES

Operating expenses totaled \$199,410,604, a decrease of \$18,773,155, or 8.6%, compared with 1953.

These expenses constituted 83.9% of the revenues in 1954, compared with 84.0% in 1953.

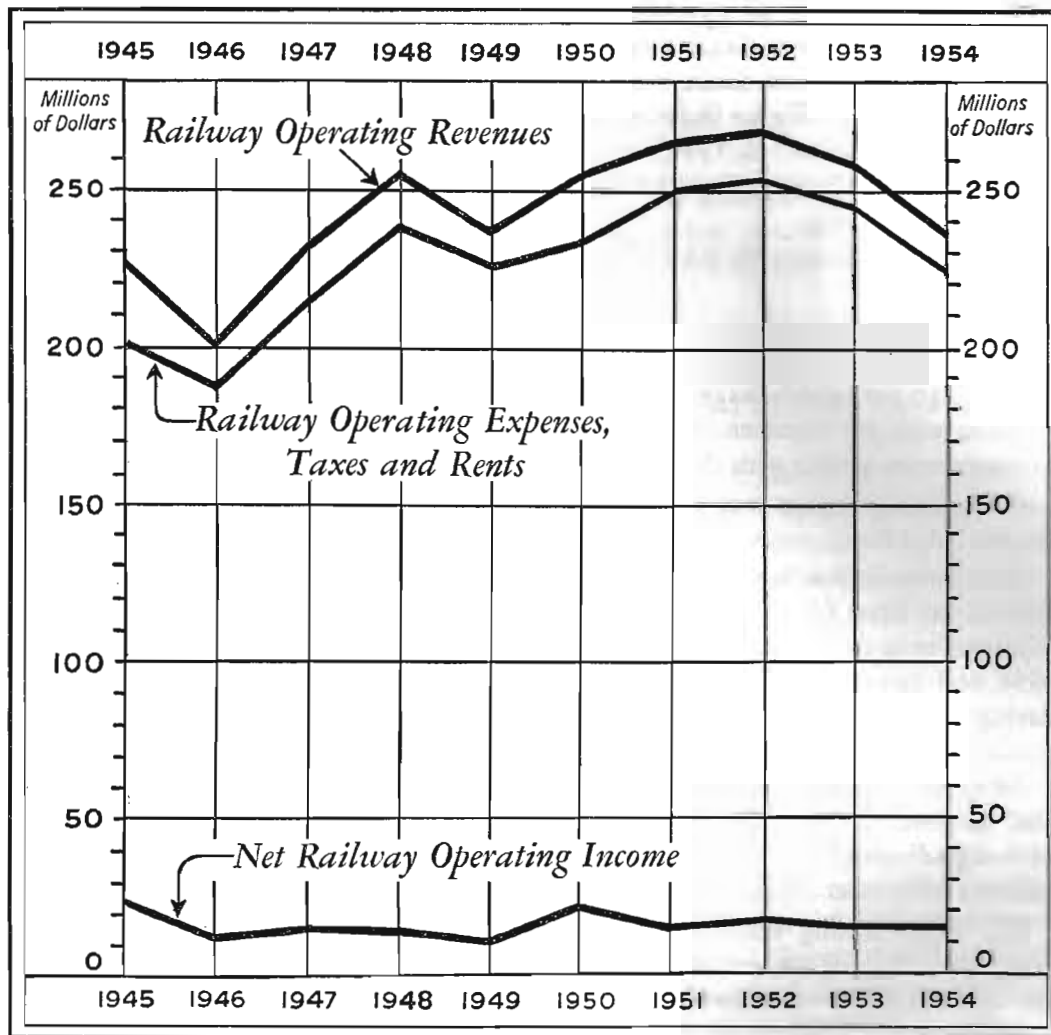
Maintenance of way and structures	decreased	\$4,057,032	or	9.5%
Maintenance of equipment	decreased	6,860,771		12.8
Transportation	decreased	7,840,309		7.6
General	decreased	20,526		.2
Traffic	decreased	53,232		.9
Miscellaneous operations	increased	58,715		1.9

### *Analysis of Increases and Decreases in Total Railway Operating Expenses 1954 compared with 1953*

ITEMS	Maintenance of Way and Structures	Maintenance of Equipment	Trans- portation	All Other	Total
Labor:					
General wage increases .....	+ \$ 287,339	+ \$ 267,855	+ \$1,797,498	+ \$ 156,487	+ \$ 2,509,179
Straight time worked .....	- 1,568,107	- 4,923,237	- 5,894,117	- 144,721	- 12,530,182
Overtime worked .....	- 389,027	- 336,497	- 1,280,532	- 31,689	- 2,037,745
Time paid for not worked (incl. vacations and holidays) .....	+ 346,256	+ 182,117	+ 840,465	+ 108,115	+ 1,476,953
Total Labor .....	- 1,323,539	- 4,809,762	- 4,536,686	+ 88,192	- 10,581,795
Fuel:					
Price .....			- 61,973		- 61,973
Consumption .....			- 2,053,997		- 2,053,997
Total Fuel .....			- 2,115,970		- 2,115,970
Electric power .....			- 44,386		- 44,386
Material—Other than fuel:					
Price .....	+ 529,253	+ 193,904	+ 349,277	+ 72,618	+ 1,145,052
Quantity .....	- 2,770,352	- 2,150,596	- 515,277	- 139,844	- 5,576,269
Total Material other than Fuel .....	- 2,241,299	- 1,956,692	- 166,000	- 67,226	- 4,431,217
Miscellaneous .....	- 857,520	+ 45,454	- 977,267	- 36,009	- 1,825,342
TOTAL LABOR, MATERIAL AND MISCELLANEOUS .....	- 4,422,358	- 6,721,000	- 7,840,309	- 15,043	- 18,998,710
Depreciation .....	+ 100,313	- 85,286			+ 15,027
Retirements .....	+ 265,013	- 54,485			+ 210,528
TOTAL DEPRECIATION AND RETIREMENTS .....	+ 365,326	- 139,771			+ 225,555
TOTAL RAILWAY OPERATING EXPENSES .....	- \$4,057,032	- \$6,860,771	- \$7,840,309	- \$ 15,043	- \$18,773,155



## REVENUES, EXPENSES AND NET RAILWAY OPERATING INCOME



## PAYROLLS AND AVERAGE COMPENSATION

Year	Total Payrolls—Regular Employees	Company Contributions—Retirement and Unemployment Taxes	Total	Average Per Employee	Straight Time Rate	
					Average Per Hour	% Inc. Over 1939
1945	\$106,425,149	\$ 6,326,545	\$112,751,694	\$2,922	\$ .919	26.8
1946	116,746,703	7,085,974	123,832,677	3,329	1.111	53.2
1947	124,724,548	10,095,938	134,820,486	3,552	1.166	60.8
1948	138,490,345	7,707,579	146,197,924	3,820	1.297	78.9
1949	133,117,567	7,421,152	140,538,719	4,000	1.442	98.9
1950	128,201,025	7,234,363	135,435,388	4,023	1.580	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

## WAGES AND LABOR RELATIONS

In December, 1953, an agreement was reached with the Trainmen under which the cost of living escalator clause was cancelled and the accumulated wage increases of 13c per hour under that clause were incorporated in the basic rates of pay. The agreement also provided for an increase of 5c per hour, effective December 16, 1953 and, commencing with the year 1954, for an additional week's paid vacation, three weeks in all, for employees having 15 or more years of continuous service with the railroad and otherwise qualifying.

Similar agreements were made with the Firemen, Conductors and Engineers during 1954.

An agreement was reached on June 10, 1954 with the American Train Dispatchers Association for the inclusion of the cumulative cost of living adjustments in the basic rates; a \$10 per month wage increase, effective December 16, 1953, and three weeks vacation with pay commencing January 1, 1954 to employees having 15 or more years of continuous service with the railroad and otherwise qualifying.

A similar agreement was reached with the Railroad Yardmasters of America, on August 12, 1954.

An agreement was reached with the Milwaukee Road Mechanical Foremen's Association, on May 14, 1954, covering the inclusion of the cumulative cost of living adjustments in the basic rates; an increase of \$9.53 per month in wages, effective June 1, 1954, and three weeks vacation with pay commencing January 1, 1954 to employees having fifteen or more years of continuous service with the railroad and otherwise qualifying.

An agreement was reached on January 3, 1955 with the Order of Railway Conductors, on behalf of sleeping car and parlor car conductors, which, in addition to the cost of living adjustments and paid vacation, included a wage increase of \$10.25 per month effective December 16, 1953.

The non-operating employees had asked for health and welfare benefits, including hospitalization, for the employees and their families, longer vacations, paid holidays and liberalized free transportation.

An Emergency Board issued a report on May 15, 1954, recommending changes in vacation and holiday pay rules; establishment of a health and welfare plan for employees only on a fifty-fifty contributory basis, and acceptance of certain carrier rules proposals. The Board recommended against liberalization of existing free transportation arrangements.

An agreement was reached on August 21, 1954, providing for a third week of paid vacation to employees having fifteen years of continuous service and otherwise qualifying; pay on seven National holidays for regularly assigned daily and hourly rated employees; and a health and welfare plan to cover employees only.

The latter was the subject of negotiations between representatives of the railroads and the unions, which culminated in an agreement signed on January 18, 1955 under which the employees will contribute \$3.40 per month, effective February 1, 1955, on the payroll deduction plan, to cover hospital, medical and surgical benefits under a policy issued by The Travelers Insurance Company. The railroads will contribute a like amount. The insurance contract does not apply to employees on the lines west of Mobridge, S. D., who are covered by a hospital association. In these cases the railroad will pay 50% of the hospital dues of \$5.00 per month.

As a result of agreements reached with the operating and non-operating employes, the added cost to the company is estimated at \$4,650,000 per annum.

New demands were filed in 1954 by the Trainmen and Firemen which are now in the process of negotiation.

## **FREIGHT RATES AND PASSENGER FARES**

In the 1953 annual report reference was made to the action of the Interstate Commerce Commission in Ex Parte 175 authorizing a further general increase of 9% in freight rates, making a total increase of 15%, together with the status of parallel action taken by the States on intrastate traffic.

The situation in Idaho, which had denied intrastate increases, was taken care of by an order entered December 20, 1954, by the Interstate Commerce Commission in a 13th Section proceeding requiring the Ex Parte 175 increases on all Idaho intrastate traffic except sugar beets and sugar beet residual molasses.

Although the Montana State Commission had granted all of the Ex Parte 175 increases on intrastate traffic, a shipper's organization brought suit in the State Court in 1953 to set aside the State Commission's order. The Montana Supreme Court, on May 5, 1954, entered its decision setting aside the 9% increase. A 13th Section petition was promptly filed by the railroads, upon which hearing was held on November 15, 1954, but no decision has yet been rendered.

In the Chicago suburban case the Illinois Commerce Commission entered an order on November 10, 1954 denying in its entirety the petition filed in 1952 for fare increases and authority to discontinue certain off-peak trains.

The Milwaukee Road has been denied any increase since 1951 to compensate for increased operating costs, although other suburban carriers have in the interim been granted fare increases at least in partial compensation.

The decision of the Commission was very disappointing, and a 13th Section petition has been filed with the Interstate Commerce Commission in which it is pointed out that, even taking into consideration its recent conversion to 100 per cent diesel operation, suburban service at the rates in effect results in an out-of-pocket loss in excess of \$700,000 per annum. The petition requests an increase in fares which, although insufficient to eliminate the loss altogether, would reduce the loss now sustained.

## **SPOKANE GATEWAY CASE**

On February 16, 1954, complaint was filed with the Interstate Commerce Commission seeking the establishment of joint through rates between our company and the Spokane, Portland and Seattle Railway Company and its subsidiaries via Spokane, Washington, on the same level and to and from the same territory as those now enjoyed by the Northern Pacific Railway Company and the Great Northern Railway Company. Due to the present rate disadvantage to our company, most of the traffic originating or terminating on the Spokane, Portland and Seattle Railway Company system moves between Spokane and the Twin Cities via the Great Northern or Northern Pacific. The granting of the relief sought in this complaint would enable us to compete with the Great Northern and Northern Pacific for such traffic westbound to, and eastbound from, Spokane, lengthening our haul thereof by 1460 miles. The Northern Pacific and Great Northern intervened in opposition to our complaint. Hearings were held at



Portland, Oregon, June 24-30, 1954, and at Chicago, November 9-13, 1954. Numerous witnesses representing lumber, grain, coal, livestock and other interests, as well as the U. S. Department of Agriculture, appeared in our support. It is expected that the hearings will be completed and the case submitted to the Interstate Commerce Commission during 1955.

## INCOME AND OTHER TAXES

Tax accruals for 1954 totaled \$15,329,000, made up as follows:

Federal income taxes (adjustments of prior years' taxes).....	\$ 125,781
Payroll taxes.....	7,035,232
Property and other miscellaneous taxes.....	9,426,987
	<hr/>
	\$16,588,000
Less: Estimated Federal income taxes refundable account carry-back of 1954 net operating loss to the year 1952.....	1,259,000
	<hr/>
Net amount.....	\$15,329,000

For Federal income tax purposes, this Company sustained a net operating loss in 1954 which, under the new Internal Revenue Code of 1954, may be carried back for two years, or to the year 1952, to reduce the income tax for that year in the amount of \$1,259,000. In computing the net operating loss carry-back, effect was given—(a), to the deduction of \$5,939,000, representing the excess over normal depreciation of amortization on the basis of a 60-month period in respect of equipment and facilities certified by the Defense Production Administration as being necessary for the national defense, and (b), to the deduction of \$202,000, representing the excess over normal depreciation of accelerated depreciation under the declining-balance method provided in the new 1954 Code on that part of the cost of new equipment not amortized as in (a). Provision for Federal income taxes was thus reduced and net income for the year increased \$3,193,320 above what it would have been if normal depreciation had been used in arriving at the net operating loss. Such equipment and facilities are being depreciated in the accounts at normal rates under the straight-line method under an order of the Interstate Commerce Commission. The excess of amortization and accelerated depreciation over normal depreciation of \$6,141,000 will have to be charged against income as normal depreciation in subsequent years without being deducted from taxable income for those years. Effect also has been given, in accordance with the election permitted by the Internal Revenue Code of 1954, to the deduction of \$2,374,000 in excess of the amount otherwise allowable for certain estimated expenses regularly reflected in the financial statements on an accrual basis.

## TAX REFUND CLAIMS

The Company's claim for refund of Federal income tax amounting to \$8,921,203, arising from the carry-back of unused excess profits credits and other retroactive adjustments applicable to the calendar years 1942 to 1947, has been approved by the District Director of Internal Revenue in Chicago, and it is undergoing review in the office of the Chief Counsel, Internal Revenue Service, preliminary to its submission by the Commissioner to the Joint Committee on Internal Revenue Taxation, as required by Section 6405 of the Internal Revenue Code.

An additional claim for refund in the amount of approximately \$1,259,000 arises from the carry-back to the year 1952 of the net operating loss in 1954 as reported on page 10. An application for a tentative carry-back adjustment of the tax for the year 1952 will be filed.

## **FEDERAL LEGISLATION**

The Railroad Retirement and Unemployment Insurance Act was amended to increase from \$300 to \$350 per month, effective July 1, 1954, the maximum taxable and creditable compensation of employees. The effect is to increase the maximum contribution by the employee and the Railroad Company from \$18.75 to \$21.88 per month. The Act was also amended to lower from 65 to 60 years the age at which widows, widowers and others become eligible for survivor benefits, and to increase unemployment benefits.

The Excise Tax Reduction Act of 1954 has the over-all effect of reducing excise taxes in excess of 10% to that rate. Thus, the excise tax on transportation of persons was lowered from 15% to 10%, effective April 1, 1954. No relief was afforded from the 3% tax on amounts paid for the transportation of property.

## **REPARATION CASES**

In the 1953 report reference was made to seventeen cases brought by the United States against the railroads to recover alleged excessive and unreasonable charges assessed on the movement of certain Government freight during World War II, and it was stated that the Government had secured various extensions of time for the filing of exceptions to a proposed report of the Examiners who, in July, 1953, found all the issues in favor of the railroads and recommended dismissal of all the complaints. Oral arguments before the Commission were concluded on December 2, 1954, and a decision of that body will probably be announced sometime within the next few months.

## **REPUBLIC COAL COMPANY**

Under an agreement entered into on July 27, 1954, the Republic Coal Company, a wholly owned subsidiary, was sold to Albert L. Gately for \$100,000. The purchase price is to be paid in installments within seven years from and after the date of the agreement, with interest at 3% on the unpaid balance.

For a number of years the Coal Company, which owns and operates a mine at Roundup, Montana, had furnished locomotive and station coal, but due to dieselization the requirements of the railroad have been greatly lessened and the cost of production has been correspondingly increased.

The alternative to selling the mine was to close it down and dispose of the salvage. The continued operation of the mine by Mr. Gately is desirable from the standpoint of developing a commercial market for coal, with the resulting freight revenue to the railroad on the movement thereof.

## ***DIESEL-ELECTRIC AND ELECTRIC OPERATION***

At the close of the year, the proportion of operation performed by diesel-electric and electric locomotives was: freight, 99%; passenger, 100%; yard switching, 98%.

During the year, 121 diesel-electric locomotives were acquired. An additional 74 units, ordered in the latter part of the year, have been received bringing the total ownership to 757 units and making it possible to handle the present level of traffic with diesel-electric and electric locomotives.

For the time being, about 100 steam locomotives, which are in good condition, will be retained for use between Chicago and Minneapolis and Chicago and Savanna, in the event that an increase in the volume of traffic would make it necessary to use them.

## ***INDUSTRIAL DEVELOPMENT***

The Industrial Department has the dual function of promoting industrial development and managing the real estate holdings of the company.

During the year, 207 new industries were located on industrial sites along the railroad.

The program of acquiring desirable acreage property for future industrial purposes continued. Title was taken to 116 acres and contracts were entered into for the purchase of an additional 200 acres, about equally divided between Lines East and Lines West areas.

The Department cooperated with private owners in establishing industrial districts on 104 acres in Milwaukee, Wisconsin; 100 acres in Madison, Wisconsin; 40 acres in Hopkins, Minnesota, and 55 acres in St. Louis Park, Minnesota. The development of an industrial district on 150 acres of land owned by the company at Franklin Park, Illinois, is in the process of negotiation.

Additional facilities were established in the Columbia Basin area, in the State of Washington, for the shipment of produce grown in the newly developed irrigation districts the water for which is supplied from the Grand Coulee Dam project.

During the year, 56 parcels of land were purchased for operating purposes; 206 parcels of land, not so required, were sold for \$858,000, and \$84,000 was received from the sale of old buildings retired from service.

As of the end of the year, there were in effect 10,107 leases of land and buildings, producing annual rental income of \$1,232,389, an increase of \$54,102 over the year 1953.

## ***UNPROFITABLE PASSENGER SERVICE***

During the year 1954, a total of 151,774 train miles was discontinued. This makes a total of 3,301,442 train miles discontinued during the past six years, which were operated at an estimated out-of-pocket cost of \$4,666,000. At the close of the year, one application was pending involving 56,274 train miles annually.

In January, 1955, a change was made in the operation of Trains 17 and 18—The Columbian. Instead of operating from Chicago to Seattle-Tacoma, it now operates between Minneapolis, Minnesota and Avery, Idaho. This eliminates 331,421 train miles annually, and an out-of-pocket loss of approximately \$700,000 per annum. It is proposed to discontinue operation of this train between Minneapolis, Minnesota, and Avery, Idaho, as the necessary authority can be obtained.



## REDUCTION OF MORTGAGE BONDS

In 1954, mortgage bonds in the principal amount of \$1,361,000 were acquired and cancelled or are held in the Treasury.

The following table shows that in the period December 1, 1945 to December 31, 1954, mortgage bonds in the principal amount of \$34,057,400 were acquired and cancelled or are held in the Treasury. The resulting reduction in annual interest requirements is \$1,509,624.

ITEM	Cancelled Through Sinking Funds	Surren- dered to Trustee for Can- cellation	Held in Treasury	Total	Inter- est Rate	Decrease in Annual Interest
Chicago, Milwaukee, St. Paul & Pacific R.R. Co.						
First Mortgage 4% Bonds, Series A . . . .	\$ 1,787,000	\$ 2,280,100	\$ 700	\$ 4,067,800	4%	\$ 162,712
General Mortgage 4½% Income Bonds, Series A . . . . .	12,345,300	610,000	300	12,955,600	4½	583,002
General Mortgage 4½% Convertible In- come Bonds, Series B . . . . .	6,882,300		9,103,700	15,986,000	4½	719,370
The Bedford Belt Ry. Co.						
First Mortgage Bonds . . . . .		17,000		17,000	4¼	723
The Southern Indiana Ry. Co.						
First Mortgage Bonds . . . . .		8,000	44,000	52,000	4¼	2,210
Chicago, Terre Haute & Southeastern Ry. Co. First and Refunding Mortgage Bonds . . . . .			22,000	22,000	4¼	935
Income Mortgage Bonds . . . . .			957,000	957,000	4¼	40,672
Totals . . . . .	\$21,014,600	\$ 2,915,100	\$10,127,700	\$34,057,400		\$1,509,624

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

## EQUIPMENT OBLIGATIONS

In 1954, equipment obligations of \$15,450,000 were issued, and matured obligations of \$8,953,250 were paid, resulting in a net increase of \$6,496,750 for the year. At December 31, 1954, the outstanding equipment obligations, shown in detail on page 27, amounted to \$67,803,163, of which \$61,901,000 are in the form of equipment trust certificates and \$5,907,163 are conditional sale or lease-purchase agreements. Maturities are paid from funds provided through charges made against income for equipment depreciation and amortization.

## NEW YORK FISCAL OFFICE

In the interest of economy, the fiscal office at 52 Wall Street, New York, was closed. Effective August 1, 1954, certain banks in Chicago and New York were appointed paying agencies for the payment of principal and interest on Milwaukee and Terre Haute bonds. Effective the same date, The Chase National Bank of the City of New York was appointed Transfer Agent at that point for the shares of preferred and common stock of the company.

## LONG-TERM DEBT OUTSTANDING

Long-term debt outstanding in the hands of the public as of December 31, 1954, amounted to \$223,817,963 compared with \$218,682,213 as of December 31, 1953, a net increase of \$5,135,750.

### *Increases:*

Equipment obligations covering purchase of equipment . . . . . \$15,450,000

### *Decreases:*

#### *Mortgage Bonds:*

Purchased and cancelled during the year through operation of sinking funds—			
First Mortgage 4% Bonds, Series A . . . . .	\$	216,400	
Less: Bonds held in Treasury at December 31, 1953, delivered or sold to Mortgage Trustee for sinking fund and cancelled during the year . . . . .		173,400	43,000
General Mortgage 4½% Income Bonds, Series A . . . . .	\$	1,467,500	
Less: Bonds held in Treasury at December 31, 1953, sold to Mortgage Trustee for sinking fund and cancelled during the year . . . . .		336,500	1,131,000
General Mortgage 4½% Convertible Income Bonds, Series B . . . . .	\$	1,005,300	
Less: Bonds held in Treasury at December 31, 1953, sold to Mortgage Trustee for sinking fund and cancelled during the year . . . . .		1,005,300	
Purchased in the open market during the year and held in Treasury—			
First Mortgage 4% Bonds, Series A . . . . .			300
General Mortgage 4½% Income Bonds, Series A . . . . .			300
General Mortgage 4½% Convertible Income Bonds, Series B . . . . .			3,400
The Southern Indiana Ry. Co. First Mortgage Bonds . . . . .			42,000
C.T.H. & S.E. Ry. Co. First and Refunding Mortgage Bonds . . . . .			22,000
C.T.H. & S.E. Ry. Co. Income Mortgage Bonds . . . . .			119,000
Payments of Equipment Trust Certificates . . . . .			7,964,000
Payments of Conditional Sale Agreements covering purchase of equipment . . . . .			989,250
Total Decrease . . . . .			\$10,314,250
Net Increase . . . . .	\$		5,135,750

## SHAREHOLDERS OF RECORD

As of April 6, 1954, the record date for the 1954 Annual Meeting, there were 11,068 holders of Series A Preferred Stock and 8,924 holders of Common Stock, who resided in every State of the Union and in U.S. territories and possessions. The distribution, by major classifications, is as follows:

	Series A Preferred		Common	
	Number of Holders	Shares Held	Number of Holders	Shares Held
Men . . . . .	4,588	308,085	4,183	477,452
Women . . . . .	4,302	193,347	3,072	235,567
Joint Accounts . . . . .	1,303	68,847	1,037	83,903
Fiduciaries, Institutions and Foundations, Stock Brokers, Nominees and Others . . . . .	875	548,373	632	1,326,292
Total . . . . .	11,068	1,118,652	8,924	2,123,214

## CAPITAL EXPENDITURES—1954

A summary of the capital expenditures made during 1954 and the source of funds is as follows:

Road property.....		\$ 5,767,751
Improvements on leased property.....		Cr. 53
New equipment.....	\$20,978,139	
Improvements to existing equipment.....	1,637,654	22,615,793
Total transportation properties.....		\$28,383,491
Miscellaneous physical property.....		51,015
Total properties.....		\$28,434,506

Equipment delivered during the year:

6—1750 H.P. Diesel-electric freight locomotives (lead units)
58—1750 H.P. Diesel-electric road switching locomotives
33—1600 H.P. Diesel-electric road switching locomotives
19—1200 H.P. Diesel-electric switching locomotives
5—1000 H.P. Diesel-electric switching locomotives
100—70-ton covered hopper cars
35—50-ton airslide cars
15—70-ton airslide cars
2—Sleeping cars (bedroom and roomette)
1—Storage car
3—Diesel-electric cranes

The source of funds for these expenditures was:

Funds carried over from the preceding year.....	\$ 2,417,179
Equipment obligations issued for equipment delivered during the year.....	15,420,859
Depreciation, amortization and retirement charges.....	7,004,882
Salvage from road and equipment retired.....	2,481,950
Donations and grants.....	3,809
Withdrawals of moneys from property sales deposited with Mortgage Trustee.....	1,313,287
Total.....	\$28,641,966
The amount of capital expenditures was.....	28,434,506
Remainder of funds.....	\$ 207,460

## CAPITAL EXPENDITURES—1955

The 1955 budget for improvements to road property contemplates an estimated expenditure, chargeable to Capital Account, of \$6,439,000. The major improvements include the laying of 20,000 net tons of new rail; replacement, renewal or strengthening of certain bridges; construction of a new freight house at Union Street, Chicago, to replace House 2 destroyed by fire during 1954; and the installation of colorlight type signals between Watertown and Portage, Wisconsin.

The total investment cost of new equipment and improvements to existing equipment is estimated at \$10,681,400, of which \$9,121,000 is for 74 diesel-electric locomotives, ordered in 1954 and since received, which completes the dieselization program.



## COORDINATION STUDY

In October last year the Boards of Directors of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company and the Chicago and North Western Railway Company each appointed a committee of directors to supervise and direct studies of economies which might result from coordinating or consolidating the operations and facilities of the companies.

In accordance with that authorization, the committees employed Wm. Wyer & Company, a firm of consulting engineers, to progress the studies. Since that time the studies have been carried forward under the immediate supervision of that firm, assisted by personnel of the two railroads.

While no final determinations can be made until the studies are completed, the results to date indicate that there are possibilities of effecting substantial savings, both for the Milwaukee and the North Western.

Upon completion of the studies, the report and recommendations to be presented to your Board of Directors will receive thorough consideration and, if consolidation or coordination appears feasible, the program will be progressed.

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

LEO T. CROWLEY  
Chairman of the Board

J. P. KILEY  
President

By order of the Board of Directors  
March 9, 1955.

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## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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, 1954, and the related statements of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously had made similar examinations of the financial statements for the preceding four years.

Attention is directed to Notes A and E to the financial statements relative to the status of federal taxes on income and certain claims for reparation on freight charges instituted by the Government of the United States.

In our opinion, subject to the ultimate disposition of the contingencies referred to in the above paragraph, the accompanying financial statements present fairly the financial position of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at December 31, 1954, and the results of its operations for the year then ended in conformity with accounting principles and classifications prescribed or authorized by the Interstate Commerce Commission. We also have examined the statement of available net income and application thereof, and it is our opinion that such statement fairly summarizes the computation of "available net income" for the year ended December 31, 1954, in conformity with the provisions of the First Mortgage and General Mortgage indentures.

ERNST & ERNST  
Certified Public Accountants.

Chicago, Illinois,  
February 25, 1955.



## ANNUAL REPORT FOR 1954

## STATEMENT OF INCOME

	1954	1953	1952	1951	1950
<b>RAILWAY OPERATING REVENUES:</b>					
Freight.....	\$197,504,960	\$215,384,759	\$222,399,895	\$217,584,220	\$209,924,036
Passenger.....	14,916,558	16,672,015	18,863,422	19,713,460	17,538,857
Mail.....	8,370,709	9,318,408	9,292,987	9,136,878	10,656,139
Express.....	3,641,119	3,865,852	4,367,616	3,034,600	2,980,957
Switching.....	5,741,531	6,247,121	6,028,235	6,175,262	5,997,655
Other.....	7,569,762	8,372,036	8,513,429	9,756,122	8,324,005
<b>TOTAL RAILWAY OPERATING REVENUES</b>	<b>237,744,639</b>	<b>259,860,191</b>	<b>269,465,584</b>	<b>265,400,542</b>	<b>255,421,649</b>
<b>RAILWAY OPERATING EXPENSES:</b>					
Maintenance of way and structures.....	38,683,912	42,740,944	40,848,303	36,798,659	33,428,159
Maintenance of equipment.....	46,884,289	53,745,060	53,504,316	52,168,510	45,904,853
Traffic.....	5,827,880	5,881,112	5,755,326	5,595,241	5,034,361
Transportation.....	95,735,292	103,575,601	109,483,427	112,463,652	104,527,622
Miscellaneous operations.....	3,093,724	3,035,009	3,478,955	3,543,110	3,152,269
General.....	9,185,507	9,206,033	9,052,411	8,885,969	7,603,692
<b>TOTAL RAILWAY OPERATING EXPENSES</b>	<b>199,410,604</b>	<b>218,183,759</b>	<b>222,122,738</b>	<b>219,455,141</b>	<b>199,650,956</b>
<b>NET REVENUE FROM RAILWAY OPERATIONS</b>	<b>38,334,035</b>	<b>41,676,432</b>	<b>47,342,846</b>	<b>45,945,401</b>	<b>55,770,693</b>
<b>TAXES AND RENTS:</b>					
Federal taxes on income—Note A.....	1,133,219	1,277,000	5,865,000	7,263,000	11,538,000
Other taxes.....	16,462,219	16,695,000	17,040,000	17,236,000	16,563,000
Equipment rents.....	5,873,693	6,444,879	4,435,473	3,638,198	3,235,712
Joint facility rents.....	2,562,824	2,595,865	2,572,765	2,482,197	2,493,937
<b>TOTAL TAXES AND RENTS</b>	<b>23,765,517</b>	<b>27,012,744</b>	<b>29,913,238</b>	<b>30,619,395</b>	<b>33,830,649</b>
<b>NET RAILWAY OPERATING INCOME</b>	<b>14,568,518</b>	<b>14,663,688</b>	<b>17,429,608</b>	<b>15,326,006</b>	<b>21,940,044</b>
<b>OTHER INCOME AND DEDUCTIONS:</b>					
Other income—Note B.....	3,997,305	3,922,162	2,501,969	3,375,801	1,778,140
Miscellaneous deductions from income.....	169,170	198,788	150,886	221,718	174,186
<b>OTHER INCOME LESS DEDUCTIONS</b>	<b>3,828,135</b>	<b>3,723,374</b>	<b>2,351,083</b>	<b>3,154,083</b>	<b>1,603,954</b>
<b>INCOME AVAILABLE FOR FIXED CHARGES</b>	<b>18,396,653</b>	<b>18,387,062</b>	<b>19,780,691</b>	<b>18,480,089</b>	<b>23,543,998</b>
<b>FIXED CHARGES:</b>					
Rent for leased roads and equipment.....	708	708	708	708	708
Interest on long-term debt—fixed.....	4,515,839	4,336,651	4,403,568	4,225,734	4,116,466
Interest on unfunded debt.....	1,062	117	5,201	2,256	22,475
Amortization of discount on long-term debt.....	75,239	77,890	82,982	80,985	78,782
<b>TOTAL FIXED CHARGES</b>	<b>4,592,848</b>	<b>4,415,366</b>	<b>4,492,459</b>	<b>4,309,683</b>	<b>4,218,431</b>
<b>INCOME AFTER FIXED CHARGES</b>	<b>13,803,805</b>	<b>13,971,696</b>	<b>15,288,232</b>	<b>14,170,406</b>	<b>19,325,567</b>
<b>CONTINGENT CHARGES:</b>					
Interest on general mortgage income bonds.....	3,588,414	3,642,721	3,709,552	3,782,968	3,836,767
Interest on modified Terre Haute bonds.....	310,932	315,957	315,987	318,448	317,607
<b>TOTAL CONTINGENT CHARGES</b>	<b>3,899,346</b>	<b>3,958,678</b>	<b>4,025,539</b>	<b>4,101,416</b>	<b>4,154,374</b>
<b>NET INCOME</b>	<b>\$ 9,904,459</b>	<b>\$ 10,013,018</b>	<b>\$ 11,262,693</b>	<b>\$ 10,068,990</b>	<b>\$ 15,171,193</b>
<b>DISPOSITION OF NET INCOME:</b>					
Transferred to retained earnings—appropriated for sinking funds.....	\$ 763,661	\$ 755,005	\$ 746,425	\$ 738,493	\$ 731,269
Transferred to retained earnings—unappropriated.....	9,140,798	9,258,013	10,516,268	9,330,497	14,439,924
<b>TOTAL TRANSFERRED TO RETAINED EARNINGS</b>	<b>\$ 9,904,459</b>	<b>\$ 10,013,018</b>	<b>\$ 11,262,693</b>	<b>\$ 10,068,990</b>	<b>\$ 15,171,193</b>

*Italics denote credit.*

See notes to financial statements.

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

## COMPARATIVE BALANCE SHEET

ASSETS	DECEMBER 31, 1954	DECEMBER 31, 1953	NET CHANGE DURING YEAR + INCREASE - DECREASE
<b>CURRENT ASSETS:</b>			
Cash.....	\$ 38,540,191	\$ 29,797,928	+ \$ 8,742,263
United States Government obligations—at cost.....	2,003,752	8,003,750	- 5,999,998
Cash and securities reserved for payment of specific current liabilities.....	1,189,671	2,683,836	- 1,494,165
Receivables—due from railroads, shippers, and others.....	13,127,057	14,735,434	- 1,608,377
Claims for refund of federal taxes on income—Note A.....	10,180,203	8,921,203	+ 1,259,000
Miscellaneous current assets.....	445,281	471,077	- 25,796
Material and supplies inventories—at cost.....	20,174,869	25,483,233	- 5,308,364
<b>TOTAL CURRENT ASSETS</b>	<b>85,661,024</b>	<b>90,096,461</b>	<b>- 4,435,437</b>
<b>RESTRICTED CASH AND SECURITIES (held principally for debt retirement or investment in properties):</b>			
Cash.....	986,644	2,156,259	- 1,169,615
United States Government obligations.....	105,000	.....	+ 105,000
Chicago Transit Authority revenue bonds.....	6,642,000	7,000,000	- 358,000
<b>TOTAL RESTRICTED CASH AND SECURITIES</b>	<b>7,733,644</b>	<b>9,156,259</b>	<b>- 1,422,615</b>
<b>OTHER ASSETS AND DEFERRED CHARGES:</b>			
Receivables (non-current).....	1,763,182	1,802,535	- 39,353
Working fund advances and prepayments.....	1,144,161	904,946	+ 239,215
Discount on long-term debt.....	633,420	613,246	+ 20,174
Other assets and deferred charges.....	1,385,798	938,631	+ 447,167
<b>TOTAL OTHER ASSETS AND DEFERRED CHARGES</b>	<b>4,926,561</b>	<b>4,259,358</b>	<b>+ 667,203</b>
<b>INVESTMENTS—at cost—Note B:</b>			
Capital stocks (\$550,000), notes and accounts of wholly-owned subsidiaries.....	3,252,000	3,372,000	- 120,000
Investments in jointly-owned terminal, switching, and other companies:			
Capital stocks.....	4,186,245	4,200,230	- 13,985
Bonds, notes and long-term advances.....	8,986,289	8,338,583	+ 647,706
<b>TOTAL INVESTMENTS</b>	<b>16,424,534</b>	<b>15,910,813</b>	<b>+ 513,721</b>
<b>PROPERTIES—Note C:</b>			
Road and equipment:			
Road.....	610,070,879	609,327,747	+ 743,132
Equipment.....	299,858,068	293,750,773	+ 6,107,295
General expenditures.....	39,503,065	39,666,548	- 163,483
Improvements on leased property.....	627,719	644,372	- 16,653
	<b>950,059,731</b>	<b>943,389,440</b>	<b>+ 6,670,291</b>
Less:			
Acquisition adjustment.....	162,504,188	163,808,928	- 1,304,740
Donations and grants.....	1,177,055	1,171,766	+ 5,289
	<b>163,681,243</b>	<b>164,980,694</b>	<b>- 1,299,451</b>
<b>TOTAL TRANSPORTATION PROPERTIES</b>	<b>786,378,488</b>	<b>778,408,746</b>	<b>+ 7,969,742</b>
Accrued depreciation—road.....	83,787,920	82,126,645	+ 1,661,275
Accrued depreciation—equipment.....	133,213,578	136,674,760	- 3,461,182
Accrued amortization of defense projects—road.....	2,296,282	2,300,892	- 4,610
Accrued amortization of defense projects—equipment.....	19,429,062	20,586,603	- 1,157,541
	<b>238,726,842</b>	<b>241,688,900</b>	<b>- 2,962,058</b>
<b>TOTAL TRANSPORTATION PROPERTIES LESS RECORDED DEPRECIATION AND AMORTIZATION.....</b>	<b>547,651,646</b>	<b>536,719,846</b>	<b>+ 10,931,800</b>
Miscellaneous physical property (less accrued depreciation: 1954—\$2,406,808; 1953—\$2,299,365).....	5,968,079	6,315,095	- 347,016
<b>TOTAL PROPERTIES</b>	<b>553,619,725</b>	<b>543,034,941</b>	<b>+ 10,584,784</b>
	<b>\$668,365,488</b>	<b>\$662,457,832</b>	<b>+ \$ 5,907,656</b>

*Italics* denote deductions.

See notes to financial statements.

## ANNUAL REPORT FOR 1954

## COMPARATIVE BALANCE SHEET

LIABILITIES	DECEMBER 31, 1954	DECEMBER 31, 1953	NET CHANGE DURING YEAR + INCREASE - DECREASE
<b>CURRENT LIABILITIES:</b>			
Accounts and wages.....	\$ 24,829,356	\$ 26,491,475	- \$ 1,662,119
Interest and dividends.....	6,497,603	6,777,495	- 279,892
Taxes (other than federal taxes on income).....	6,984,479	6,908,681	+ 75,798
Other current liabilities.....	537,037	584,732	- 47,695
Federal taxes on income—Note A.....	330,000	1,936,851	- 1,606,851
<b>TOTAL CURRENT LIABILITIES</b>	<b>39,178,475</b>	<b>42,699,234</b>	<b>- 3,520,759</b>
<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>			
Estimated liability for personal injury, loss and damage, and overcharge claims....	3,714,954	3,071,728	+ 643,226
Estimated liability for vacation pay.....	5,767,162	.....	+ 5,767,162
Other liabilities and deferred credits.....	1,382,184	1,583,408	- 201,224
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>10,864,300</b>	<b>4,655,136</b>	<b>+ 6,209,164</b>
<b>LONG-TERM DEBT:</b>			
Mortgage bonds.....	156,009,800	157,370,800	- 1,361,000
Equipment obligations (maturities due in 1955—\$9,167,456, against which restricted securities in the amount of \$105,000 are available).....	67,808,163	61,311,413	+ 6,496,750
<b>TOTAL LONG-TERM DEBT</b>	<b>223,817,963</b>	<b>218,682,213</b>	<b>+ 5,135,750</b>
<b>STOCKHOLDERS' EQUITY:</b>			
Capital stock:			
Common stock—no par value (stated value—\$100 per share):			
Authorized (including 514,221 shares reserved for conversion of General Mortgage Bonds, Series B)—2,637,450 shares			
Issued and outstanding—2,123,214 shares.....	212,321,400	212,321,400	.....
Preferred stock—par value \$100 per share, 5% participating—Note D:			
Authorized—1,150,000 shares			
Issued and outstanding—1,118,652 shares.....	111,865,200	111,865,200	.....
	324,186,600	324,186,600	.....
Retained earnings (since January 1, 1944)—Note D:			
Appropriated.....	34,899,016	34,890,292	+ 8,724
Unappropriated.....	35,419,134	37,344,357	- 1,925,223
	70,318,150	72,234,649	- 1,916,499
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>394,504,750</b>	<b>396,421,249</b>	<b>- 1,916,499</b>
<b>CONTINGENT LIABILITIES:</b>			
See Note E to financial statements			
	<b>\$668,365,488</b>	<b>\$662,457,832</b>	<b>+ \$ 5,907,656</b>

See notes to financial statements.

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

## STATEMENT OF RETAINED EARNINGS

	1954	1953
Balance at January 1 .....	\$72,234,649	\$69,261,887
ADDITIONS:		
Net income for the year .....	9,904,459	10,013,018
Discount, less premium, on mortgage bonds reacquired .....	356,871	376,127
Profits, less losses, on sales or retirements of land and nonoperating property .....	297,616	256,493
Liability for vacation pay at January 1, 1944, charged to acquisition adjustment .....	974,362	
Miscellaneous credits, less charges .....	33,823	43,592
	83,801,780	79,951,117
DEDUCTIONS:		
Dividends paid on preferred stock:		
March 12, 1954—\$5.00 per share; March 19, 1953—\$5.00 per share .....	5,593,255	5,593,255
Dividends paid on common stock:		
April 9, 1954—\$1.00 per share; April 30, 1953—\$1.00 per share .....	2,123,213	2,123,213
Provision for estimated liability for vacation pay earned in 1954 and payable in 1955 .....	5,767,162	
	13,483,630	7,716,468
BALANCE AT DECEMBER 31 .....	\$70,318,150	\$72,234,649
The status of retained earnings at December 31 was as follows:		
APPROPRIATED:		
For investments in properties since January 1, 1944 .....	\$34,134,804	\$34,134,804
For sinking funds .....	764,212	755,488
	34,899,016	34,890,292
UNAPPROPRIATED .....	35,419,134	37,344,357
TOTAL .....	\$70,318,150	\$72,234,649

## STATEMENT OF AVAILABLE NET INCOME AND APPLICATION THEREOF

	1954	1953
Income available for fixed charges .....	\$18,396,653	\$18,387,062
FIXED CHARGES:		
Rent for leased roads and equipment .....	708	708
Interest on long-term debt:		
On First Mortgage 4% Bonds, Series A .....	2,218,280	2,226,551
On modified Terre Haute bonds .....	575,071	579,306
On equipment obligations .....	1,722,488	1,530,794
Interest on unfunded debt .....	1,062	117
Amortization of discount on long-term debt .....	75,239	77,890
TOTAL FIXED CHARGES .....	4,592,848	4,415,366
INCOME AFTER FIXED CHARGES .....	13,803,805	13,971,696
ADD: Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced .....	438,544	152,499
AVAILABLE NET INCOME .....	14,242,349	14,124,195
APPLICATION OF AVAILABLE NET INCOME:		
Appropriated for sinking fund for retirement of First Mortgage 4% Bonds, Series A .....	220,268	211,612
Contingent interest on General Mortgage 4½% Income Bonds, Series A .....	1,996,239	2,050,398
Contingent interest on modified Terre Haute bonds (obligations of Chicago, Terre Haute and Southeastern Railway Company, The Bedford Belt Railway Company, and The Southern Indiana Railway Company) assumed by Chicago, Milwaukee, St. Paul and Pacific Railroad Company .....	310,932	315,957
Contingent interest on General Mortgage 4½% Convertible Income Bonds, Series B .....	1,592,175	1,592,323
Appropriated for sinking fund for retirement of General Mortgage 4½% Income Bonds, Series A and Series B .....	543,393	543,393
	4,663,007	4,713,683
REMAINING AVAILABLE NET INCOME .....	9,579,342	9,410,512
DEDUCT: Charges to operating expenses representing the service value of nondepreciable roadway property retired and not replaced .....	438,544	152,499
REMAINDER TRANSFERRED TO RETAINED EARNINGS—UNAPPROPRIATED .....	\$ 9,140,798	\$ 9,258,013

See notes to financial statements.

## Notes to Financial Statements

### Note A—Federal Taxes on Income:

The claims for refund of federal taxes on income consist of \$1,259,000 estimated to be recoverable through carry-back of the 1954 net operating loss (for income tax purposes), and \$8,921,203 resulting from the carry-back of unused excess profits credits and other retroactive adjustments applicable to the years 1942 to 1947. The latter claims have been examined by representatives of the District Director of Internal Revenue and were forwarded in November, 1953, to the office of the Commissioner of Internal Revenue, for review. The credit amount for federal taxes on income in the statement of income for 1954, represents estimated recoverable taxes of \$1,259,000, less adjustments of \$125,781 applicable to prior years.

In computing the provisions for federal taxes on income, effect has been given to the additional deductions resulting from amortization applicable to defense facilities and use of the declining balance method of calculating depreciation as permitted under the elective provisions of the Internal Revenue Code of 1954, as follows:

	1954	1953	1952	1951
Additional deductions.....	\$6,141,000	\$4,124,000	\$4,618,000	\$980,000
Tax reduction.....	3,193,320	2,144,480	2,390,480	497,350

Effect also has been given, in accordance with the election permitted by the Internal Revenue Code of 1954, to the deduction of \$2,374,000 in excess of the amount otherwise allowable for certain estimated expenses regularly reflected in the financial statements on an accrual basis.

### Note B—Investments:

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

The Company's equity in underlying net assets of wholly-owned subsidiaries (Milwaukee Land Company and The Milwaukee Motor Transportation Company) as recorded on their books at December 31, 1954, aggregated approximately \$2,199,000.

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

### Note C—Properties:

Road and equipment property (\$950,059,731) is stated at original cost or estimated original cost as determined by the Interstate Commerce Commission as of June 30, 1918, plus subsequent additions and betterments at cost, less retirements since that date.

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

Provisions for depreciation of road and equipment property have been made on a group basis at composite rates, and amortization of World War II defense facilities has been accumulated over periods of five years or less. Depreciation of defense facilities acquired in 1950 and subsequent years is being provided for at normal rates (see Note A). Provisions for depreciation of road property classified as depreciable by the Interstate Commerce Commission were begun as of January 1, 1942, and as of January 1, 1944, past accrued depreciation was recorded at 30% of original cost. Charges for depreciation, amortization, and property retirements have been as follows: 1954—\$15,257,374; 1953—\$15,031,819; 1952—\$15,442,858; 1951—\$15,403,338; 1950—\$14,888,399.

### Note D—Dividends:

Preferred shares are designated as being noncumulative; however, no dividends may be paid on common shares unless the full \$5.00 preferred dividend shall have been paid or set apart for payment on each share of preferred stock in respect of the three immediately preceding years. As of December 31, 1954, the Company had paid dividends of \$5.00 per share on preferred stock in respect of each of the years 1951, 1952, and 1953.

### Note E—Contingent Liabilities:

The Company was contingently liable as guarantor at December 31, 1954, jointly with other railroads, for obligations totaling \$123,664,780 of various terminal and switching companies.

The Company is a defendant, along with other principal railroads, in litigation brought by the Federal Government for reparation on transportation charges during World War II. The amount of the Company's liability, if any, cannot be determined, and no provision therefor has been made in the financial statements.



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

## INVESTMENTS—DECEMBER 31, 1954

DESCRIPTION	NUMBER OF SHARES	PAR VALUE	BOOK VALUE
<b>WHOLLY-OWNED SUBSIDIARIES:</b>			
<b>CAPITAL STOCKS:</b>			
Milwaukee Land Company.....A	5,000	\$ 500,000	\$ 500,000
The Milwaukee Motor Transportation Company.....A	500	50,000	50,000
<b>TOTAL CAPITAL STOCKS</b>			550,000
<b>NOTE:</b>			
Milwaukee Land Company.....A		2,652,000	2,652,000
<b>ADVANCE:</b>			
The Milwaukee Motor Transportation Company.....			50,000
<b>TOTAL INVESTMENTS—WHOLLY-OWNED SUBSIDIARIES</b>			3,252,000
<b>JOINTLY-OWNED TERMINAL, SWITCHING, AND OTHER COMPANIES:</b>			
<b>CAPITAL STOCKS:</b>			
Chicago, Terre Haute & Southeastern Railway Company.....	40,755.05	4,075,505	1
Chicago Union Station Company.....A	7,000	700,000	7,000
Cowlitz, Chehalis & Cascade Railway.....A	699.71+	3,499	3,499
Davenport, Rock Island & North Western Railway Company.....A	15,000	1,500,000	1,750,000
Des Moines Union Railway Company.....A	1,000	100,000	100,000
Des Moines Union Railway Company.....B	1,000	100,000	26,000
Indiana Harbor Belt Railroad Company.....A	15,200	1,520,000	1,520,000
Kansas City Terminal Railway Company.....C	1,833.33	183,333	183,333
Minneapolis Eastern Railway Company.....A	625	62,500	15,475
Railway Express Agency, Incorporated.....	26	None	2,600
The Minnesota Transfer Railway Company.....A	913	91,300	91,300
The Pullman Company.....	9,426	94,260	348,762
The St. Paul Union Depot Company.....A	1,036	103,600	130,475
Miscellaneous.....		7,839	7,800
<b>TOTAL CAPITAL STOCKS</b>			4,186,245
<b>BONDS:</b>			
Chicago Transit Authority.....		336,000	336,000
<b>NOTE:</b>			
Kansas City Terminal Railway Company.....A		38,007	38,007
<b>SALE AGREEMENTS:</b>			
Cargill, Incorporated.....		570,000	570,000
Escanaba Coal & Dock Company.....		28,000	28,000
Gately, Albert L.....		100,000	100,000
Monarch Warehouses, Incorporated.....		45,600	45,600
Peterson, Eric D. and Catherine.....		55,000	55,000
Other companies and individuals.....		26,959	26,959
<b>TOTAL SALE AGREEMENTS</b>			825,559
<b>ADVANCES:</b>			
Chicago Union Station Company.....			4,384,599
Davenport, Rock Island & North Western Railway Company.....			1,189,942
Des Moines Union Railway Company.....			826,383
Kansas City Terminal Railway Company.....			305,733
Minneapolis Eastern Railway Company.....			2,500
Railway Express Agency, Incorporated.....			751,804
The Minnesota Transfer Railway Company.....			228,629
The St. Paul Union Depot Company.....			97,133
<b>TOTAL ADVANCES</b>			7,786,723
<b>TOTAL JOINTLY-OWNED TERMINAL, SWITCHING, AND OTHER COMPANIES</b>			13,172,534
<b>TOTAL INVESTMENTS</b>			\$16,424,534

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.

## ANNUAL REPORT FOR 1954

## INVESTMENT IN PROPERTIES DURING YEAR

ACCOUNT	GROSS EXPENDITURES	NET CHARGES*
<b>ROAD:</b>		
Engineering.....	\$ 54,595	\$ 75,390
Land for transportation purposes.....	43,044	169,251
Other right-of-way expenditures.....	174	2,586
Grading.....	24,432	124,004
Bridges, trestles, and culverts.....	908,534	637,168
Ties.....	19,462	145,330
Rails.....	350,702	141,426
Other track material.....	717,233	551,687
Ballast.....	11,761	74,184
Track laying and surfacing.....	122,567	13,065
Fences, snowsheds, and signs.....	4,200	35,758
Station and office buildings.....	1,106,482	332,208
Roadway buildings.....	24,177	49,212
Water stations.....	6,294	1,025,372
Fuel stations.....	79,711	169,911
Shops and enginehouses.....	305,444	3,248
Storage warehouses.....		2,851
Wharves and docks.....	60,000	60,000
Communication systems.....	241,158	172,012
Signals and interlockers.....	483,330	322,747
Power plants.....	28,033	47,195
Power-transmission systems.....	32,677	14,615
Miscellaneous structures.....	473	15,654
Roadway machines.....	278,990	137,439
Roadway small tools.....	4,285	4,285
Public improvements - Construction.....	126,354	111,090
Shop machinery.....	672,923	212,511
Power-plant machinery.....	80,705	5,525
<b>TOTAL ROAD</b>	<b>5,722,158</b>	<b>743,132</b>
<b>EQUIPMENT:</b>		
Steam locomotives.....	2,586	14,203,487
Other locomotives.....	19,214,120	18,242,104
Freight-train cars.....	2,225,848	1,731,921
Passenger-train cars.....	601,830	215,813
Work equipment.....	480,811	112,830
Miscellaneous equipment.....	90,598	8,114
<b>TOTAL EQUIPMENT</b>	<b>22,615,793</b>	<b>6,107,295</b>
<b>GENERAL EXPENDITURES.....</b>	<b>45,593</b>	<b>209,076</b>
<b>IMPROVEMENTS ON LEASED PROPERTY.....</b>	<b>53</b>	<b>16,653</b>
<b>TOTAL TRANSPORTATION PROPERTIES</b>	<b>28,383,491</b>	<b>6,624,698</b>
<b>MISCELLANEOUS PHYSICAL PROPERTY.....</b>	<b>51,015</b>	<b>239,573</b>
<b>TOTAL PROPERTIES</b>	<b>\$28,434,506</b>	<b>\$ 6,385,125</b>

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

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

CONTINGENT LIABILITIES WITH RESPECT TO SECURITIES OF OTHER COMPANIES  
AS OF DECEMBER 31, 1954

ITEMS	PRINCIPAL AMOUNT OUTSTANDING DEC. 31, 1954
<p>CHICAGO UNION STATION COMPANY:</p> <p>1. First Mortgage Bonds, 3½%, Series F, due July 1, 1963.....</p> <p>2. First Mortgage Bonds, 2½%, Series G, due July 1, 1963.....</p> <p>Principal and interest guaranteed jointly and severally by the Railroad Company and 3 other proprietors at time of issue. The Railroad Company with other proprietors has agreed that gross rental to be paid by them for use of Chicago Union Station facilities shall include a sum sufficient to pay interest on all of these securities and the payment into the Retirement Fund for First Mortgage bonds beginning in 1955.</p>	<p>\$16,000,000</p> <p>37,800,000</p> <p>53,800,000</p>
<p>INDIANA HARBOR BELT RAILROAD COMPANY:</p> <p>1. General Mortgage Gold Bonds, 4%, due July 1, 1957.....</p> <p>2. General Mortgage Gold Bonds, 4½%, due July 1, 1957.....</p> <p>3. Conditional Sale Agreement, 2.48%, due quarterly to June 1, 1956.....</p> <p>4. Conditional Sale Agreement, 2.48%, due quarterly to November 1, 1956.....</p> <p>5. Equipment Trust Certificates, 2½%, due annually May 1, 1955 to May 1, 1959.....</p> <p>6. Equipment Trust Certificates, 2½%, due annually September 15, 1955 to September 15, 1964.....</p> <p>7. Equipment Trust Certificates, 2¼%, due annually February 15, 1955 to February 15, 1965.....</p> <p>The Railroad Company is obligated to the extent of 20% to protect The Michigan Central R. R. Co. and The N. Y. C. R. R. Co. on their guaranties of principal of and interest on the 4% Bonds. The Railroad Company and other proprietors are obligated under an agreement, in the event of default by the Indiana Harbor Belt R. R. Co. to loan to the Belt Railroad, in proportion to their stock holdings, to the extent necessary, the principal of and interest on Items 1 and 2. The Railroad Company and other proprietors severally guarantee, in proportion to their stock holdings, the payment by the Belt Railroad of the principal of and interest or dividends on equipment obligations, Items 3 to 7.</p>	<p>3,225,000</p> <p>4,900,000</p> <p>146,100</p> <p>463,680</p> <p>1,025,000</p> <p>1,980,000</p> <p>1,320,000</p> <p>13,059,780</p>
<p>KANSAS CITY TERMINAL RAILWAY COMPANY:</p> <p>1. First Mortgage Serial Bonds, due annually October 1, 1955 to October 1, 1974.....</p> <p>Under a certain operating agreement, the Railroad Company and 11 other proprietors are obligated to pay to the Terminal Company, or in case of default to the Mortgage Trustee, in equal shares the principal of these bonds, as they mature, in the nature of non-interest bearing advances, and interest thereon as rental.</p>	<p>42,814,000</p>
<p>THE MINNESOTA TRANSFER RAILWAY COMPANY:</p> <p>1. First Mortgage Bonds, 3¾%, due June 1, 1956.....</p> <p>Under provisions of the by-laws of the Transfer Co., the Railroad Company and 8 other proprietors are required to contribute, on an ownership basis, to (a) a semi-annual sinking fund for these bonds equal to one-half of 1% of face value of all bonds issued under the First Mortgage, and (b) semi-annual installments of interest on the bonds.</p>	<p>1,654,000</p>
<p>THE ST. PAUL UNION DEPOT COMPANY:</p> <p>1. First and Refunding Mortgage Bonds, 3½%, Series B, due October 1, 1971.....</p> <p>Guaranteed jointly and severally by the Railroad Company and 7 other proprietors, each of which is also obligated to advance its ownership proportion of amounts required for Sinking Fund payments and to pay its proportion, based upon use, of the interest on the bonds.</p>	<p>12,337,000</p>
TOTAL	\$123,664,780

## ANNUAL REPORT FOR 1954

## LONG-TERM DEBT, DECEMBER 31, 1954

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	AMOUNT ORIGINALLY ISSUED OR ASSUMED	AMOUNT AS OF DEC. 31, 1954	AMOUNT HELD BY COMPANY	AMOUNT ACTUALLY OUTSTANDING	INTEREST		
							RATE PER CENT	PAYABLE	ACCRUED DURING YEAR
First mortgage bonds, Series A...	Jan. 1, 1944	Jan. 1, 1994	\$ 59,515,100	\$ 55,448,000	\$ 700	\$ 55,447,300	4	J. & J.	\$2,218,280
General mortgage income bonds, Series A.....	Jan. 1, 1944	Jan. 1, 2019	57,256,600	44,301,300	300	44,301,000	4½	April	1,996,239
General mortgage convertible income bonds, Series B.....	Jan. 1, 1944	Jan. 1, 2044	51,422,100	44,484,400	9,103,700	35,380,700	4½	April	1,592,175
The Bedford Belt Ry. Co. first mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	350,000	333,000	*100,000	233,000	4¼	J.A. & J.	9,903
The Southern Indiana Ry. Co. first mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	7,287,000	7,279,000	44,000	7,235,000	4¼	J.A. & J.	307,143
Chicago, Terre Haute and Southeastern Ry. Co.: First and refunding mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	9,571,000	9,571,000	**1,537,000	8,034,000	4¼	J.A. & J.	341,266
Income mortgage bonds.....	Jan. 1, 1946	Jan. 1, 1994	6,335,800	6,335,800	957,000	5,378,800	4¼	J.A. & J.	227,691
Equipment obligations (See details below).....			119,154,500	67,808,163		67,808,163			1,722,488
Total long-term debt.....			\$310,892,100	\$235,560,663	\$11,742,700	\$223,817,963			\$8,415,185

\*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, 1954

DESCRIPTION	DATE OF LEASE OR AGREEMENT	DATE OF FINAL MATURITY	ORIGINAL COST OF EQUIPMENT	AMOUNT ORIGINALLY ISSUED	AMOUNT OUTSTANDING DEC. 31, 1954	PRINCIPAL PAYABLE DURING 1955	INTEREST		
							RATE PER CENT	PAYABLE	ACCRUED DURING YEAR
EQUIPMENT TRUST CERTIFICATES:									
Series T.....	Apr. 1, 1939	Apr. 1, 1954	\$ 2,770,165	\$ 1,920,000			3	A. & O.	\$ 960
Series X.....	Mar. 1, 1944	Mar. 1, 1954	9,700,063	7,260,000			1½	M. & S.	1,134
Series Y.....	Apr. 1, 1945	Apr. 1, 1955	2,800,092	2,100,000	\$ 105,000	\$ 105,000	1¼	A. & O.	3,675
Series Z.....	Jan. 1, 1947	July 1, 1957	8,190,967	6,000,000	1,800,000	600,000	1½	J. & J.	36,561
Series AA.....	Oct. 1, 1947	Oct. 1, 1957	3,065,949	2,240,000	672,000	224,000	1½	A. & O.	14,700
Series BB.....	Apr. 1, 1948	Apr. 1, 1958	3,530,422	2,640,000	924,000	264,000	2½	A. & O.	22,440
Series CC.....	Feb. 1, 1948	Feb. 1, 1958	6,798,971	5,040,000	1,764,000	504,000	2¼	F. & A.	45,470
Series DD.....	June 1, 1948	June 1, 1958	9,514,365	7,120,000	2,492,000	712,000	2	J. & D.	59,555
Series EE.....	July 1, 1948	July 1, 1958	5,361,471	3,820,000	1,528,000	382,000	2	J. & J.	52,470
Series FF.....	Oct. 1, 1948	Oct. 1, 1958	8,936,781	6,600,000	2,640,000	660,000	2¼	A. & O.	65,825
Series GG.....	Jan. 1, 1949	Jan. 1, 1959	6,094,321	4,540,000	2,043,000	454,000	2½	J. & J.	45,827
Series HH.....	Apr. 1, 1949	Apr. 1, 1964	8,112,742	6,060,000	3,838,000	404,000	2½	A. & O.	95,950
Series JJ.....	Sept. 1, 1949	Sept. 1, 1964	7,604,384	5,640,000	3,760,000	376,000	2½	M. & S.	85,229
Series KK.....	Oct. 1, 1949	Oct. 1, 1964	6,026,868	4,500,000	3,000,000	300,000	2¼	A. & O.	70,875
Series LL.....	June 1, 1950	June 1, 1965	6,289,514	4,650,000	3,255,000	310,000	2¼	J. & D.	77,888
Series MM.....	Nov. 1, 1950	Nov. 1, 1965	7,251,863	5,430,000	3,982,000	362,000	2½	M. & N.	164,829
Series NN.....	June 1, 1951	June 1, 1961	7,254,678	5,300,000	3,445,000	530,000	2½	J. & D.	109,201
Series OO.....	Oct. 1, 1951	Oct. 1, 1966	10,053,530	7,500,000	6,000,000	500,000	2½	A. & O.	179,687
Series PP.....	Mar. 1, 1952	Mar. 1, 1967	3,215,855	2,400,000	2,000,000	160,000	2½	M. & S.	59,417
Series QQ.....	Sept. 1, 1952	Sept. 1, 1967	5,441,323	3,990,000	3,458,000	266,000	3¼	M. & S.	111,526
Series RR.....	Jan. 1, 1954	Jan. 1, 1969	10,379,112	7,650,000	7,395,000	510,000	3¼	J. & J.	231,095
Series SS.....	July 1, 1954	July 1, 1969	9,931,620	7,800,000	7,800,000	520,000	2¼	J. & J.	82,156
EQUIPMENT LEASE AGREEMENT:									
General American Transportation Corporation.....	Apr. 27, 1940	Aug. 1, 1955	129,500	129,500	6,748	6,748	3	Monthly	371
CONDITIONAL SALE AGREEMENTS:									
The First National Bank of Chicago, Assignee of the Seller:									
Fairbanks, Morse & Co.....	July 1, 1946	Apr. 1, 1957	2,675,000	2,000,000	518,966	209,456	1.55	J.A.J. & O.	9,247
Fairbanks, Morse & Co.....	July 1, 1951	Jan. 1, 1960	3,629,985	2,718,000	1,788,276	333,340	3.10	J.A.J. & O.	59,218
First Wisconsin National Bank of Milwaukee and Northwestern National Bank of Minneapolis, Assignees of the Seller:									
General Motors Corp. (Electro-Motive Div.).....	Sept. 25, 1953	May 1, 1961	1,543,977	1,155,000	958,935	135,679	3	F.M.A. & N.	30,588
Fairbanks, Morse & Co.....	July 15, 1953	Nov. 1, 1961	531,102	396,000	351,521	45,829	3	F.M.A. & N.	11,160
American Locomotive Co.....	July 15, 1953	Nov. 1, 1961	529,935	396,000	351,521	45,829	3	F.M.A. & N.	11,160
Baldwin-Lima-Hamilton Corporation.....	July 15, 1953	Nov. 1, 1961	357,568	264,000	234,347	30,552	3	F.M.A. & N.	7,440
Seattle-First National Bank, Assignee of the Seller:									
Baldwin-Lima-Hamilton Corporation.....	Sept. 1, 1953	Nov. 1, 1961	357,568	264,000	234,722	30,271	3.35	F.M.A. & N.	8,315
General Motors Corp. (Electro-Motive Div.).....	Sept. 1, 1953	Nov. 1, 1961	1,670,914	1,236,000	1,098,927	141,723	3.35	F.M.A. & N.	36,931
American Locomotive Co.....	Sept. 1, 1953	Feb. 1, 1962	529,935	396,000	363,200	45,029	3.35	F.M.A. & N.	12,410
Total equipment obligations.....			\$160,280,540	\$119,154,500	\$67,808,163	\$ 9,167,456			\$ 1,722,488

## PAYMENTS MATURING IN YEARS ENDING:

December 31, 1955.....	\$9,167,456	December 31, 1960.....	\$4,807,575	December 31, 1965.....	\$ 2,473,000
December 31, 1956.....	9,084,616	December 31, 1961.....	4,464,886	December 31, 1966.....	1,956,000
December 31, 1957.....	8,995,137	December 31, 1962.....	3,722,041	December 31, 1967.....	1,376,000
December 31, 1958.....	7,361,646	December 31, 1963.....	3,708,000	December 31, 1968.....	1,030,000
December 31, 1959.....	5,380,806	December 31, 1964.....	3,506,000	December 31, 1969.....	775,000
				Total.....	\$67,808,163

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

## MILES OF ROAD BY STATES, DECEMBER 31, 1954

STATE	ROAD OPERATED						
	OWNED SOLELY		OWNED JOINTLY		LEASED	TRACKAGE RIGHTS	TOTAL
	MAIN LINE	BRANCH LINE	MAIN LINE	BRANCH LINE			
Idaho.....	112.76	110.83				9.11	232.70
Illinois.....	432.99	118.62	2.40	.14		132.31	686.46
Indiana.....	156.57	36.79					193.36
Iowa.....	#1,199.85	526.09	.08	.04	.10	67.48	1,793.64
Kansas.....						7.05	7.05
Michigan.....	57.82	121.35		.25		.98	180.40
Minnesota.....	764.52	360.58	5.03	22.70		194.10	1,346.93
Missouri.....	130.02		9.44			15.10	154.56
Montana.....	747.86	473.29		29.99		.46	1,251.60
Nebraska.....						5.62	5.62
North Dakota.....	102.50	263.29		1.10			366.89
South Dakota.....	1,039.37	695.26					1,734.63
Washington.....	314.69	474.17	26.88	50.02		201.10	1,066.86
Wisconsin.....	1,039.31	494.73		16.34		70.51	1,620.89
Total.....	6,098.26	3,675.00	43.83	120.58	.10	703.82	10,641.59

#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, 1954

ITEMS	OWNED SOLELY	OWNED JOINTLY	LEASED	TRACKAGE RIGHTS	TOTAL
Miles of Road (First Main Track):					
Operated.....	*9,773.26	164.41	.10	703.82	10,641.59
Not operated.....	3.62				3.62
Additional Main Tracks:					
Operated.....	750.89	14.17	.41	312.72	1,078.19
Not operated.....					
Yard Tracks and Sidings:					
Operated.....	*3,374.56	258.33	2.19	501.18	4,136.26
Not operated.....	3.03	32.93			35.96
Total operated.....	13,898.71	436.91	2.70	1,517.72	15,856.04
Total not operated.....	6.65	32.93			39.58
Grand Total.....	13,905.36	469.84	2.70	1,517.72	15,895.62

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



## ANNUAL REPORT FOR 1954

## DETAILED STATEMENT OF RAILWAY OPERATING REVENUES AND EXPENSES

## RAILWAY OPERATING REVENUES

	1954	1953	INCREASE	DECREASE
<b>TRANSPORTATION</b>				
Freight .....	\$197,504,960	\$215,384,759		\$ 17,879,799
Passenger .....	14,916,558	16,672,015		1,755,457
Baggage .....	30,187	34,540		4,353
Sleeping car .....	462,763	536,381		73,618
Parlor and chair car .....	199,681	224,796		25,115
Mail .....	8,370,709	9,318,408		947,699
Express .....	3,641,119	3,865,852		224,733
Other passenger-train .....	142,720	155,429		12,709
Milk .....	101,721	105,015		3,294
Switching .....	5,741,531	6,247,121		505,590
<b>TOTAL TRANSPORTATION REVENUE</b>	<b>231,111,949</b>	<b>252,544,316</b>		<b>21,432,367</b>
<b>INCIDENTAL</b>				
Dining and buffet .....	1,964,736	2,028,122		63,386
Station, train, and boat privileges .....	42,414	44,453		2,039
Parcel room .....	42	57		15
Storage—Freight .....	18,314	26,345		8,031
Storage—Baggage .....	4,876	6,575		1,699
Demurrage .....	609,225	793,957		184,732
Communication .....	106,688	109,026		2,338
Rents of buildings and other property .....	230,520	228,189	\$ 2,331	
Miscellaneous .....	1,009,008	1,009,136		128
<b>TOTAL INCIDENTAL OPERATING REVENUE</b>	<b>3,985,823</b>	<b>4,245,860</b>		<b>260,037</b>
<b>JOINT FACILITY</b>				
Joint facility—Credit .....	2,660,544	3,086,411		425,867
Joint facility—Debit .....	13,677	16,396		2,719
<b>TOTAL JOINT FACILITY OPERATING REVENUE</b>	<b>2,646,867</b>	<b>3,070,015</b>		<b>423,148</b>
<b>TOTAL RAILWAY OPERATING REVENUES</b>	<b>\$237,744,639</b>	<b>\$259,860,191</b>		<b>\$ 22,115,552</b>

*Italics denote debits.*

## RAILWAY OPERATING EXPENSES

	1954	1953	INCREASE	DECREASE
<b>MAINTENANCE OF WAY AND STRUCTURES</b>				
Superintendence .....	\$2,679,500	\$2,620,839	\$ 58,661	
Roadway maintenance .....	3,290,752	3,395,428		\$104,676
Tunnels and subways .....	67,093	214,313		147,220
Bridges, trestles, and culverts .....	1,842,507	2,227,749		385,242
Ties .....	2,333,526	2,915,919		582,393
Rails .....	877,387	1,357,138		479,751
Other track material .....	1,874,596	2,443,371		568,775
Ballast .....	380,842	374,619	6,223	
Track laying and surfacing .....	7,921,812	9,133,410		1,211,598
Fences, snowsheds, and signs .....	571,636	422,423	149,213	
Station and office buildings .....	1,354,138	1,601,422		247,284
Roadway buildings .....	164,247	267,949		103,702
Water stations .....	79,278	142,505		63,227
Fuel stations .....	64,884	110,013		45,129
Shops and enginehouses .....	978,373	1,217,895		239,522
Storage warehouses .....	685	1,824		1,139

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

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

	1954	1953	INCREASE	DECREASE
<b>MAINTENANCE OF WAY AND STRUCTURES</b>				
Wharves and docks.....	\$ 21,882	\$ 54,515		\$ 32,633
Communication systems.....	864,279	713,903	\$ 150,376	
Signals and interlockers.....	1,465,630	1,485,549		19,919
Power plants.....	34,715	43,580		8,865
Power-transmission systems.....	306,537	304,880	1,657	
Miscellaneous structures.....	6,758	31,509		24,751
Road property—Depreciation.....	4,607,682	4,507,369	100,313	
Retirements—Road.....	506,228	241,215	265,013	
Roadway machines.....	640,766	758,027		117,261
Dismantling retired road property.....	276,966	343,873		66,907
Small tools and supplies.....	600,261	662,835		62,574
Removing snow, ice, and sand.....	453,017	553,046		100,029
Public improvements—Maintenance.....	762,926	873,805		110,879
Injuries to persons.....	393,383	425,133		31,750
Insurance.....	67,153	67,971		818
Stationery and printing.....	52,678	47,565	5,113	
Other expenses.....	67,306	75,409		8,103
Right-of-way expenses.....	93,330	39,521	53,809	
Maintaining joint tracks, yards, and other facilities—Debit.....	3,550,321	3,586,657		36,336
Maintaining joint tracks, yards, and other facilities—Credit.....	569,162	522,235	46,927	
<b>TOTAL MAINTENANCE OF WAY AND STRUCTURES</b>	<b>38,683,912</b>	<b>42,740,944</b>		<b>4,057,032</b>
<b>MAINTENANCE OF EQUIPMENT</b>				
Superintendence.....	1,536,523	1,588,215		51,692
Shop machinery.....	646,849	848,278		201,429
Power-plant machinery.....	137,558	200,672		63,114
Shop and power-plant machinery—Depreciation.....	279,995	286,955		6,960
Dismantling retired shop and power-plant machinery.....	6,121	16,665		10,544
Steam locomotives—Repairs.....	1,624,902	4,469,992		2,845,090
Other locomotives—Repairs.....	10,500,097	9,835,935	664,162	
Freight-train cars—Repairs.....	14,801,520	18,533,774		3,732,254
Passenger-train cars—Repairs.....	5,167,116	5,710,824		543,708
Floating equipment—Repairs.....	109,328	96,307	13,021	
Work equipment—Repairs.....	632,302	760,278		127,976
Miscellaneous equipment—Repairs.....	117,043	129,009		11,966
Dismantling retired equipment.....	39,175	74,397		35,222
Retirements—Equipment.....	68,056	13,571	54,485	
Equipment—Depreciation.....	9,931,525	10,009,851		78,326
Injuries to persons.....	318,374	406,468		88,094
Insurance.....	122,004	87,834	34,170	
Stationery and printing.....	46,158	48,093		1,935
Other expenses.....	634,811	275,997	358,814	
Joint maintenance of equipment expenses—Debit.....	331,347	401,874		70,527
Joint maintenance of equipment expenses—Credit.....	30,403	22,787	7,616	
<b>TOTAL MAINTENANCE OF EQUIPMENT</b>	<b>46,884,289</b>	<b>53,745,060</b>		<b>6,860,771</b>
<b>TRAFFIC</b>				
Superintendence.....	1,370,630	1,384,883		14,253
Outside agencies.....	3,057,731	3,006,408	51,323	
Advertising.....	905,763	997,129		91,366
Traffic associations.....	216,920	210,344	6,576	
Industrial and immigration bureaus.....	67,609	66,186	1,423	
Insurance.....	890	899		9
Stationery and printing.....	207,445	214,011		6,566
Other expenses.....	892	1,252		360
<b>TOTAL TRAFFIC EXPENSES</b>	<b>\$ 5,827,880</b>	<b>\$ 5,881,112</b>		<b>\$ 53,232</b>

*Italics denote credits.*

## ANNUAL REPORT FOR 1954

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

	1954	1953	INCREASE	DECREASE
<b>TRANSPORTATION</b>				
Superintendence.....	\$ 2,385,613	\$ 2,475,305		\$ 89,692
Dispatching trains.....	897,540	920,914		23,374
Station employees.....	14,096,653	15,118,209		1,021,556
Weighing, inspection, and demurrage bureaus.....	298,695	300,176		1,481
Station supplies and expenses.....	996,795	969,046	\$ 27,749	
Yardmasters and yard clerks.....	3,522,822	3,637,735		114,913
Yard conductors and brakemen.....	8,887,653	9,537,244		649,591
Yard switch and signal tenders.....	631,754	676,991		45,237
Yard enginemen.....	5,916,760	6,349,935		433,175
Yard switching fuel.....	1,102,005	1,337,768		235,763
Yard switching power purchased.....	22,268	20,798	1,470	
Water for yard locomotives.....	78,561	116,972		38,411
Lubricants for yard locomotives.....	99,730	92,156	7,574	
Other supplies for yard locomotives.....	54,565	62,626		8,061
Enginehouse expenses—Yard.....	1,120,475	1,216,692		96,217
Yard supplies and expenses.....	320,687	309,213	11,474	
Operating joint yards and terminals—Debit.....	4,280,935	4,883,358		602,423
Operating joint yards and terminals—Credit.....	543,498	515,797	27,701	
Train enginemen.....	9,636,103	10,015,793		379,690
Train fuel.....	8,429,801	10,310,008		1,880,207
Train power purchased.....	1,163,205	1,209,061		45,856
Water for train locomotives.....	252,294	403,323		151,029
Lubricants for train locomotives.....	684,389	609,628	74,761	
Other supplies for train locomotives.....	226,750	243,991		17,241
Enginehouse expenses—Train.....	2,016,516	2,608,869		592,353
Trainmen.....	12,096,380	12,398,616		302,236
Train supplies and expenses.....	6,516,952	7,395,131		878,179
Operating sleeping cars.....	711,590	721,304		9,714
Signal and interlocker operation.....	899,907	901,543		1,636
Crossing protection.....	981,718	972,757	8,961	
Drawbridge operation.....	200,331	202,769		2,438
Communication system operation.....	910,917	897,345	13,572	
Operating floating equipment.....	369,784	406,742		36,958
Stationery and printing.....	324,105	345,446		21,341
Other expenses.....	116,342	135,654		19,312
Operating joint tracks and facilities—Debit.....	1,171,053	1,276,602		105,549
Operating joint tracks and facilities—Credit.....	645,472	662,453		16,981
Insurance.....	83,682	88,797		5,115
Clearing wrecks.....	205,442	283,873		78,431
Damage to property.....	178,938	533,632		354,694
Damage to live stock on right-of-way.....	74,075	84,573		10,498
Loss and damage—Freight.....	2,799,764	2,958,409		158,645
Loss and damage—Baggage.....	5,401	7,935		2,534
Injuries to persons.....	2,155,312	1,716,912	438,400	
<b>TOTAL TRANSPORTATION EXPENSES</b>	<b>95,735,292</b>	<b>103,575,601</b>		<b>7,840,309</b>
<b>MISCELLANEOUS OPERATIONS</b>				
Dining and buffet service.....	2,933,173	2,866,826	66,347	
Hotels and restaurants.....	1,500	2,242	3,742	
Operating joint miscellaneous facilities—Debit.....	162,051	165,941		3,890
<b>TOTAL MISCELLANEOUS OPERATIONS</b>	<b>3,093,724</b>	<b>3,035,009</b>	<b>58,715</b>	
<b>GENERAL</b>				
Salaries and expenses of general officers.....	824,244	861,145		36,901
Salaries and expenses of clerks and attendants.....	6,005,562	6,057,885		52,323
General office supplies and expenses.....	461,112	449,332	11,780	
Law expenses.....	584,555	563,311	21,244	
Insurance.....	3,456	3,065	391	
Pensions and gratuities.....	510,268	440,748	69,520	
Stationery and printing.....	267,188	302,119		34,931
Valuation expenses.....	37,943	32,421	5,522	
Other expenses.....	290,693	298,223		7,530
General joint facilities—Debit.....	207,854	205,248	2,606	
General joint facilities—Credit.....	7,368	7,464		96
<b>TOTAL GENERAL EXPENSES</b>	<b>9,185,507</b>	<b>9,206,033</b>		<b>20,526</b>
<b>GRAND TOTAL RAILWAY OPERATING EXPENSES</b>	<b>\$199,410,604</b>	<b>\$218,183,759</b>		<b>\$ 18,773,155</b>

*Italics denote credits.*

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

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

ITEMS	1954		1953		1952	
	AMOUNT	PER CENT RY. OPER. REVS.	AMOUNT	PER CENT RY. OPER. REVS.	AMOUNT	PER CENT RY. OPER. REVS.
<b>RAILWAY OPERATING REVENUES:</b>						
Freight.....	\$197,504,960	83.08	\$215,384,759	82.88	\$222,399,895	82.53
Passenger.....	14,916,558	6.27	16,672,015	6.42	18,863,422	7.00
Mail.....	8,370,709	3.52	9,318,408	3.59	9,292,987	3.45
Express.....	3,641,119	1.53	3,865,852	1.49	4,367,616	1.62
Switching.....	5,741,531	2.42	6,247,121	2.40	6,028,235	2.24
All other transportation.....	937,072	.39	1,056,161	.41	1,150,234	.43
Incidental.....	3,985,823	1.68	4,245,860	1.63	4,665,232	1.73
Joint facility—Net Cr.....	2,646,867	1.11	3,070,015	1.18	2,697,963	1.00
Total.....	237,744,639	100.00	259,860,191	100.00	269,465,584	100.00
<b>RAILWAY OPERATING EXPENSES:</b>						
*Maintenance of way and structures.....	38,683,912	16.27	42,740,944	16.45	40,848,303	15.16
#Maintenance of equipment.....	46,884,289	19.72	53,745,060	20.68	53,504,316	19.85
Traffic expenses.....	5,827,880	2.45	5,881,112	2.26	5,755,326	2.14
Transportation expenses.....	95,735,292	40.27	103,575,601	39.86	109,483,427	40.63
Miscellaneous operations.....	3,093,724	1.30	3,035,009	1.17	3,478,955	1.29
General expenses.....	9,185,507	3.87	9,206,033	3.54	9,052,411	3.36
Total.....	199,410,604	83.88	218,183,759	83.96	222,122,738	82.43
<b>NET REVENUE FROM RAILWAY OPERATIONS.....</b>	<b>38,334,035</b>	<b>16.12</b>	<b>41,676,432</b>	<b>16.04</b>	<b>47,342,846</b>	<b>17.57</b>
<b>RAILWAY TAX ACCRUALS:</b>						
Federal income.....	1,133,219	.48	1,277,000	.49	5,865,000	2.18
Property, payroll and other.....	16,462,219	6.92	16,695,000	6.43	17,040,000	6.32
Total.....	15,329,000	6.44	17,972,000	6.92	22,905,000	8.50
<b>EQUIPMENT RENTS—NET DR.....</b>	<b>5,873,693</b>	<b>2.47</b>	<b>6,444,879</b>	<b>2.48</b>	<b>4,435,473</b>	<b>1.65</b>
<b>JOINT FACILITY RENTS—NET DR.....</b>	<b>2,562,824</b>	<b>1.08</b>	<b>2,595,865</b>	<b>1.00</b>	<b>2,572,765</b>	<b>.95</b>
<b>NET RAILWAY OPERATING INCOME.....</b>	<b>\$ 14,568,518</b>	<b>6.13</b>	<b>\$ 14,663,688</b>	<b>5.64</b>	<b>\$ 17,429,608</b>	<b>6.47</b>
*Includes for depreciation, amortization and retirement charges—Road.....	\$ 5,113,910	2.15	\$ 4,748,584	1.83	\$ 4,897,161	1.82
#Includes for depreciation, amortization and retirement charges—Equipment.....	\$ 10,143,464	4.27	\$ 10,283,235	3.96	\$ 10,545,697	3.91

RAILWAY OPERATING REVENUES, EXPENSES, TAXES AND INCOME  
BY MONTHS FOR THE YEAR ENDED DECEMBER 31, 1954

1954	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.....	\$ 17,497,548	\$ 16,449,471	\$ 1,048,077	\$ 1,322,000	\$ 273,923	\$ 314,029	\$ 195,697	\$ 783,649
February.....	17,778,575	15,409,818	2,368,757	1,269,000	1,099,757	485,732	233,988	380,037
March.....	20,314,028	16,987,759	3,326,269	1,305,000	2,021,269	541,173	209,294	1,270,802
April.....	18,800,970	16,219,667	2,581,303	1,310,000	1,271,303	394,120	199,333	677,850
May.....	18,971,870	17,235,491	1,736,379	1,354,000	382,379	506,627	229,839	354,087
June.....	20,062,814	18,011,260	2,051,554	1,376,000	675,554	527,922	241,054	93,422
July.....	19,202,514	16,987,111	2,215,403	1,368,000	847,403	617,957	231,629	2,183
August.....	21,523,923	16,868,155	4,655,768	1,380,000	3,275,768	789,730	212,639	2,273,399
September.....	21,568,615	16,541,617	5,026,998	1,505,000	3,521,998	693,973	177,734	2,650,291
October.....	20,820,126	16,518,525	4,301,601	1,430,000	2,871,601	462,988	223,453	2,185,160
November.....	20,863,354	16,036,767	4,826,587	1,445,000	3,381,587	265,602	195,575	2,920,410
December.....	20,340,302	16,144,963	4,195,339	265,000	3,930,339	273,840	212,589	3,443,910
Total.....	\$237,744,639	\$199,410,604	\$ 38,334,035	\$ 15,329,000	\$ 23,005,035	\$ 5,873,693	\$ 2,562,824	\$ 14,568,518

*Italics denote reverse items.*

## ANNUAL REPORT FOR 1954

## REVENUE FREIGHT TRAFFIC STATISTICS—EXCLUDING TRUCK SERVICE

YEAR	TONS CARRIED	TON MILES	AVERAGE HAUL— MILES	FREIGHT REVENUE		
				TOTAL	PER TON	PER TON MILE (CENTS)
1945.....	52,326,187	18,182,059,634	347.48	\$168,770,268	\$3.23	.928
1946.....	50,242,184	15,744,421,956	313.37	152,088,843	3.03	.966
1947.....	55,204,073	16,958,235,718	307.19	187,294,773	3.39	1.104
1948.....	53,251,082	16,345,256,294	306.95	208,945,932	3.92	1.278
1949.....	46,245,916	14,774,758,916	319.48	195,932,011	4.24	1.326
1950.....	50,164,902	16,258,839,967	324.11	210,127,019	4.19	1.292
1951.....	51,740,580	16,732,323,827	323.39	217,832,219	4.21	1.302
1952.....	49,522,089	16,005,309,995	323.20	222,648,097	4.50	1.391
1953.....	46,810,989	15,413,226,569	329.27	215,622,726	4.61	1.399
1954.....	43,123,214	14,178,678,856	328.79	197,712,105	4.58	1.394

## REVENUE PASSENGER STATISTICS—EXCLUDING BUS SERVICE

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

## OTHER THAN COMMUTATION

1945.....	7,599,295	2,093,962,765	275.55	\$ 36,359,300	\$4.78	1.736
1946.....	5,951,216	1,507,079,437	253.24	27,541,204	4.63	1.627
1947.....	5,093,890	941,767,622	184.88	20,479,841	4.02	2.175
1948.....	4,561,964	874,835,023	191.77	20,587,449	4.51	2.353
1949.....	4,030,290	782,128,618	194.06	18,273,709	4.53	2.356
1950.....	3,289,193	696,081,090	211.63	16,418,071	4.99	2.359
1951.....	3,341,410	776,958,568	232.52	18,484,470	5.53	2.379
1952.....	3,346,346	739,380,708	220.95	17,569,369	5.25	2.376
1953.....	3,158,639	658,842,799	208.58	15,396,026	4.87	2.337
1954.....	3,057,733	599,281,006	195.99	13,582,309	4.44	2.266

## COMMUTATION

1945.....	3,744,015	77,889,920	20.80	\$ 741,919	\$ .20	.953
1946.....	3,754,197	80,284,849	21.39	766,789	.20	.955
1947.....	4,097,654	87,727,080	21.41	851,447	.21	.971
1948.....	4,370,610	98,416,709	22.52	1,063,756	.24	1.081
1949.....	4,071,987	92,315,906	22.67	1,154,033	.28	1.250
1950.....	4,020,414	91,075,288	22.65	1,136,257	.28	1.248
1951.....	4,186,842	94,960,045	22.68	1,251,058	.30	1.317
1952.....	3,899,249	89,299,292	22.90	1,325,955	.34	1.485
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

## TOTAL

1945.....	11,343,310	2,171,852,685	191.47	\$ 37,101,219	\$3.27	1.708
1946.....	9,705,413	1,587,364,286	163.55	28,307,993	2.92	1.783
1947.....	9,191,544	1,029,494,702	112.00	21,331,288	2.32	2.072
1948.....	8,932,574	973,251,732	108.96	21,651,205	2.42	2.225
1949.....	8,102,277	874,444,524	107.93	19,427,742	2.40	2.232
1950.....	7,309,607	787,156,378	107.69	17,554,328	2.40	2.230
1951.....	7,528,252	871,918,613	115.82	19,735,528	2.62	2.263
1952.....	7,245,595	828,680,000	114.37	18,895,324	2.61	2.280
1953.....	6,981,870	747,771,840	107.10	16,712,580	2.39	2.235
1954.....	6,978,557	692,824,807	99.28	14,956,803	2.14	2.159



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

## STATISTICS OF OPERATIONS

ITEMS	FREIGHT TRAINS		PASSENGER TRAINS		TOTAL TRANSPORTATION SERVICE	
	1954	1953	1954	1953	1954	1953
<b>RAIL-LINE</b>						
Average miles of road operated .....	10,632	10,657	4,903	5,132	10,640	10,665
<b>TRAIN MILES</b>						
Ordinary (with locomotives) .....	11,693,620	12,795,597	9,000,394	9,135,139	20,694,014	21,930,736
Light (with locomotives) .....	49,178	70,237	—	—	49,178	70,237
Total (with locomotives) .....	11,742,798	12,865,834	9,000,394	9,135,139	20,743,192	22,000,973
Motor car trains .....	—	—	181,059	252,090	181,059	252,090
Total train miles .....	11,742,798	12,865,834	9,181,453	9,387,229	20,924,251	22,253,063
<b>LOCOMOTIVE MILES</b>						
Principal .....	11,746,621	12,869,068	9,000,394	9,135,139	20,747,015	22,004,207
Helper .....	194,669	297,645	29,724	27,674	224,393	325,319
Light .....	283,442	417,267	78,883	84,106	362,325	501,373
Train switching .....	1,088,393	1,189,086	—	—	1,088,393	1,189,086
Yard switching .....	7,160,909	7,927,349	510,193	568,022	7,671,102	8,495,371
Total locomotive miles .....	20,474,034	22,700,415	9,619,194	9,814,941	30,093,228	32,515,356
<b>CAR MILES</b>						
Loaded freight cars .....	493,164,389	538,623,400	344,784	501,163	493,509,173	539,124,563
Empty freight cars .....	287,439,317	295,354,888	95,525	135,435	287,534,842	295,490,323
Total loaded and empty freight cars .....	780,603,706	833,978,288	440,309	636,598	781,044,015	834,614,886
Caboose .....	11,550,665	12,725,190	28,320	38,966	11,578,985	12,764,156
Total freight car miles .....	792,154,371	846,703,478	468,629	675,564	792,623,000	847,379,042
Passenger coaches .....	129,681	276,699	24,187,193	24,884,131	24,316,874	25,160,830
Sleeping and parlor cars (Company) .....	7,132	18,920	8,101,130	8,954,876	8,108,262	8,973,796
Sleeping cars (Pullman) .....	129,323	72,201	9,255,437	10,099,033	9,384,760	10,171,234
Club, lounge, dining and observation cars .....	2,197	3,458	7,574,750	7,737,422	7,576,947	7,740,880
Combination passenger and head end cars .....	956,718	884,681	1,000,136	898,243	1,956,854	1,782,924
Mail, express and baggage cars .....	2,799,188	3,174,040	29,312,373	32,316,502	32,111,561	35,490,542
Business cars .....	23,104	10,339	159,698	171,834	182,802	182,173
Crew cars (other than cabooses) .....	—	—	294,877	43,441	294,877	43,441
Total passenger car miles .....	4,047,343	4,440,338	79,885,594	85,105,482	83,932,937	89,545,820
Grand total car miles .....	796,201,714	851,143,816	80,354,223	85,781,046	876,555,937	936,924,862
<b>GROSS TON MILES</b>						
Locomotives and tenders (thousands) .....	3,668,464	4,150,163	2,643,813	2,428,887	6,312,277	6,579,050
Freight cars, contents, and cabooses (thousands) .....	33,730,148	36,485,444	19,559	27,169	33,749,707	36,512,613
Passenger cars, and contents (thousands) .....	221,328	245,319	5,421,389	5,864,293	5,642,717	6,109,612
Total freight and passenger (thousands) .....	33,951,476	36,730,763	5,440,948	5,891,462	39,392,424	42,622,225
<b>TRAIN HOURS</b>						
Train hours in road service .....	640,425	728,214	221,290	228,803	861,715	957,017
<b>REVENUE AND NONREVENUE FREIGHT TRAFFIC</b>						
Tons of revenue freight .....	—	—	—	—	43,123,214	46,810,989
Tons of nonrevenue freight .....	—	—	—	—	1,571,767	2,301,372
Total tons of freight .....	—	—	—	—	44,694,981	49,112,361
Net ton miles revenue freight (thousands) .....	—	—	—	—	14,178,679	15,413,226
Net ton miles nonrevenue freight (thousands) .....	—	—	—	—	671,326	924,573
Total net ton miles of freight (thousands) .....	14,840,717	16,326,171	9,288	11,628	14,850,005	16,337,799
<b>REVENUE PASSENGER TRAFFIC</b>						
Passengers carried .....	—	—	—	—	6,978,557	6,981,870
Passenger miles .....	—	—	—	—	692,824,807	747,771,840
<b>MOTOR VEHICLE OPERATIONS EXCLUDED ABOVE</b>						
Net ton miles revenue freight (thousands) .....	—	—	—	—	2,127	2,594
Passengers carried .....	—	—	—	—	7,650	8,985
Passenger miles .....	—	—	—	—	1,422,376	1,626,485

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## STATISTICS OF OPERATIONS—CONCLUDED

ITEMS	1954	1953	1952	1951	1950	1949
<b>FREIGHT TRAIN STATISTICS AND AVERAGES</b>						
Gross ton miles, trailing (thousands) . . . . .	33,951,476	36,730,763	37,980,712	38,801,906	38,679,279	36,466,857
Eastbound . . . . .	18,518,625	19,663,555	20,120,294	20,553,344	20,225,498	19,083,191
Westbound . . . . .	15,432,851	17,067,208	17,860,418	18,248,562	18,453,781	17,383,666
Steam . . . . .	1,630,515	6,502,008	9,403,255	14,552,224	18,935,455	22,758,261
Diesel-electric . . . . .	29,179,033	26,994,636	25,214,256	20,961,092	16,288,873	10,525,207
Electric . . . . .	3,141,928	3,234,119	3,363,201	3,288,590	3,454,951	3,183,389
Per cent steam . . . . .	4.8%	17.7%	24.8%	37.5%	49.0%	62.4%
Per cent Diesel-electric . . . . .	85.9%	73.5%	66.4%	54.0%	42.1%	28.9%
Per cent electric . . . . .	9.3%	8.8%	8.8%	8.5%	8.9%	8.7%
Loaded freight cars per train . . . . .	42.2	42.1	39.4	38.7	38.1	33.8
Empty freight cars per train . . . . .	24.6	23.1	22.0	19.9	19.3	19.3
Total freight cars per train . . . . .	66.8	65.2	61.4	58.6	57.4	53.1
Gross tons per train . . . . .	2,903	2,871	2,717	2,644	2,558	2,320
Net tons per train . . . . .	1,269	1,276	1,219	1,218	1,157	1,023
Net tons per loaded car . . . . .	30.1	30.3	31.0	31.5	30.3	30.3
Miles per car per day (serviceable freight) . . . . .	34.9	36.3	37.4	36.3	38.1	37.9
Net ton miles per freight car-day . . . . .	620	675	713	731	748	717
Train speed (train miles per train hour) . . . . .	18.3	17.7	17.1	16.4	16.0	16.1
Gross ton miles (trailing) per train hour . . . . .	53,014	50,439	46,186	43,015	40,619	37,054
<b>PASSENGER TRAIN STATISTICS AND AVERAGES</b>						
Passenger car miles (excluding motor) . . . . .	79,508,739	85,057,114	88,925,558	91,674,778	92,495,023	95,774,326
Steam . . . . .	1,851,183	5,271,801	9,619,474	18,647,747	30,215,086	41,966,851
Diesel-electric . . . . .	69,380,723	69,859,772	69,000,345	62,605,038	52,477,403	47,824,847
Electric . . . . .	8,276,833	9,925,541	10,305,739	10,421,993	9,802,534	5,982,628
Per cent steam . . . . .	2.3%	6.2%	10.8%	20.3%	32.7%	43.8%
Per cent Diesel-electric . . . . .	87.3%	82.1%	77.6%	68.3%	56.7%	49.9%
Per cent electric . . . . .	10.4%	11.7%	11.6%	11.4%	10.6%	6.3%
Cars per train (excluding motor) . . . . .	8.83	9.31	9.43	9.31	8.85	8.55
Revenue passengers per train . . . . .	75.6	79.8	85.2	84.4	70.2	72.4
Revenue passengers per car . . . . .	16.2	16.6	17.0	17.0	15.4	16.1
Train speed (train miles per train hour) . . . . .	41.5	41.0	40.2	39.3	38.9	38.5
<b>YARD SWITCHING STATISTICS</b>						
Yard switching hours . . . . .	1,278,517	1,415,895	1,541,310	1,596,488	1,618,429	1,590,047
Steam . . . . .	113,008	260,762	365,274	615,944	755,336	850,971
Diesel-electric . . . . .	1,149,502	1,139,343	1,157,667	961,876	841,812	716,800
Electric . . . . .	16,007	15,790	18,369	18,668	21,281	22,276
Per cent steam . . . . .	8.8%	18.4%	23.7%	38.6%	46.7%	53.5%
Per cent Diesel-electric . . . . .	89.9%	80.5%	75.1%	60.2%	52.0%	45.1%
Per cent electric . . . . .	1.3%	1.1%	1.2%	1.2%	1.3%	1.4%
<b>DENSITY STATISTICS</b>						
Per mile of road per day (freight service):						
Train miles, ordinary . . . . .	3.0	3.3	3.6	3.8	3.9	4.0
Net ton miles . . . . .	3,824	4,197	4,366	4,593	4,497	4,134
Per mile of road per day (passenger service):						
Train miles . . . . .	5.1	5.0	4.9	4.7	4.7	4.8
Car miles . . . . .	44.9	45.8	44.7	42.0	39.1	38.8

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

## REVENUE FREIGHT BY PRINCIPAL COMMODITIES

COMMODITIES	1954		1953		INCREASE + OR DECREASE -		
	TONS CARRIED	PERCENT OF TOTAL	TONS CARRIED	PERCENT OF TOTAL	TONS	PERCENT	
PRODUCTS OF AGRICULTURE:							
Wheat.....	1,830,216	4.2	1,768,629	3.8	+	61,587	3.5
Corn.....	1,888,844	4.4	1,777,763	3.8	+	111,081	6.2
Barley and rye.....	645,817	1.5	632,557	1.3	+	13,260	2.1
Oats.....	423,381	1.0	460,787	1.0	-	37,406	8.1
Flour, meal and mill products.....	1,242,866	2.8	1,240,754	2.6	+	2,112	.2
Citrus fruits.....	65,791	.2	90,226	.2	-	24,435	27.1
Other fruits, fresh and frozen.....	138,087	.3	153,219	.3	-	15,132	9.9
Potatoes, other than sweet.....	295,779	.7	276,863	.6	+	18,916	6.8
Other vegetables, fresh and frozen.....	116,638	.3	125,393	.3	-	8,755	7.0
Sugar beets.....	185,057	.4	139,338	.3	+	45,719	32.8
Other products of agriculture.....	1,638,565	3.8	1,622,223	3.5	+	16,342	1.0
Total.....	8,471,041	19.6	8,287,752	17.7	+	183,289	2.2
ANIMALS AND PRODUCTS:							
Cattle, calves, sheep and goats.....	299,784	.7	286,623	.6	+	13,161	4.6
Swine.....	86,747	.2	100,166	.2	-	13,419	13.4
Fresh meats.....	549,722	1.3	571,118	1.2	-	21,396	3.7
Poultry, eggs, butter and cheese.....	147,564	.3	151,965	.3	-	4,401	2.9
Wool, hides and leather.....	152,800	.4	163,802	.4	-	11,002	6.7
Other animals and products.....	305,449	.7	332,876	.7	-	27,427	8.2
Total.....	1,542,066	3.6	1,606,550	3.4	-	64,484	4.0
PRODUCTS OF MINES:							
Bituminous coal.....	6,341,840	14.7	6,852,078	14.6	-	510,238	7.4
Coke.....	223,156	.5	390,919	.8	-	167,763	42.9
Ores and concentrates.....	242,824	.6	534,020	1.2	-	291,196	54.5
Gravel and sand.....	1,563,837	3.6	1,670,153	3.6	-	106,316	6.4
Stone, broken, ground, or crushed.....	1,024,401	2.4	1,171,595	2.5	-	147,194	12.6
Stone, rough and finished.....	135,177	.3	227,849	.5	-	92,672	40.7
Asphalt.....	253,810	.6	265,974	.6	-	12,164	4.6
Salt.....	171,241	.4	179,276	.4	-	8,035	4.5
Other products of mines.....	1,459,103	3.4	1,516,563	3.2	-	57,460	3.8
Total.....	11,415,389	26.5	12,808,427	27.4	-	1,393,038	10.9
PRODUCTS OF FORESTS:							
Logs, posts, poles and cordwood.....	2,601,445	6.0	3,072,277	6.6	-	470,832	15.3
Pulpwood.....	684,696	1.6	689,965	1.5	-	5,269	.8
Lumber and mill products.....	2,151,753	5.0	2,269,606	4.8	-	117,853	5.2
Veneer and built-up wood.....	335,685	.8	345,325	.7	-	9,640	2.8
Other products of forests.....	286,534	.7	289,395	.6	-	2,861	1.0
Total.....	6,060,113	14.1	6,666,568	14.2	-	606,455	9.1
MANUFACTURES AND MISCELLANEOUS:							
Refined petroleum and products.....	1,371,119	3.2	1,437,536	3.1	-	66,417	4.6
Sugar, table sirups and molasses.....	272,893	.6	252,905	.5	+	19,988	7.9
Iron and steel products.....	2,294,568	5.3	2,944,340	6.3	-	649,772	22.1
Machinery and boilers.....	248,585	.6	283,582	.6	-	34,997	12.3
Cement.....	1,141,255	2.6	1,115,773	2.4	+	25,482	2.3
Brick, building tile and artificial stone.....	232,393	.5	237,748	.5	-	5,355	2.3
Lime and plaster.....	114,551	.3	119,570	.3	-	5,019	4.2
Agricultural implements, tractors and parts.....	250,612	.6	344,647	.7	-	94,035	27.3
Autos, trucks, parts and tires.....	566,664	1.3	663,589	1.4	-	96,925	14.6
Beverages.....	919,906	2.1	1,089,862	2.3	-	169,956	15.6
Ice.....	43,502	.1	26,521	.1	+	16,981	64.0
Fertilizers.....	326,451	.8	404,507	.9	-	78,056	19.3
Paper and paper products.....	991,948	2.3	991,702	2.1	+	246	—
Canned food products.....	855,458	2.0	865,597	1.8	-	10,139	1.2
Scrap iron and scrap steel.....	588,040	1.3	777,304	1.7	-	189,264	24.3
Building paper, roofing and woodwork.....	372,231	.9	335,983	.7	+	36,248	10.8
Other manufactures and miscellaneous.....	4,772,612	11.1	5,226,810	11.2	-	454,198	8.7
Total.....	15,362,788	35.6	17,117,976	36.6	-	1,755,188	10.3
GRAND TOTAL CARLOAD TRAFFIC.....	42,851,397	99.4	46,487,273	99.3	-	3,635,876	7.8
ALL L.C.L. FREIGHT.....	271,817	.6	323,716	.7	-	51,899	16.0
GRAND TOTAL, CARLOAD AND L.C.L. TRAFFIC.....	43,123,214	100.0	46,810,989	100.0	-	3,687,775	7.9

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## NUMBER OF EMPLOYEES AND COMPENSATION

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

## NUMBER OF EMPLOYEES AND COMPENSATION BY STATES—1954

STATE	REGULAR EMPLOYEES			PART TIME EMPLOYEES TOTAL COMPENSATION	TOTAL COMPENSATION ALL EMPLOYEES
	AVERAGE NUMBER	TOTAL COMPENSATION	AVERAGE COMPENSATION PER EMPLOYEE		
Illinois.....	7,211	\$ 32,792,484	\$4,548	\$ 18,556	\$ 32,811,040
Iowa.....	2,705	12,097,196	4,472	16,687	12,113,883
Wisconsin.....	7,309	32,151,262	4,399	50,182	32,201,444
Minnesota.....	3,683	16,065,681	4,362	12,427	16,078,108
Michigan.....	197	888,545	4,510	635	889,180
Missouri.....	481	2,136,859	4,443	7,101	2,143,960
Indiana.....	533	2,476,936	4,647	7,543	2,484,479
South Dakota.....	1,384	6,146,311	4,441	6,464	6,152,775
North Dakota.....	155	579,737	3,740	605	580,342
Montana.....	1,824	8,850,909	4,852	20,618	8,871,527
Idaho.....	200	868,278	4,341	0	868,278
Washington.....	2,119	10,343,807	4,881	1,838	10,345,645
All other.....	160	874,392	5,465	744	875,136
Total.....	27,961	\$126,272,397	\$4,516	\$143,400	\$126,415,797

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

EQUIPMENT OWNED  
LOCOMOTIVES

KIND	YEAR	NUMBER BY SERVICES AS ASSIGNED					TRACTION POWER (POUNDS)		WEIGHT (TONS)		
		FRT.	PASS- ENGER	YARD	OTHER #	TOTAL	TOTAL	AV. PER LOCO.	EXCL. OF TENDER	ON DRIVER AVERAGE PER LOCO.	
Steam	1953	254	43	114	7	418	20,077,779	48,033	57,835	138.36	99.09
	1954	74	2	25	3	104	5,417,324	52,090	15,901	152.89	105.08
Electric	1953	33	15	6	0	54	7,145,222	132,319	18,025	333.79	264.61
	1954	32	14	6	0	52	6,927,472	133,221	17,427	335.13	266.41
Diesel-electric	1953	136	36	203	4	379	33,374,626	88,060	69,284	182.81	176.12
	1954	219	53	214	7	493	40,982,223	83,128	84,496	171.39	166.26
Total	1953	423	94	323	11	851	60,597,627	71,208	145,144	170.56	143.90
	1954	325	69	245	10	649	53,327,019	82,168	117,824	181.55	164.48

#Work service, leased to others and held for sale or other disposition.

## FREIGHT-TRAIN CARS

YEAR	BOX	AUTO 40'	AUTO 50'	GONDOLA	HOPPER	BALLAST	ORE	STOCK	FLAT & MISCL.	CABOOSE	TOTAL
1953	*24,121	3,953	1,996	11,188	4,514	986	798	3,404	5,346	694	57,000
1954	*24,097	3,936	1,934	11,151	4,660	986	798	3,390	5,277	635	56,864

\*Includes 594 Refrigerator cars.

## PASSENGER-TRAIN CARS

YEAR	COACHES	COMPANY SLEEPERS	PARLOR	PARLOR CAFE	DINING	TAP LOUNGE OBSERVATION	BAGGAGE EXPRESS MAIL	PASSEN- GER AND BAGGAGE	PASSENGER MAIL AND BAGGAGE	TOTAL
1953	325	68	19	8	37	12	450	44	10	973
1954	326	56	19	8	37	12	425	44	10	937

## RAIL MOTOR CARS

## FLOATING EQUIPMENT

YEAR	275-H.P. GAS-ELECTRIC	1000 H. P. DIESEL- ELECTRIC BAGGAGE	TOTAL	YEAR	TUGBOATS	CAR BARGES	TOTAL
	PASSENGER AND BAGGAGE						
1953	1	2	3	1953	1	4	5
1954	0	2	2	1954	1	4	5

## HIGHWAY VEHICLES

REVENUE SERVICE					NONREVENUE SERVICE						
YEAR	BUSES	TRACTORS	TRUCKS	TRAILERS	PASSENGER AUTOMOBILES	BUSES	TRUCKS	TRACTORS	SEMI- TRAILERS	TRAILERS	MISC. EQUIP.
1953	2	4	1	5	210	3	251	4	3	14	15
1954	2	3	0	4	196	3	255	5	2	15	15

## COMPANY SERVICE EQUIPMENT

YEAR	BUSINESS CARS	DERRICK CARS	BUNK AND OUTFIT CARS	CINDER DUMP CARS	WATER CARS	SNOW FIGHTING EQUIPMENT	OTHER COMPANY SERVICE EQUIPMENT	TOTAL
1953	13	21	1,683	180	224	185	551	2,857
1954	13	18	1,577	174	209	187	526	2,704

## ANNUAL REPORT FOR 1954

## MILWAUKEE LAND COMPANY INCOME ACCOUNT

INCOME	1954	1953	INCREASE	DECREASE
<b>TOWNSITE DIVISION:</b>				
SALES:				
Real estate .....	\$ 67,650	\$ 43,479	\$ 24,171	
Cost of real estate sold .....	48,775	20,617	28,158	
GROSS PROFIT FROM SALES	18,875	22,862		\$ 3,987
<b>OTHER INCOME:</b>				
Rents .....	6,640	6,815		175
Interest .....	16,102	6,331	9,771	
All other .....	439	695		256
TOTAL OTHER INCOME	23,181	13,841	9,340	
TOTAL INCOME—TOWNSITE DIVISION	42,056	36,703	5,353	
<b>TIMBER DIVISION:</b>				
SALES:				
Timber land and timber .....	1,691,468	2,043,663		352,195
Cost of land and timber sold .....	95,851	148,295		52,444
GROSS PROFIT FROM SALES	1,595,617	1,895,368		299,751
<b>OTHER INCOME:</b>				
Rents and royalties .....	5,407	7,092		1,685
Interest .....	82,476	139,269		56,793
TOTAL OTHER INCOME	87,883	146,361		58,478
TOTAL INCOME—TIMBER DIVISION	1,683,500	2,041,729		358,229
TOTAL INCOME—TOWNSITE AND TIMBER DIVISIONS	1,725,556	2,078,432		352,876
<b>EXPENSES</b>				
<b>TOWNSITE DIVISION:</b>				
Salaries and office expenses .....	5,796	5,175	621	
Taxes .....	6,039	4,268	1,771	
Interest .....	64,044	64,044		
All other .....	599	898		299
TOTAL EXPENSES—TOWNSITE DIVISION	76,478	74,385	2,093	
<b>TIMBER DIVISION:</b>				
Salaries and office expenses .....	42,657	43,749		1,092
Real estate expense .....	39,044	35,770	3,274	
Timber cutting contracts expense .....	36,943	38,046		1,103
Fire protection .....	20,708	21,737		1,029
Taxes .....	391,576	596,279		204,703
Interest .....	95,076	95,076		
All other .....	12,472	13,230		758
TOTAL EXPENSES—TIMBER DIVISION	638,476	843,887		205,411
TOTAL EXPENSES—TOWNSITE AND TIMBER DIVISIONS	714,954	918,272		203,318
NET INCOME	\$1,010,602	\$1,160,160		\$ 149,558

## MILWAUKEE LAND COMPANY STATEMENT OF RETAINED EARNINGS

	1954	1953	INCREASE	DECREASE
Balance at January 1 .....	\$1,638,644	\$ 472,791	\$1,165,853	
<b>ADDITIONS:</b>				
Net income for the year .....	1,010,602	1,160,160		\$ 149,558
Miscellaneous credits .....	3,117	5,693		2,576
	2,652,363	1,638,644	1,013,719	
<b>DEDUCTIONS:</b>				
Dividends paid .....	1,000,000		1,000,000	
Miscellaneous debits .....	3,025		3,025	
	1,003,025		1,003,025	
BALANCE AT DECEMBER 31	\$1,649,338	\$1,638,644	\$ 10,694	

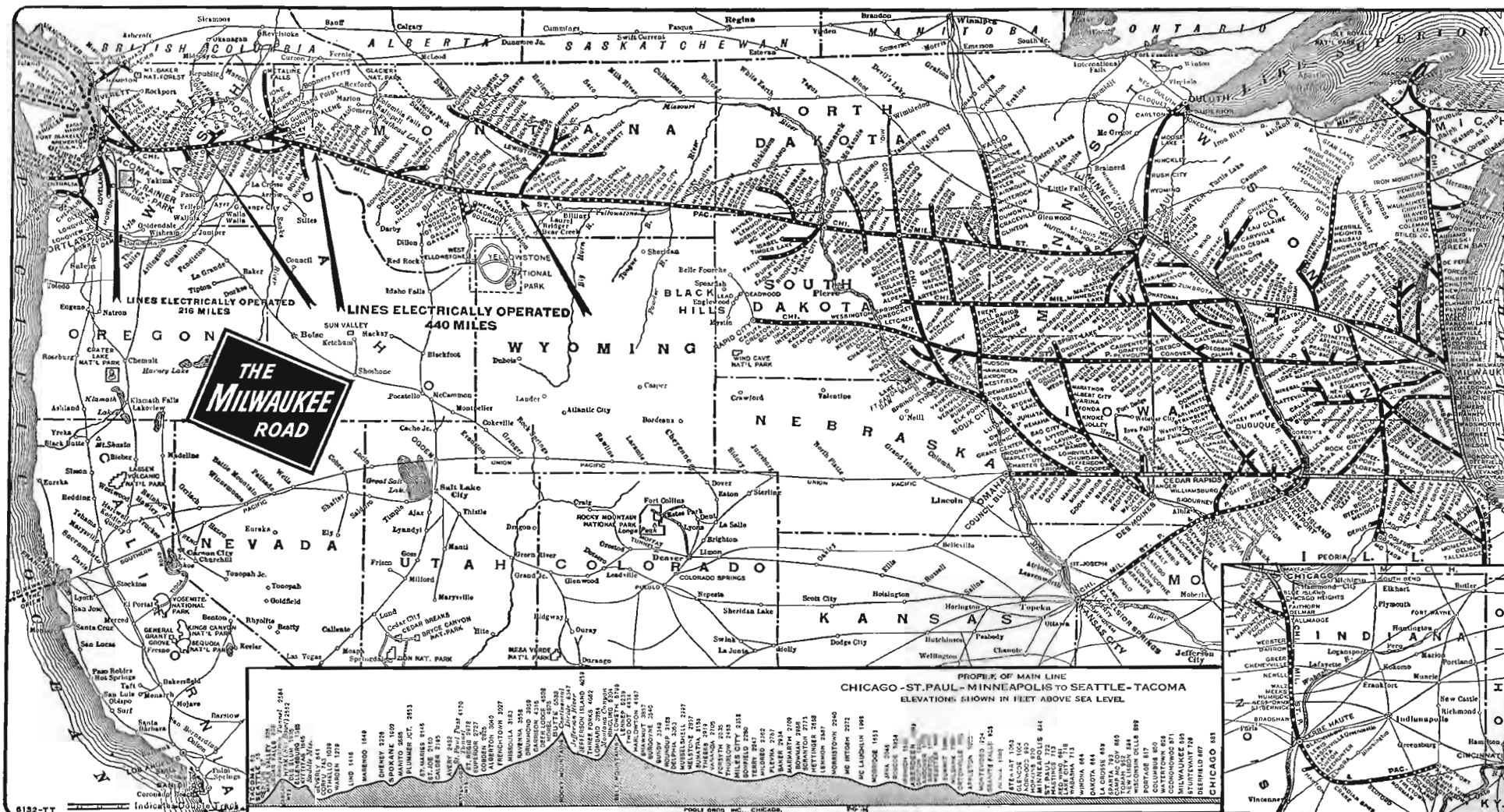
Italics denote reverse items.



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

## MILWAUKEE LAND COMPANY—BALANCE SHEET

	DECEMBER 31, 1954	DECEMBER 31, 1953	NET CHANGE DURING YEAR + INCREASE - DECREASE
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash.....	\$ 811,189	\$ 652,648	+ \$ 158,541
Accounts receivable.....	159,672	88,855	+ 70,817
Notes and purchase contracts.....	363,155	377,577	- 14,422
Interest receivable.....	40,556	71,566	- 31,010
<b>TOTAL CURRENT ASSETS</b>	<b>1,374,572</b>	<b>1,190,646</b>	<b>+ 183,926</b>
<b>INVESTMENTS:</b>			
Capital stocks.....	54,291	214,412	- 160,121
United States Government obligations.....	801,352	2,355,000	- 1,553,648
C. M. St. P. & P. R. R. Co. mortgage bonds.....	756,470	995,312	- 238,842
Other investments.....	17,500	34,500	- 17,000
<b>TOTAL INVESTMENTS</b>	<b>1,629,613</b>	<b>3,599,224</b>	<b>- 1,969,611</b>
<b>OTHER ASSETS:</b>			
Timber sale contracts.....	230,000	93,500	+ 136,500
Other assets.....	14,055	1	+ 14,054
<b>TOTAL OTHER ASSETS</b>	<b>244,055</b>	<b>93,501</b>	<b>+ 150,554</b>
<b>PROPERTIES:</b>			
Timber land and timber.....	1,519,341	1,454,886	+ 64,455
Real estate.....	699,381	492,854	+ 206,527
Automobiles less accrued depreciation.....	7,440	6,212	+ 1,228
Furniture and fixtures less accrued depreciation.....	728	820	- 92
<b>TOTAL PROPERTIES</b>	<b>2,226,890</b>	<b>1,954,772</b>	<b>+ 272,118</b>
	<b>\$5,475,130</b>	<b>\$6,838,143</b>	<b>- \$1,363,013</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable.....	\$ 16,997	\$ 8,090	+ \$ 8,907
Interest payable.....	92,820	.....	+ 92,820
Taxes (Other than federal taxes on income).....	72,846	64,797	+ 8,049
Federal taxes on income.....	348,784	456,787	- 108,003
<b>TOTAL CURRENT LIABILITIES</b>	<b>531,447</b>	<b>529,674</b>	<b>+ 1,773</b>
<b>OTHER LIABILITIES:</b>			
Note payable—C. M. St. P. & P. R. R. Co.....	2,652,000	2,652,000	.....
Interest payable.....	.....	1,332,108	- 1,332,108
Advances on coal leases and cutting contracts.....	142,345	180,059	- 37,714
Other liabilities.....	.....	5,658	- 5,658
<b>TOTAL OTHER LIABILITIES</b>	<b>2,794,345</b>	<b>4,169,825</b>	<b>- 1,375,480</b>
<b>STOCKHOLDERS' EQUITY:</b>			
Capital stock:			
Common stock—par value \$100 per share:			
Authorized—5,000 shares.....	500,000	500,000	.....
Issued and outstanding—5,000 shares.....	1,649,338	1,638,644	+ 10,694
Retained earnings.....	2,149,338	2,138,644	+ 10,694
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$5,475,130</b>	<b>\$6,838,143</b>	<b>- \$1,363,013</b>



CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY



ROUTE OF THE SUPER DOME HIAWATHAS

