

46
ANNUAL REPORT

OF THE

**MINNEAPOLIS, ST. PAUL & SAULT
STE. MARIE RAILWAY COMPANY**

**FOR THE YEAR ENDED
DECEMBER 31
1934**



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STE. MARIE RAILWAY COMPANY

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MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE
RAILWAY COMPANY

DIRECTORS

E. W. BEATTY	Montreal, Quebec
E. L. CARPENTER	Minneapolis, Minn.
E. W. DECKER	Minneapolis, Minn.
F. T. HEFFELFINGER	Minneapolis, Minn.
SIR HERBERT S. HOLT	Montreal, Quebec
C. T. JAFFRAY	Minneapolis, Minn.
C. S. LANGDON	Minneapolis, Minn.
CHARLES S. PILLSBURY	Minneapolis, Minn.
F. J. SENSENBRENNER	Neenah, Wis.
W. N. TILLEY, K. C.	Toronto, Ont.
L. E. WAKEFIELD	Minneapolis, Minn.
G. W. WEBSTER	Minneapolis, Minn.
E. A. YOUNG	St. Paul, Minn.

Two vacancies.

OFFICERS

C. T. JAFFRAY . . President	Minneapolis, Minn.
G. W. WEBSTER . Vice-President and Secretary	Minneapolis, Minn.
A. E. WALLACE . Vice-President and Gen'l Mgr.	Minneapolis, Minn.
F. R. NEWMAN . Vice-President in Charge of Traffic	Minneapolis, Minn.
H. S. MITCHELL . General Counsel	Minneapolis, Minn.
J. L. ERDALL . General Solicitor	Minneapolis, Minn.
D. J. BOND . Comptroller	Minneapolis, Minn.
E. G. CLARK . Freight Traffic Manager	Minneapolis, Minn.
H. M. LEWIS . General Passenger Agent	Minneapolis, Minn.
E. A. WHITMAN . Chief Engineer	Minneapolis, Minn.
B. N. LEWIS . Mech. Superintendent	Minneapolis, Minn.
G. W. LEIGH . Purchasing Agent	Minneapolis, Minn.
W. C. RANOUS . Gen'l. Supt. of Transportation	Minneapolis, Minn.
E. H. BUHLMAN . Gen'l. Superintendent	Minneapolis, Minn.
P. J. STOCK . Assistant Secretary	Minneapolis, Minn.
D. W. ALJOE . Assistant Secretary	64 Wall Street, New York, N. Y.
E. F. TREMAYNE Assistant Secretary	17 Bruton St., Berkley Sq., W. I., London, England
C. H. BENDER . Treasurer	Minneapolis, Minn.
J. E. OLSON . Asst. Treas. and Asst. Secretary	Minneapolis, Minn.

Transfer Agents: AGENTS, BANK OF MONTREAL
64 Wall Street, New York.

Fiscal Agents: AGENTS, BANK OF MONTREAL
64 Wall Street, New York.

Registrar of Stocks and Bonds: CENTRAL HANOVER BANK & TRUST CO.
OF NEW YORK

Annual Meeting Third Tuesday in May, at Minneapolis, Minn.

CENTRAL TERMINAL RAILWAY COMPANY

DIRECTORS

OFFICERS

C. T. JAFFRAY	President	Minneapolis, Minn.
G. H. PEAKS	Vice-President	Chicago, Illinois
G. W. WEBSTER	Vice-President	Minneapolis, Minn.
P. J. STOCK	Secretary	Minneapolis, Minn.
C. H. BENDER	Treasurer	Minneapolis, Minn.
J. E. OLSON	Assistant Treasurer	Minneapolis, Minn.
T. J. WALL	Assistant Secretary	Chicago, Illinois
D. J. BOND	Comptroller	Minneapolis, Minn.

Fiscal Agents: AGENTS, BANK OF MONTREAL
64 Wall Street, New York.

Annual Meeting Second Wednesday in May, at Chicago, Ill.

ANNUAL REPORT
of the
Minneapolis, St. Paul & Sault Ste. Marie Railway Co.

For the Fiscal Year Ended December 31, 1934

To the Stockholders:

Submitted herewith is a report for the fiscal year ended December 31, 1934.

The Gross Revenue, Operating Expenses, Fixed Charges, Net Income, etc., are shown in the following condensed statement:

	Year 1934	Year 1933
Gross Revenue	\$12,615,804.88	\$12,866,942.87
Operating Expenses	10,758,355.20	10,630,286.47
Net Revenue	\$1,857,449.68	\$2,236,656.40
Income from Other Sources	309,107.90	386,719.41
Total Income	\$2,166,557.58	\$2,623,375.81
Fixed Charges, Taxes, etc.	7,245,100.26	7,466,871.56
Net Deficit	\$5,078,542.68	\$4,843,495.75

Gross Revenue during 1934 was \$12,615,805.00, a decrease of \$251,138.00, or 1.95%, compared with the previous year.

Freight Revenue during 1934 was \$10,801,062.00, a decrease of \$258,210.00, or 2.33%.

The increases and decreases in Freight Revenue were as follows:

Products of Agriculture	\$772,180	Decrease
Products of Forests	134,373	Decrease
Less than Carload Freight	158,437	Decrease
Animals and Products	300,281	Increase
Products of Mines	15,727	Increase
Manufactures and Miscellaneous	490,772	Increase
 Total Decrease	\$258,210	

Products of Agriculture. During the year, North Dakota, South Dakota, Northeastern Montana, and large areas along our lines in Minnesota and Wisconsin experienced the most serious drought in recent history, resulting in an almost complete failure of grain, feed, hay crops and pasturage.

As a result of these conditions and the feeding to livestock of grain carried over from the previous year, there was a large decrease in shipments of grain from our territory. There was, however, an increase in the number of cars of all agricultural products handled caused by heavy outbound movements of distressed livestock, and inbound shipments of feed, including hay, straw, and other fodder. To prevent abandonment of farms and to retain foundation herds thereon, the railroads serving the territory transported this livestock and feed at greatly reduced rates. It is estimated that rate reductions thus granted by this Company amounted to approximately \$500,000.00 in 1934.

Shipments of grain to Minneapolis and Duluth markets from western territory tributary to our line, compared with corresponding shipments of the previous year, were as follows:

	1934	1933
	Bushels	Bushels
Before August 1.....	6,790,170	10,707,000
After August 1.....	6,553,485	10,517,000
 Total	 13,343,655	 21,224,000

The following table shows the grain crop harvested in each of the years shown and subsequently shipped to market over our line:

Year	Bushels	Year	Bushels
1915.....	83,527,877	1925.....	55,374,519
1916.....	34,233,059	1926.....	30,627,251
1917.....	28,560,411	1927.....	54,138,346
1918.....	52,002,485	1928.....	56,816,503
1919.....	30,393,424	1929.....	32,867,641
1920.....	41,232,301	1930.....	41,556,685
1921.....	36,832,460	1931.....	12,118,000
1922.....	59,429,961	1932.....	24,470,000
1923.....	34,657,645	1933.....	17,307,170
1924.....	66,280,641		

It is estimated the corresponding figure for 1934 will be approximately 8,000,000 bushels.

Products of Forests decreased as a result of the light demand for lumber and shingles caused by the continued low ebb of building construction. There was a decrease in the movement of pulpwood but moderate increases in fuel-wood, posts, and poles.

Less than Carload Freight. Increases in the first part of the year as a result of improved conditions were offset by the general falling off in business in the latter part of the year attributable largely to the effects of the drought on purchasing power. Trucks and forwarding companies continue to make large inroads on this class of traffic. Final

consideration is now being given to substantial reductions in merchandise rates as well as the desirability of offering store-door pick-up and delivery service on a new basis.

Animals and Products increased as a result of the forced movement of livestock from farms due to the drought. The United States Government purchased thousands of head of stock for slaughter or transfer to other territories where pasture or feed was available, nearly all of which moved by rail on Government bills of lading at reduced rates. From North Dakota alone over 950,000 head were disposed of in this way. Efforts are being continued to combat trucks in the movement of livestock with apparently good results.

Products of Mines. Movement of sand, gravel, and crushed stone increased as a result of more highway construction. There was also an increase in crude petroleum, a large part of which was consigned to Canadian refineries. These increases were partially offset by decreases in iron ore from the Cuyuna Range.

Our movement of iron ore from the Cuyuna Range to Upper Lake Ports was 291,775 tons in 1934 compared with 405,882 tons in 1933. Total movement by all lines to all Upper Lake Ports was 22,003,380 tons in 1934 and 21,623,898 in 1933.

Manufactures and Miscellaneous. The increase was partly the result of improved business conditions in the first part of the year and reflects the relatively greater degree of improvement in the so-called consumption industries. This class of business was least affected by the general falling off in the latter part of the year. Trucks continue to handle a large amount of this traffic.

Comparisons of Cars Loaded on our line and received from connections, and revenue, 1930 to 1934, inclusive, are shown in the statement below:

(000 omitted from revenue)					
Products, Agricultural:	1930	1931	1932	1933	1934
Cars	51,479	35,077	30,302	29,977	34,458
Revenue	\$5,865	\$3,388	\$2,982	\$3,276	\$2,503
Products, Animal:					
Cars	16,565	15,566	11,740	12,215	17,301
Revenue	\$1,285	\$1,210	\$ 801	\$ 813	\$1,114
Products, Mines:					
Cars	71,328	48,402	38,663	43,886	46,177
Revenue	\$3,256	\$2,308	\$1,934	\$2,104	\$2,120
Products, Forests:					
Cars	60,835	39,403	24,228	29,347	27,250
Revenue	\$2,755	\$1,696	\$1,158	\$1,266	\$1,132
Miscellaneous:					
Cars	58,699	41,936	32,028	31,848	39,616
Revenue	\$4,923	\$3,117	\$2,570	\$2,450	\$2,940
Merchandise:					
Tons	202,350	154,980	105,326	110,870	101,450
Revenue	\$2,091	\$1,560	\$1,130	\$1,150	\$ 992
Grand Total:					
Cars	258,906	180,384	136,961	147,273	164,802
Revenue	\$20,175	\$13,279	\$10,575	\$11,059	\$10,801

Passenger Revenue was \$682,495.00, an increase of \$60,532.00, or 9.7%. There was an increase in passenger business occasioned by reductions in the basic fares inaugurated in the previous year, and an increase in travel to and from the Pacific Coast.

Revenue from Milk and Cream handled in baggage cars was \$87,016.00, a decrease of \$21,836.00, or 20%, due to drought, increased use of trucks, and increased conversion into finished products near the source of supply.

Department of Agricultural Development. On account of the drought, farmers were compelled to sell a large share of their livestock to the United States Government Buying Agencies, reserving only a sufficient number for foundation herds. Feed for nearly all livestock in the area affected by the drought had to be purchased or furnished by Governmental Agencies. This department was called upon to do considerable educational work among the farmers in this area with regard to the proper feeding of livestock, and assisting in the Government cattle buying program.

During the year a very effective grasshopper eradication campaign was carried out in North Dakota, South Dakota, Montana, and Minnesota with funds made available by federal and local authorities, in which campaign we assisted. Surveys indicate that infestation in 1935 will be considerably less than in 1934, although conditions in several counties in North Dakota are still quite serious. It is thought this plague is well under control.

Experimental work on corn, potatoes, and livestock as well as activities with boys' and girls' clubs were continued on a curtailed basis.

Educational efforts were also carried on with Farmers' Livestock Shipping Associations to promote shipping of livestock by rail instead of by truck.

Bus and Truck Competition has become more severe, especially as to trucks. Drastic reductions in rates have been necessary in numerous instances to hold traffic to the railroads. Efforts to secure federal regulation of interstate truck operators were unsuccessful in 1934 due partly to the pressure of other legislation before Congress. Mr. Joseph B. Eastman, Federal Coordinator of Transportation, has recently submitted to Congress specific recommendations for the comprehensive regulation of all forms of transportation, which, if enacted into law and enforced, will be helpful.

Operating Expenses

	1934	1933	Increase or Decrease	Per Cent
Gross Operating Revenue	\$12,615,805	\$12,866,943	(251,138)	1.95
EXPENSES:				
Maintenance of Way and Structures	1,819,384	1,920,157	(100,773)	5.25
Maintenance of Equipment.....	2,496,237	2,550,259	(54,022)	2.12
Traffic	407,541	437,121	(29,580)	6.77
Transportation	5,202,296	4,965,401	236,895	4.77
Miscellaneous	47,263	35,060	12,203	34.81
General	796,012	734,745	61,267	8.34
Transportation for Investment—				
Credit	(10,378)	(12,456)	2,078	
Total Operating Expenses	10,758,355	10,630,287	128,068	1.20
Operating Ratio	85.28	82.62	2.66	
Net Revenue From Railway Operation	1,857,450	2,236,656	(379,206)	16.95
(Parentheses indicate red figures or decreases)				

There was a decrease of 8,000,000 bushels of grain moved from crop producing territory into terminals. This amount of business could have been moved in regular train service with but very little additional expense.

On July 1, 1934, one-fourth of the 10% wage reduction, made on February 1, 1932, was restored, increasing the payroll \$79,435.00. There were increases in prices of all material.

Maintenance of Way and Structures Expenses decreased \$100,773.00 or 5.25%.

Increases: \$12,609.00, restoration of wage reductions.

Decreases: \$27,800.00, less ties required, reflecting the benefits of treated tie program.

\$49,500.00, inventory adjustment on rail.

\$20,700.00, removing snow and ice.

Balance: Numerous other small savings made in supervision and labor.

Maintenance of Equipment Expenses decreased \$54,022.00, or 2.12%.

Increases: \$13,151.00, restoration of wage reductions.

\$84,300.00, repairs to locomotives. Program was increased during the first part of the year in anticipation of continued gradual increase in business.

Decreases: \$90,100.00, depreciation, due to old equipment retired and lowering of depreciation rates on instructions from the Interstate Commerce Commission.

\$61,200.00, repair to cars. Only such equipment was repaired as was necessary to handle the business offered.

Transportation Expenses increased \$236,895.00, or 4.77%.

While gross revenue decreased 1.95%, gross ton miles representing the transportation effort required, increased 5.85%.

Increases: \$45,833.00, restoration of wage reductions.

\$99,000.00, increased cost of coal.

General Expenses increased \$61,267.00, or 8.34%. The Railroad Retirement Act, effective August 1, 1934, required the railroads to make payments to the United States Treasury to provide pensions for retired employees. The railroads' contention that the Act is unconstitutional is now pending before the United States Supreme Court. Since August 1, 1934, this Company has included in its General Expenses the payments which it will be required to turn over to the United States Treasury if the Act is held constitutional. This resulted in an increase of \$107,715.00 in General Expenses, which was partially offset by further reductions in salaries of officers and certain supervisory employees and various economies amounting to \$46,448.00.

Taxes decreased \$196,068.00 due to reductions in assessments secured in the various states.

Hire of Equipment, representing amounts paid to and received from other companies, resulted in an income of \$39,665.00 compared to a charge of \$35,819.00 in the previous year. This was due to a decreased use of foreign cars and certain adjustments in accounting for rental of cars leased to the Wisconsin Central Railway.

Property Investment. The investment in road account shows a net decrease of \$6,866.07 for the year, resulting from retirements and accounting adjustments totaling \$217,588.57, which were substantially offset by expenditures for additions and betterments amounting to \$210,722.50. Abnormal retirements aggregating \$127,269.64 which are included in the above figures represent the book value of 52,194 feet of side and yard tracks and 13 structures no longer required because of discontinuances or reductions of service.

The equipment investment account was likewise decreased during the year by a net amount of \$2,407,896.87, brought about through retirements and accounting adjustments totaling \$2,447,890.45, partially offset by expenditures for additions and betterments amounting to \$39,993.58. The retirements include 6 locomotives, 1,689 freight train cars, 24 passenger train cars, and 69 work equipment units—practically all of which are covered by a special equipment retirement program under which the Interstate Commerce Commission authorized charging the retirement loss to Profit and Loss instead of to Operating Expenses.

The consolidation of June 11, 1888, that formed the present Soo Line included The Aberdeen, Bismarck and North-

western Railway Company, which, at the date of the consolidation, owned about 113 miles of graded roadbed and certain right-of-way running from Aberdeen, South Dakota, through Ashley and Wishek, North Dakota, to Bismarck, North Dakota. That part of the right-of-way between Aberdeen, South Dakota, and Ashley, North Dakota, was never used and parts of it had been sold from time to time. Title to the remainder had been lost through adverse possession and reversionary rights in the deeds. Its cost, which was represented by the amount of \$2,149,507.32 carried in Miscellaneous Physical Property was, therefore, written off to Profit and Loss during the year, under instructions of the Interstate Commerce Commission.

Funded and Unfunded Debt. The outstanding indebtedness was decreased by various payments during the year aggregating \$1,614,964.91, as follows:

Decreases

First Refunding Mortgage Bonds, Series "A".....	\$ 21,000.00
Twenty-five year Gold Notes	71,000.00
Equipment Trust Notes	505,000.00
Equipment Purchase Contracts	215,420.61
Short Term Loans from Reconstruction Finance Corporation..	71,464.95
Short Term Loans from The Railroad Credit Corporation.....	731,079.35

Total Decrease \$1,614,964.91

Non-negotiable Debt to Affiliated Companies increased \$5,790,273.09.

Because of the 1934 crop failure, the Company was without funds to pay the \$5,000,000 of its Two Year Six Per Cent Secured Notes which matured on August 1, 1934. Being advised of the situation, the holders of \$4,923,500 of the Notes have granted the Company extensions to August 1, 1936. A similar extension to that date was obtained from Reconstruction Finance Corporation on its \$5,000,000 loan to the Company which matured on August 1, 1934.

The Wisconsin Central properties are still in receivership; the Soo Line is still operating them as agent for the Receiver; the Court's decision that the Soo Line was entitled to terminate its lease of those properties still stands; and the controversy as to whether the lease was actually terminated is still pending.

The year 1934 was the most disastrous year this Company has ever experienced so far as the production of grain and livestock is concerned. The severe drought and heat during the growing season resulted in almost a total failure of grain and forage crops.

The drought was a hard blow to our livestock industry through the almost complete failure of forage crops. It resulted in the United States Government being compelled to purchase

and ship out of our territory practically fifty per cent of the livestock owned. This situation, of course, will affect the stability of the farmer's income for the reason that he will have to depend upon the grain crop for his income until such time as he can replace the stock sold last year.

Conditions as to moisture are much better this year. Minnesota and about the eastern third of North Dakota have an ample supply for a considerable period. The western two-thirds of North Dakota and the eastern part of Montana have a sufficient amount of moisture in the ground to allow for seeding and germination, but conditions must be very favorable the rest of the crop year if that section is to produce anything like a normal crop.

So far as it has been possible we have maintained our property in a condition to handle increased business, for which situation great credit must be given to our organization for the work it has done.

C. T. JAFFRAY,

President.

In Memoriam

RUSSELL M. BENNETT

Mr. Bennett, who became a member of our Board of Directors on May 19, 1925, died at his home in Minneapolis on October 30, 1934, at the age of 69 years. A student of mineralogy, an early explorer of the northern Minnesota iron deposits, a pioneer in their exploitation by modern methods, he acquired large mining interests here and in other States and countries, played an important part in the financial and artistic life of the Northwest, was respected both for his character and his ability by our officers and directors, and is mourned by them now that he has departed from their midst.

Mr. C. T. Jaffray, President,

*Minneapolis, St. Paul & Sault Ste. Marie Railway Co.,
Minneapolis, Minnesota.*

We have made an examination of the Balance Sheet of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company as at December 31, 1934, and of the Income and Profit and Loss Accounts for the year 1934. In connection therewith, we examined or tested accounting records of the company and other supporting evidence and obtained information and explanations from officers and employees of the company; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

At the present time, in view of the pending Receivership of the Wisconsin Central Railway Company and the legal proceedings incident thereto, the value of the Company's investment therein and advances thereto and the extent of its obligations under the lease agreement of April 1, 1909, and the agreement for the issue of Leased Line Certificates, cannot be determined.

The company's accounts are kept in accordance with the classification of accounts and regulations prescribed by the Interstate Commerce Commission; the method of computing depreciation of equipment has been modified in order to comply therewith.

In our opinion, based upon such examination and subject to the foregoing explanations, the accompanying Balance Sheet and related Income and Profit and Loss Accounts fairly present, in accordance with accepted principles of accounting consistently maintained by the company during the year under review, its position at December 31, 1934, and the results of its operations for the year.

PEAT, MARWICK, MITCHELL & Co.

New York, N. Y.
April 18, 1935.

GENERAL BALANCE SHEET

ASSETS

Property Investment:

Road.....	\$ 104,004,135.47
Equipment.....	29,411,040.82
	<u>\$ 133,415,176.29</u>
Less Reserve for Equipment	
Depreciation (Per Schedule on page 30).	<u>14,546,581.28</u>

Total..... \$ 118,868,595.01

Sinking Fund.....	2,346.68
Deposits in lieu of Mortgaged Prop. Sold.	4,884.94
Miscellaneous Physical Property.....	840,202.45
Wis. Cent. Ry. Co., Preferred Stock.....	11,256,400.00
(Pledged for M. St. P. & S. S. M. Ry. Co., 4% Leased Line Certificates)	

Investments in Proprietary, Affiliated,
and Controlled Companies:

Stocks (Per Schedule on page 18).....	\$ 12,008,382.47
Bonds (Per Schedule on page 18).....	8,007,852.20
W. C. Ry. Co. Advances.....	621,752.49
Other Advances.....	2,630,871.77
Total.....	23,268,858.93

Other Investments:

Stocks.....	\$ 1.00
Bonds.....	1,826,200.00
Notes.....	182,014.56
Real Estate Sales Contracts.....	<u>43,200.58</u>
Total (Per Schedule on page 18).....	2,051,416.14

Current Assets:

Cash.....	\$ 551,699.74
Special Deposits—Special Wisconsin Central Fiduciary Account.....	1,406,326.97
Other Special Deposits.....	129,701.40
Loans and Bills Receivable.....	515.35
Traffic and Car Service Balances.....	162,743.55
Agents and Conductors Balances.....	409,348.27
Miscellaneous Accounts Receivable.....	417,164.55
Material and Supplies.....	1,911,799.17
Interest and Dividends Receivable.....	1,825.09
Other Current Assets.....	<u>17,364.22</u>
Total.....	5,008,488.31

Deferred Assets:

Working Fund Advances.....	\$ 20,865.46
Other Deferred Assets.....	388,908.02
W. C. Ry. Co. Advances Prior to Receivership.....	<u>7,017,600.60</u>
Total.....	7,427,374.08

Unadjusted Debits:

Rents and Insurance Paid in Advance \$	26,928.38
Discount on Funded Debt	697,056.21
Discount on Canadian Funds.....	784,882.10
(To be extinguished as loans are repaid)	
Other Unadjusted Debits	<u>1,729,744.63</u>
Total.....	3,238,611.32
Grand Total.....	<u>\$ 171,967,177.86</u>

DECEMBER 31, 1934

LIABILITIES

Capital Stock:

Common.....	\$ 25,200,800.00
Preferred.....	12,603,400.00
Total.....	\$ 37,810,200.00

Governmental Grants:

Grants in Aid of Construction.....	3,224.89
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Funded Debt Unmatured.....	92,641,800.00
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(Per Funded Debt Schedule on Page 19)

M. St. P. & S. S. M. Ry. Co. 4% Leased Line Certificates.....	11,256,400.00
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(Issued in exchange for Preferred Stock of Wis.

Central Ry. Co., held by Trustee.)

Non-negotiable Debt to Affiliated Companies.....	13,685,112.71
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(Includes \$11,912,897.42 payable in Can-
adian Funds stated at \$11,972,461.91)

Current Liabilities:

Loans and Bills Payable.....	\$ 13,759,832.89
Traffic and Car Service Balances...	350,509.46
Audited Vouchers and Wages Payable	2,116,440.58
Miscellaneous Accounts Payable....	313,484.86
Interest Matured Unpaid.....	1,997,804.14
Interest Matured Unpaid (Leased Line Certificates).....	900,512.00
Unmatured Interest Accrued.....	389,815.12
Unmatured Rents Accrued.....	13,238.43
Receiver of W. C. Ry. Co.....	1,528,473.09
Other Current Liabilities.....	154,608.12
Total.....	21,524,718.69

Deferred Liabilities:

Equipment Purchase Contracts....	\$ 806,098.56
Other Deferred Liabilities.....	38,671.14
Total.....	844,769.70

Unadjusted Credits:

Tax Liability.....	\$ 808,817.47
Premium on Funded Debt.....	767.99
Other Unadjusted Credits.....	599,441.17
Total.....	1,409,026.63

Corporate Surplus:

Additions to Property thru Income and Surplus.....	\$ 241,264.38
Profit and Loss, Debit Balance....	7,449,339.14
Deficit.....	7,208,074.76
Grand Total.....	\$ 171,967,177.86

For statement of Contingent Liabilities see page 19.

*Unpaid installments liability for which is in dispute.

INVESTMENTS IN SECURITIES
STOCKS AND BONDS OF PROPRIETARY, AFFILIATED, AND
CONTROLLED COMPANIES

	Par Value	*Book Value
Capital Stock:		
Wisconsin Central Ry. Co.:		
Common:		
Unpledged.....	\$ 9,410,400.00	\$ 4,219,491.88
Pledged, for M. St. P. & S.		
S. M. Ry. Co., Twenty-five		
Year 5½% Gold Notes.....	6,590,100.00	2,849,690.59
Central Terminal Ry. Co.....x	2,000,000.00	2,000,000.00
Belt Railway Co. of Chicago...**	240,000.00	240,000.00
Minnesota Transfer Ry. Co.....	7,000.00	7,000.00
St. Paul Union Depot Co.....	103,600.00	103,600.00
Sainte Marie Union Depot Co.**	37,500.00	37,500.00
Western Express Co.....**	50,000.00	50,000.00
Tri State Land Co.....**	2,500,000.00	2,500,000.00
New Jersey Bridge Const. Co...**	2,500.00	250.00
Sault Ste. Marie Bridge Co....**	300.00	250.00
Railway Express Agency, Inc...**	No Par	600.00
Total.....	<u><u>\$ 20,941,400.00</u></u>	<u><u>\$ 12,008,382.47</u></u>
Bonds:		
Wisconsin Central Ry. Co.:		
First & Refdg. Mtge. due April 1, 1959. Deposited with the trustee of the M. St. P. & S. Ste. M. Ry. Co.		
1st Refunding Mortgage... Central Terminal Ry. Co.:	\$ 10,000,000.00	\$ 8,000,000.00
First Mortgage due Nov. 1, 1941.....	8,000.00	7,852.20
Total.....	<u><u>\$ 10,008,000.00</u></u>	<u><u>\$ 8,007,852.20</u></u>

OTHER INVESTMENTS IN SECURITIES

	Par Value	*Book Value
Capital Stock:		
Spokane International Ry. Co..	\$ 200,000.00	\$ 1.00
Bonds:		
Coeur d'Alene & Pend d'Oreille Ry. Co., First Mortgage.....	28,000.00	25,200.00
Clarkson Coal Mining Co., First Mortgage Bonds.....xx	1,801,000.00	1,801,000.00
Notes and Contracts:		
Miscellaneous.....	225,215.14	225,215.14
Total.....	<u><u>\$ 2,254,215.14</u></u>	<u><u>\$ 2,051,416.14</u></u>

*The "Book Value" represents the cost to the Company.

**Pledged with Railroad Credit Corporation for loans amounting to \$2,429,466.15 included in Loans and Bills Payable.

xPledged with Reconstruction Finance Corporation.

xx\$1,750,000 pledged with Reconstruction Finance Corporation. for loans amounting to Clarkson Coal Mining Co., Mortgage being foreclosed. Proceedings to reorganize Company under Bankruptcy Act are included in Loans and Bills Payable.

CAPITAL STOCK

DESCRIPTION		Number of Shares Authorized	Par Value of Shares	Total Par Value Issued	Amount Actually Outstanding
Common.....	.....	280,000	\$ 100.00	\$ 25,206,800.00	\$ 25,206,800.00
Preferred.....	.....	140,000	\$ 100.00	\$ 12,603,400.00	\$ 12,603,400.00
Total.....	.....	420,000	\$ 100.00	\$ 37,810,200.00	\$ 37,810,200.00

FUNDED DEBT

DESCRIPTION	Rate	When Payable	Date of Issue	When Due	Outstanding	Pledged as Collateral	Held by Company	In Hands of Public
*First Consolidated Mortgage Bonds.	4 7/8%	Jan. and July	July 1, 1888	1, 1938	\$ 56,863,000.00	.....	.....	\$ 56,863,000.00
**First Consolidated Mortgage Bonds.	5 1/2%	Jan. and July	July 1, 1888	1, 1938	14,284,000.00	.....	.....	14,284,000.00
*Second Refunding Mortgage-Series "A"	4 7/8%	Jan. and July	Jan. 1, 1890	1, 1949	3,500,000.00	.....	.....	3,500,000.00
*First Refunding Mortgage-Series "B"	6 1/2%	Jan. and July	July 1, 1892	1, 1946	2,191,000.00	.....	.....	2,191,000.00
Twenty-five Year Gold Notes.....	5 1/2%	Jan. and July	July 1, 1929	1, 1975	24,606,000.00	\$ 12,500,000.00	.....	12,106,000.00
Total Bonds Outstanding.....	5 1/2%	Mar. and Sept.	Mar. 1, 1924	Mar. 1, 1949	2,850,000.00	\$ 12,500,000.00	.....	2,843,800.00
Equipment Trust Notes:	.....	.....	.....	.....	\$ 3104,294,218.25	\$ 12,500,000.00	.....	6,418.25
Dillon, Read & Co.; Series "J"	6 1/2%	Mar. and Sept.	Mar. 1, 1921	Mar. 1, 1935	\$ 240,000.00	.....	.....	\$ 240,000.00
1st Nat. Bank & Trust Co. Series "L"	5 1/2%	May and Nov.	May 1, 1925	May 1, 1935	20,000.00	.....	.....	20,000.00
1st Nat. Bank & Trust Co. Series "M"	4 1/2%	May and Nov.	May 1, 1926	May 1, 1936	153,000.00	.....	.....	153,000.00
Cont. Ill. Nat. Bk. & Tr. Co. Series "O"	4 1/2%	June and Dec.	June 15, 1928	June 15, 1938	441,000.00	.....	.....	441,000.00
Total Equipment Trust Notes Outstanding.....	.....	.....	.....	.....	\$ 854,000.00	.....	.....	\$ 854,000.00
TOTAL FUNDED DEBT OUTSTANDING.....	.....	.....	.....	.....	\$ 3105,148,218.25	\$ 12,500,000.00	.....	6,418.25

CONTINGENT LIABILITIES

DESCRIPTION	Rate	Principal Outstanding	Date of Maturity	
Wisconsin Central Ry. Co.; First and Refunding Mortgage.....	4 7/8%	\$ 55,816,000.00	April 1, 1959	Interest guaranteed by endorsement by M. St. P. & S. S. M. Ry. Co.
First and Refunding Mortgage.....	5%	10,000,000.00	April 1, 1959	Deposited with the trustee of the M. St. P. & S. S. M. Ry. Co.
First and Refunding Mortgage.....	5%	51,000.00	April 1, 1959	First Refunding Mortgage. M. St. P. & S. S. M. Ry. Co. & Wis. Cent. Ry. Co. Joint 5% Coupons, attached.
First and Refunding Mortgage.....	5%	15,000,000.00	Jan. 1, 1972	Held in Wis. Cent. Ry. Co. Treasury. M. St. P. & S. S. M. Ry. Co., and Wis. Cent. Ry. Co. Joint 5% Coupons, attached.
Central Terminal Ry. Co.; First Mortgage.....	4%	2,167,000.00	Nov. 1, 1941	Principal and interest joint and several liability of Central Terminal Ry. Co. and M. St. P. & S. S. M. Ry. Co.
St. Paul Union Depot Co.; First and Refunding Mortgage Series "A".....	5%	46,000.00	July 1, 1937	Guaranteed jointly and severally by the C. B. & Q. R. R. C. G. W. R. R. C. St. P. M. & O. Ry. G. N. Ry. & St. L. R. R. M. St. P. & S. S. M. Ry. and N. P. Ry.
***Sault Ste. Marie Bridge Co.; First Mortgage.....	5%	46,000.00	July 1, 1937	Guaranteed jointly and severally by the M. St. P. & S. S. M. Ry. Co., The D. S. S. & A. Ry. Co. and C. P. Ry. Co.

*Interest guaranteed by Canadian Pacific Ry. Co.
**Interest guaranteed on \$8,176,000.00 by Canadian Pacific Ry. Co.
† After deducting bonds in sinking fund.

**Interest guaranteed on \$8,176,000.00 by Canadian Pacific Ry. Co.

OPERATING REVENUES AND EXPENSES

Year Ended December 31, 1934

Revenue from Transportation:

Freight Revenue.....	\$ 10,801,061.57
Passenger Revenue.....	682,494.89
Excess Baggage Revenue.....	2,203.63
Sleeping Car Revenue.....	47,656.32
Parlor and Chair Car Revenue.....	2,495.50
Mail Revenue.....	625,132.74
Express Revenue.....	116,304.17
Other Passenger Train Revenue.....	11,140.60
Milk Revenue on Pass. Trains.....	87,015.55
Switching Revenue.....	51,944.33
Other Freight Train Revenue.....	89.76
 Total Revenue from Transportation	 \$ 12,427,539.06

Incidental Operating Revenue:

Dining and Buffet Car Service.....	\$ 34,338.83
Station and Train Privileges.....	2,745.28
Parcel Room Receipts.....	43.45
Storage, Freight.....	5,895.10
Storage, Baggage.....	97.55
Demurrage.....	21,159.99
Telegraph and Telephone Service.....	52,890.32
Rents of Buildings and Other Property.	16,889.07
Miscellaneous.....	40,301.38
 Total Incidental Operating Revenue	 174,360.97
Joint Facilities Revenue Net Credit...	13,904.85
 Total Operating Revenue.....	 \$ 12,615,804.88

Operating Expenses:

Maintenance of Way and Structures...	\$ 1,819,384.34
Maintenance of Equipment.....	2,496,237.49
Traffic Expenses.....	407,540.73
Transportation Expenses.....	5,202,295.66
Miscellaneous Operations.....	47,262.96
General Expenses.....	796,011.54
Transportation for Investment.....Cr.	10,377.52
 Total Operating Expenses.....	 10,758,355.20
Net Operating Revenue.....	 \$ 1,857,449.68

INCOME ACCOUNT, YEAR ENDED DECEMBER 31, 1934

Net Operating Revenue.....	\$ 1,857,449.68
Railway Tax Accruals.....	\$ 801,942.69
Uncollectible Railway Revenue.....	<u>7,664.63</u>
	809,607.32
Railway Operating Income.....	<u>\$ 1,047,842.36</u>
Non-Operating Income:	
Hire of Equipment.....	\$ 178,216.99
Joint Facility Rent Income.....	161,360.08
Income from Lease of Road.....	8,690.72
Miscellaneous Rent Income.....	50,322.85
Miscellaneous Non-Operating Physical Property.....	Dr. 78,868.21
Dividend Income.....	4,148.58
Income from Funded Securities.....	Dr. 15,517.42
Income from Unfunded Securities and Accounts.....	261.25
Income from Sinking and Other Reserve Funds.....	73.96
Release of Premium on Funded Debt.....	67.10
Miscellaneous Income.....	<u>352.00</u>
Total Non-Operating Income.....	<u>309,107.90</u>
Gross Income.....	<u>\$ 1,356,950.26</u>
Deductions from Gross Income:	
Hire of Equipment.....	\$ 138,551.97
Joint Facility Rents.....	367,268.39
Rent for Leased Roads.....	1,437.00
Miscellaneous Rents.....	785.34
Miscellaneous Tax Accruals.....	5,406.09
Interest on Mortgage Bonds.....	4,083,669.28
Interest on Equipment Obligations.....	96,762.31
Interest on Leased Lino Certificates.....	450,256.00
Interest on Non-negotiable Debt	546,841.64
Interest on Long Term Contracts.....	110.00
Interest on Unfunded Debt.....	656,861.30
Amortization of Discount on Funded Debt.....	55,655.35
Miscellaneous Income Charges.....	<u>31,888.27</u>
Total deductions from Gross Income.....	<u>6,435,492.94</u>
Net Deficit transferred to Profit and Loss.....	<u>\$ 5,078,542.68</u>

PROFIT AND LOSS ACCOUNT TO DECEMBER 31, 1934

Credit Balance December 31, 1933	\$ 657,542.27
Net Deficit for year ended December 31, 1934	\$ 5,078,542.68
Profit and Loss additions for the year 1934:	
Profit on Road and Equipment Sold.....	\$ 205.26
Unrefundable Overcharges.....	2,183.74
Donations.....	619.26
Miscellaneous Credits.....	<u>361,360.44</u>
Total additions.....	\$ 364,368.70
Profit and Loss deductions for year 1934:	
Surplus Appropriated for Investment in	
Physical Property.....	\$ 619.26
Investment in Aberdeen Bismarck and	
Northwestern Ry. Co. Written Off....	2,149,507.32
Special Charges in Connection with Equip-	
ment Retirement Program.....	793,882.51
Loss on Retired Road and Equipment....	167,127.12
Guaranteed Interest on W.C.Ry. Co. Bonds	232,640.00
Miscellaneous Debits.....	<u>48,931.22</u>
Total deductions.....	\$ 3,392,707.43
Net Profit and Loss Deductions.....	<u>3,028,338.73</u>
Profit and Loss Net Debit for year ended Dec. 31, 1934.....	<u>8,106,881.41</u>
Debit Balance, December 31, 1934.....	<u>\$ 7,449,339.14</u>

Detailed Statement of Earnings and Expenses

EARNINGS		1934	1923
Freight.	\$ 10,801,061.57	\$ 11,059,271.90	
Passenger.	682,494.89	621,963.40	
Mail.	625,132.74	627,909.58	
Express.	116,304.17	139,947.73	
Miscellaneous.	216,450.54	249,306.91	
Incidental.	174,360.97	168,043.35	
Total Operating Revenue.	\$ 12,615,804.88	\$ 12,866,942.87	
OPERATING EXPENSES			
Maintenance of Way and Structures:			
Superintendence.	\$ 162,890.34	\$ 178,494.24	
Roadway Maintenance.	113,375.98	119,518.39	
Tunnels and Subways.	335.73	129.11	
Bridges, Trestles and Culverts.	81,482.70	60,416.73	
Ties.	507,257.44	535,085.89	
Rails.	20,037.23	70,964.67	
Other Track Material.	56,417.82	57,307.96	
Ballast.	4,664.20	4,045.39	
Track Laying and Surfacing.	490,776.54	493,181.44	
Right of Way Fences.	9,123.20	7,992.06	
Snow and Sand Fences and Snow Sheds.	6,610.41	10,731.82	
Crossings and Signs.	30,621.20	21,407.02	
Station and Office Buildings.	48,092.75	52,218.90	
Roadway Buildings.	941.02 Cr.	109.57	
Water Stations.	30,384.07	35,142.30	
Fuel Stations.	8,015.76	9,092.16	
Shops and Enginehouses.	37,166.88	27,115.11	
Wharves and Docks.	238.91	334.83	
Telegraph and Telephone Lines.	38,121.49	39,169.06	
Signals and Interlockers.	8,390.46	12,474.30	
Power Plant Buildings.	1,728.99	934.50	
Power Transmission Systems.	2.49		
Power Distribution Systems.	239.68	14.93	
Power Line Poles and Fixtures.		Cr. 3.88	
Paving.	99.00		
Roadway Machines.	22,317.33	29,173.62	
Small Tools and Supplies.	16,106.70	14,876.13	
Removing Snow, Ice and Sand.	44,615.73	65,355.73	
Assessments for Public Improvements.	35.01	71.26	
Injuries to Persons.	7,454.40	8,930.45	
Insurance.	7,813.37	7,978.38	
Stationery and Printing.	2,531.66	2,427.35	
Other Expenses.	20.00		
Maintaining Jt. Tracks, Yards and other Facilities—Dr.	72,236.17	66,219.65	
Maintaining Jt. Tracks, Yards and other Facilities—Cr.	10,760.32	10,533.19	
Total.	\$ 1,819,384.34	\$ 1,920,156.74	
Maintenance of Equipment:			
Superintendence.	\$ 60,948.04	\$ 69,351.09	
Shop Machinery.	19,707.85	16,643.64	
Power Plant Machinery.	9,882.59	5,410.24	
Steam Locomotives—Repairs.	662,587.35	578,244.24	
Steam Locomotives—Depreciation.	115,315.64	141,557.36	
Steam Locomotives—Retirements.	144.45	4,368.20	
Freight Train Cars—Repairs.	507,622.70	568,844.08	
Freight Train Cars—Depreciation.	786,872.07	802,874.84	
Freight Train Cars—Retirements.	18,931.71	2,638.49	
Passenger Train Cars—Repairs.	152,331.25	155,907.08	
Passenger Train Cars—Depreciation.	78,000.25	122,272.24	
Passenger Train Cars—Retirements.	1,637.11 Cr.	818.24	
Motor Equipment of Cars—Repairs.	1,215.85	70.74	
Motor Equipment of Cars—Depreciation.	386.04	694.92	
Work Equipment—Repairs.	17,111.75	19,087.23	
Work Equipment—Depreciation.	20,055.80	23,707.18	
Work Equipment—Retirements.	758.01	228.69	
Miscellaneous Equipment—Repairs.	1,047.25	750.09	
Miscellaneous Equipment—Depreciation.	1,207.38	500.92	
Miscellaneous Equipment—Retirements.	187.12	625.86	
Injuries to Persons.	8,642.09	3,949.52	
Insurance.	16,665.53	18,641.60	
Stationery and Printing.	2,521.86	1,982.85	
Other Expenses.	2,748.51	2,954.09	
Maintaining Joint Equipment—Dr.	11,889.75	11,621.60	
Maintaining Joint Equipment—Cr.	2,180.46	1,849.11	
Total.	\$ 2,496,237.40	\$ 2,550,259.14	

Detailed Statement of Earnings and Expenses—Continued

	1934	1933
Traffic Expenses:		
Superintendence.....	\$ 124,984.82	\$ 137,753.34
Outside Agencies.....	201,067.42	203,602.66
Advertising.....	23,744.23	31,467.64
Traffic Associations.....	11,004.70	10,309.96
Industrial and Immigration Bureaus.....	12,295.13	17,275.81
Insurance.....	178.25	174.66
Stationery and Printing.....	34,266.18	36,526.21
Other Expenses.....		10.67
Total.....	\$ 407,540.73	\$ 437,120.95
Transportation Expenses:		
Superintendence.....	\$ 149,553.07	\$ 159,105.31
Dispatching Trains.....	75,180.80	76,755.96
Station Employees.....	872,977.30	858,177.57
Weighing, Insp., and Demurrage Bureaus.....	15,554.33	14,653.84
Station Supplies and Expenses.....	67,653.29	66,505.64
Yard Masters and Yard Clerks.....	99,884.79	99,651.85
Yard Conductors and Brakemen.....	181,771.86	169,415.71
Yard Switch and Signal Tenders.....	9,839.17	9,886.86
Yard Enginemen.....	118,572.85	110,051.02
Fuel for Yard Locomotives.....	100,773.50	92,324.63
Water for Yard Locomotives.....	5,366.84	5,223.00
Lubricants for Yard Locomotives.....	1,876.36	1,583.74
Other Supplies for Yard Locomotives.....	1,017.11	718.05
Enginehouse Expenses—Yard.....	43,121.37	45,948.61
Yard Supplies and Expenses.....	5,373.78	5,349.61
Operating Joint Yards and Terminals—Dr.....	212,172.94	184,020.54
Operating Joint Yards and Terminals—Cr.....	20,483.11	20,052.55
Train Enginemen.....	693,727.49	664,185.59
Train Motormen.....	1,604.35	1,492.34
Fuel for Train Locomotives.....	973,619.89	856,142.55
Water for Train Locomotives.....	48,826.21	48,500.11
Lubricants for Train Locomotives.....	19,365.21	16,557.08
Other Supplies for Train Locomotives.....	10,475.80	8,729.77
Enginehouse Expenses—Train.....	144,433.92	152,358.71
Trainmen.....	873,342.98	843,838.29
Train Supplies and Expenses.....	230,050.76	212,354.30
Operating Sleeping Cars.....	30,998.13	40,511.05
Signal and Interlocker Operation.....	35,563.79	34,391.31
Crossing Protection.....	17,795.13	17,488.73
Telegraph and Telephone Operation.....	11,306.80	8,714.31
Stationery and Printing.....	25,243.13	24,432.92
Other Expenses.....	5,976.41	1,973.68
Operating Joint Tracks and Facilities—Dr.....	58,362.47	59,633.98
Operating Joint Tracks and Facilities—Cr.....	19,776.79	18,077.13
Insurance.....	6,739.00	7,864.56
Clearing Wrecks.....	6,211.70	7,241.72
Damage to Property.....	6,264.06	14,306.04
Damage to Live Stock on Right of Way.....	9,401.48	5,820.97
Loss and Damage—Freight.....	24,379.78	23,252.11
Loss and Damage—Baggage.....	13.48	255.45
Injuries to Persons.....	42,164.14	54,062.43
Total.....	\$ 5,202,295.66	\$ 4,965,400.86
Miscellaneous Operations:		
Dining and Buffet Service.....	\$ 47,262.96	\$ 35,059.95
General Expenses:		
Salaries and Expenses of General Officers.....	\$ 76,697.75	\$ 83,025.55
Salaries and Expenses of Clerks and Attendants.....	325,824.56	339,822.67
General Office Supplies and Expenses.....	21,457.62	36,385.92
Law Expenses.....	65,275.81	83,804.01
Insurance.....	771.47	631.79
Pensions.....	260,947.08	143,159.84
Stationery and Printing.....	12,237.22	12,855.59
Valuation Expenses.....	2,755.19	4,558.39
Other Expenses.....	23,881.74	24,451.21
General Joint Facilities—Dr.....	7,952.74	7,584.12
General Joint Facilities—Cr.....	1,789.64	1,534.21
Total.....	\$ 796,011.54	\$ 734,744.88
Transportation for Investment—Cr.....	\$ 10,377.52	\$ 12,456.05
Total Operating Expenses.....	\$ 10,758,355.20	\$ 10,630,286.47
Net Operating Revenue.....	\$ 1,857,449.68	\$ 2,236,656.40
Percentage of Expenses to Revenue.....	85.28	82.62

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

EARNINGS

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MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE

Year Ended December 31

	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925
Freight										
Passenger	\$ 11,059,271.90	\$ 10,574,600.66	\$ 13,278,653.19	\$ 20,175,141.74	\$ 23,334,263.49	\$ 25,477,032.54	\$ 28,931,608.27	\$ 21,168,137.01	\$ 23,152,475.72	
Mail	621,563.40	746,711.52	1,151,040.77	1,833,274.78	2,548,657.17	2,768,416.07	3,085,155.63	3,298,040.00	3,594,377.48	
Express	122,122.74	653,553.08	664,173.94	644,049.71	452,394.94	1,030,950.22	615,501.71	636,223.23	636,555.74	
Miscellaneous	116,304.17	139,947.73	315,019.49	452,394.94	530,454.24	563,023.75	562,401.92	538,240.31	521,976.99	
Incidental	216,450.54	249,806.91	292,980.12	422,221.94	655,638.94	651,821.13	771,262.70	766,304.56	835,655.28	
Total	\$ 174,360.97	108,043.35	148,402.13	288,653.54	455,313.52	489,943.07	531,733.11	503,011.14	536,512.06	524,031.43
Total	\$12,615,804.88	\$12,886,942.87	\$12,595,141.46	\$16,121,233.09	\$24,169,660.02	\$29,126,085.64	\$30,661,496.72	\$26,412,350.88	\$26,043,715.38	\$26,264,749.13
EXPENSES										
Maintenance of Way and Structures	\$ 1,819,384.34	\$ 1,920,150.74	\$ 2,057,712.65	\$ 2,446,178.25	\$ 3,089,649.60	\$ 3,898,659.52	\$ 3,893,492.15	\$ 3,890,531.51	\$ 3,922,003.45	
Maintenance of Equipment	2,496,237.49	2,560,259.14	2,961,240.32	3,372,692.86	4,667,264.55	5,483,889.33	5,284,150.02	5,189,419.73	5,366,329.69	
Trade Expenses	407,540.73	487,120.35	472,306.88	515,907.09	555,883.94	559,233.81	533,257.73	497,646.41	480,036.75	
Transportation Expenses	5,202,305.66	4,965,400.86	5,275,946.67	6,444,150.71	8,320,717.58	9,526,268.71	10,158,469.46	9,935,533.83	9,656,088.84	
Miscellaneous Operations	47,262.98	35,059.05	50,822.22	91,425.11	143,004.34	181,933.67	161,540.74	165,533.78	149,540.29	
General Expenses	796,011.54	734,443.88	715,762.51	779,166.38	827,948.21	821,246.87	775,498.88	734,571.04	750,434.96	
Transportation for Investment—Cr.	10,377.62	12,456.65	19,202.10	45,244.02	29,313.07	58,633.78	44,922.43	42,114.39	75,942.25	
Total	\$10,758,355.20	\$10,630,286.47	\$11,514,609.15	\$13,624,885.80	\$18,172,155.15	\$20,312,536.21	\$20,747,432.55	\$20,334,968.21	\$20,693,107.85	
Percentage of Expenses to Earnings	85.3	82.6	91.4	84.5	75.2	70.4	67.7	69.1	75.1	
Net Revenue from Ry. Operations	\$ 1,857,149.68	\$ 2,236,056.40	\$ 1,081,442.31	\$ 2,496,347.29	\$ 5,907,504.87	\$ 8,613,550.43	\$ 9,014,041.17	\$ 9,077,422.67	\$ 8,594,580.90	
Railway Tax Accruals	801,942.09	998,038.58	1,212,376.19	1,569,206.65	1,807,686.53	1,842,206.13	2,013,952.67	\$ 1,980,712.53	\$ 1,818,735.14	
Uncollectible Ry. Revenues	7,604.63	6,458.08	4,847.60	2,735.65	9,703.13	3,791.14	2,700.11	6,247.28	3,214.58	
Railway Operating Income	\$ 1,047,842.36	1,232,187.34	\$Dr.135,781.48	924,404.99	\$ 4,180,115.21	\$ 6,767,515.16	\$ 7,897,411.39	\$ 7,090,422.86	\$ 4,808,531.27	
Hire of Equipment—Net	Cr. 35,819.18	Dr. 12,507.19	Dr. 26,052.27	Drp. 208,768.73	Dr. 237,119.32	Dr. 246,014.20	Dr. 192,811.86	Dr. 138,660.05	Cr. \$211,441.94	
Joint Facility Rents—Net Dr.	205,908.31	199,013.15	197,316.93	206,406.60	216,594.39	175,765.35	131,916.71	117,483.16	118,311.91	
Net Railway Operating Income	\$ 881,599.07	\$ 997,355.01	\$Dr.345,635.60	\$ 694,946.12	\$ 3,754,747.59	\$ 6,356,650.49	\$ 7,516,780.48	\$ 6,779,555.94	\$ 4,885,517.16	
Interest on Funded Debt	\$ 5,177,639.23	\$ 5,040,764.33	\$ 4,870,537.64	\$ 5,228,870.61	\$ 5,376,447.86	\$ 4,915,366.41	\$ 4,956,601.70	\$ 4,942,219.36	\$ 4,956,052.72	
Non-Operating Income—Net	\$Dr.782,502.52	\$Dr.800,086.43	\$Dr.322,866.50	\$Cr.519,219.49	\$Cr.930,747.03	\$Cr.600,761.11	\$Cr.318,809.73	\$Cr.182,466.06	\$Cr.187,889.64	
Net Income to Surplus	\$Dr.5078,542.68	\$Dr.1843,405.75	\$Dr.5539,039.74	\$Dr.4014,675.00	\$Dr.690,953.24	\$ 2,042,025.19	\$ 2,919,988.42	\$ 2,020,201.64	\$ 1,2354,088.1	
Average Miles Operated	3,251.01	3,251.52	3,262.42	3,283.35	3,307.58	3,301.59	3,303.31	3,314.33	3,320.39	
Operating Expenses per mile of road	\$ 3,880.58	\$ 3,971.21	\$ 3,860.98	\$ 4,000.00	\$ 4,070.00	\$ 3,821.84	\$ 3,822.02	\$ 3,844.31	\$ 3,813.65	
Operating Expenses per mile of road	\$ 3,400.22	\$ 3,295.23	\$ 3,229.50	\$ 4,149.60	\$ 4,494.00	\$ 6,12,930.75	\$ 6,20,930.75	\$ 6,15,547.00	\$ 6,10,661.00	
Surplus Income per mile of road	\$Dr.1,352.19	\$Dr.1,489.61	\$Dr.1,897.83	\$Dr.1,222.74	\$Dr.208,900	\$ 68,500.54	\$ 883,900.54	\$ 632,13	\$ 431,30	

FREIGHT TRAFFIC MOVEMENT
 (Company's Material Excluded)

COMMODITY	Year Ended Dec. 31, 1934		Year Ended Dec. 31, 1933	
	Whole Tons	Per Cent	Whole Tons	Per Cent
Products of Agriculture				
Wheat.....	293,786	6.16	529,171	11.45
Corn.....	78,210	1.64	27,257	.59
Oats.....	48,647	1.02	27,478	.59
Barley and rye.....	61,217	1.28	84,800	1.84
Rice.....	283	.01	241	.01
Grain, N. O. S.....	129		482	.01
Flour, wheat.....	55,300	1.16	65,062	1.41
Meal, corn.....	859	.02	1,145	.02
Flour and meal, edible N. O. S.....	845	.02	936	.02
Cereal food preparations, edible, N. O. S.....	5,297	.11	4,848	.10
Mill products, N. O. S.....	78,480	1.65	74,424	1.61
Hay and alfalfa.....	81,658	1.71	26,243	.57
Straw.....	44,193	.93	1,079	.02
Tobacco, leaf.....	10			
Cotton in bales.....	255	.01		
Cotton linters, noils and regins.....	168		337	.01
Cottonseed, meal and cake.....	1,043	.02	490	.01
Oranges and grape fruit.....	1,986	.04	2,403	.05
Lemons, limes and citrus fruits, N. O. S.....	404	.01	222	
Apples, fresh.....	6,352	.13	4,090	.09
Bananas.....	1,428	.03	1,389	.03
Berries, fresh.....	295	.01	377	.01
Cantaloupes and melons, N. O. S.....	143		72	
Grapes, fresh.....	508	.01	492	.01
Peaches, fresh.....	665	.01	165	
Watermelons.....	344	.01	482	.01
Fruits, fresh, domestic, N. O. S.....	988	.02	1,159	.03
Fruits, fresh, tropical, N. O. S.....	58		12	
Potatoes, other than sweet.....	41,927	.88	48,587	1.05
Cabbage.....	11,586	.24	3,286	.07
Onions.....	290	.01	195	
Tomatoes.....	302	.01	247	.01
Vegetables, fresh, N. O. S.....	1,220	.03	1,009	.02
Beans, and peas, dried.....	3,706	.08	2,140	.05
Fruits, dried or evaporated.....	1,217	.03	872	.02
Vegetables, dry, N. O. S.....	495	.01	430	.01
Vegetable-oil cake and meal except cotton-seed.....	680	.01	838	.02
Peanuts.....	369	.01	322	.01
Flaxseed.....	23,703	.50	27,212	.59
Sugar beets.....	12,626	.26	22,429	.49
Products of agriculture, N. O. S.....	22,571	.47	14,020	.30
Total.....	884,283	18.55	976,443	21.13
Animals and Products				
Horses, mules, ponies and asses.....	3,965	.08	2,169	.05
Cattle and calves, single-deck.....	117,038	2.46	45,018	.97
Sheep and goats, single-deck.....	2,028	.04	2,096	.04
Sheep and goats, double-deck.....	2,711	.06	1,657	.04
Hogs, single-deck.....	5,090	.11	14,916	.32
Hogs, double-deck.....	188		1,023	.02
Fresh meats, N. O. S.....	8,014	.17	6,395	.14
Meats, cured, dried or smoked.....	2,495	.05	725	.02
Packing-house products, edible, N. O. S., not including canned meats.....	2,174	.05	1,736	.04
Poultry, live.....	102		80	
Poultry, dressed.....	6,744	.14	6,639	.14
Eggs.....	4,384	.09	5,535	.12
Butter.....	27,339	.57	31,302	.68
Cheese.....	1,498	.03	605	.01
Wool.....	953	.02	787	.02
Hides, green.....	13,730	.29	14,064	.30
Leather.....	560	.01	324	.01
Fish or sea animal oil.....	645	.01	1,202	.03
Animal products, N. O. S. (other than fertilizers and fertilizer materials).....	6,882	.15	6,720	.15
Total.....	206,540	4.33	143,083	3.10

FREIGHT TRAFFIC MOVEMENT—Continued
(Company's Material Excluded)

COMMODITY	Year Ended Dec. 31, 1934		Year Ended Dec. 31, 1933	
	Whole Tons	Per Cent	Whole Tons	Per Cent
Products of Mines				
Anthracite coal.....	22,379	.47	24,103	.52
Bituminous coal.....	505,197	10.60	448,144	9.70
Lignite.....	484,500	10.16	470,814	10.19
Coke.....	33,201	.70	25,074	.54
Iron ore.....	332,155	6.97	457,855	9.91
Ores and concentrates, N. O. S.....	1,072	.02	294	.01
Gravel and sand (other than glass or moulding).....	61,645	1.29	33,673	.73
Stone, broken, ground or crushed.....	105,765	2.22	78,619	1.70
Stone, rough, N. O. S.....	3,268	.07	3,281	.07
Stone, finished, N. O. S.....	368	.01	910	.02
Petroleum crude.....	133,806	2.81	104,732	2.27
Asphalt (natural, by-products, or petroleum).....	8,882	.18	6,424	.13
Salt.....	13,305	.28	14,736	.32
Sulphur (brimstone).....	8,020	.17	7,589	.16
Products of mines, N. O. S.....	26,368	.55	23,615	.51
Total.....	1,739,931	36.50	1,699,863	36.78
Products of Forests				
Logs.....	103,022	2.16	111,402	2.41
Posts, poles and piling.....	65,445	1.37	50,954	1.10
Wood (fuel).....	43,010	.90	30,068	.65
Ties, railroad.....	14,550	.31	12,793	.28
Pulp wood.....	270,504	5.68	294,501	6.37
Lumber, shingles and lath.....	258,579	5.43	306,149	6.62
Box, crate and cooperage materials.....	14,316	.30	12,869	.28
Veneer and built-up wood.....	647	.01	960	.02
Rosin.....	269	.01	210	.01
Turpentine.....	176	.....	213	.01
Crude rubber (not reclaimed).....	66	.....	48	.....
Products of forests, N. O. S.....	25,688	.54	27,715	.60
Total.....	796,272	16.71	847,882	18.35
Manufactures and Misc.				
Petroleum oils, refined and all other gasolines.....	345,635	7.25	294,227	6.38
Fuel, road and petroleum residual oils, N. O. S.....	18,535	.39	20,583	.44
Lubricating oils and greases.....	12,459	.26	9,755	.21
Petroleum products, N. O. S.....	198	.....	286	.01
Cottonseed oil.....	62	.....	256	.01
Linseed oil.....	19	.....	206	.....
Vegetable oils, N. O. S.....	75	.....	512	.01
Sugar (beet or cane).....	16,044	.34	11,443	.25
Table syrups and edible molasses.....	1,106	.02	978	.02
Molasses, blackstrap and beet residual.....	111	.....	.....	.....
Iron, pig.....	8,748	.18	11,298	.24
Iron and Steel, rated 6th Class in Official Classification, N. O. S.....	19	.....	.....	.....
Rails, fastenings, frogs and switches.....	4,539	.10	1,106	.02
Cast-iron pipe and fittings.....	1,123	.02	377	.01
Iron and steel pipe and fittings, N. O. S.....	4,325	.09	1,728	.04
Iron and steel; nails and wire, not woven.....	2,629	.05	2,466	.05
Iron and steel, rated 5th class in official classification, N. O. S. (also tin and terne plate).....	16,723	.35	13,282	.29
Copper, brass and bronze; bar, sheet and pipe.....	18	.....	30	.....
Lead and zinc ingot, pig or bar.....	865	.02	1,133	.02
Aluminum, ingot, pig or slab.....	.....	.....	15	.....
Machinery and boilers.....	4,600	.10	3,913	.08
Cement natural or Portland, building.....	45,293	.95	30,460	.66

FREIGHT TRAFFIC MOVEMENT—Concluded
 (Company's Material Excluded)

COMMODITY	Year Ended Dec. 31, 1934		Year Ended Dec. 31, 1933	
	Whole Tons	Per Cent	Whole Tons	Per Cent
Manufactures and Misc.—Cont.				
Brick, common.....	3,129	.07	3,352	.07
Brick, N. O. S. and building tile.....	6,002	.13	4,866	.11
Artificial stone, N. O. S.....	462	.01	518	.01
Lime, common (quick or slack).....	4,774	.10	4,006	.09
Plaster (stucco or wall) and dry kalsomine.....	2,222	.05	2,053	.04
Sewer pipe and drain tile (not metal).....	3,537	.07	2,555	.06
Agricultural implements and parts, N. O. S.....	3,203	.07	2,854	.06
Vehicles, horse drawn and parts, N. O. S.....	51	.....	46	.....
Tractors and parts.....	2,024	.04	683	.02
Railway car wheels, axles and trucks.....	1,440	.03	1,376	.03
Automobiles (Passenger).....	6,140	.13	3,239	.07
Auto trucks.....	1,946	.04	569	.01
Automobiles and auto trucks K. D., and parts, N. O. S.....	592	.01	131	.....
Automobile and auto truck tires.....	1,000	.02	859	.02
Furniture, metal.....	51	.....	42	.....
Furniture, other than metal.....	594	.01	362	.01
Beverages.....	11,127	.23	4,750	.10
Ice.....	5,463	.11	6,927	.15
Fertilizers, N. O. S.....	11,318	.24	10,063	.22
Newsprint paper.....	153,042	3.21	115,884	2.51
Printing paper, N. O. S.....	3,182	.07	2,493	.05
Alcohol, denatured or wood.....	956	.02	867	.02
Sulphuric acid.....	1,258	.03	940	.02
Explosives, N. O. S.....	537	.01	466	.01
Cotton cloth and cotton fabrics, N. O. S.....	375	.01	288	.01
Bagging and bags, burlap, gunny or jute.....	882	.02	696	.02
Canned food products, N. O. S.....	31,740	.67	21,892	.47
Tobacco, manufactured products.....	875	.02	927	.02
Paints in oils and varnishes.....	299	.01	257	.01
Scrap iron and scrap steel.....	37,405	.78	25,250	.55
Paper bags and wrapping paper.....	19,787	.41	18,519	.40
Paper board, pulpboard, and wallboard (paper).....	4,711	.10	2,051	.04
Building paper and prepared roofing ma- terials.....	6,001	.13	4,626	.10
Building woodwork (millwork).....	2,325	.05	2,929	.06
Soap and washing compounds.....	2,869	.06	2,277	.05
Glass, flat other than plate.....	303	.01	193	.....
Glass, bottles, jars, and jelly glasses.....	1,393	.03	1,562	.03
Manufactures and miscellaneous, N. O. S.....	222,108	4.66	187,442	4.06
Total.....	1,038,249	21.78	842,882	18.24
Grand Total C. L. Traffic.....	4,665,275	97.87	4,510,153	97.60
All L. C. L. Freight.....	101,450	2.13	110,870	2.40
Grand Total Carload and L. C. L. Traffic.....	4,766,725	100.00	4,621,023	100.00

Note:—N. O. S.—Not Otherwise Specified.

**Traffic and Mileage Statistics, per Interstate Commerce
Commission Classification**

	Year Ended Dec. 31, 1934	Year Ended Dec. 31, 1933
	Passengers, Tonnage, Rates, and Revenues	Passengers, Tonnage, Rates, and Revenues
Passenger Traffic		
Number of Passengers Carried Earning Revenue.....	258,096	185,341
Number of Passengers Carried One Mile.....	40,075,685	31,072,595
Number of Passengers Carried One Mile per Mile of Road..	12,327	9,556
Average Distance Carried, Miles	155 27	167 65
Total Passenger Revenue.....	\$682,494 89	\$621,963 40
Average Amount Received from Each Passenger.....	\$2 6444	\$3 3558
Average Receipts per Passenger per Mile.....	\$0 01703	\$0 02002
Total Passenger Service Train Revenue.....	\$1,574,443 40	\$1,590,035 55
Passenger Service Train Revenue per Mile of Road.....	\$484 29	\$489 01
Passenger Service Train Revenue per Train Mile.....	\$81526	\$81643
Freight Traffic		
Number of Tons Carried of Freight Earning Revenue.....	4,776,725	4,621,023
Number of Tons Carried One Mile	964,607,416	986,941,841
Number of Tons Carried One Mile per Mile of Road.....	296,710	303,532
Average Distance Haul of One Ton, Miles.....	202 36	213 58
Total Freight Revenue.....	\$10,801,061 57	\$11,059,271 90
Average Amount Received for Each Ton of Freight.....	\$2 26593	\$2 39325
Average Receipts per Ton per Mile.....	\$0 01120	\$0 01121
Freight Revenue per Mile of Road	\$3,322 37	\$3,401 26
Freight Revenue per Train Mile	\$4 11724	\$4 41037
Total Traffic		
Operating Revenue	\$12,615,804 88	\$12,866,942 87
Operating Revenue per Mile of Road.....	\$3,880 58	\$3,957 21
Operating Revenue per Train Mile.....	\$2 76991	\$2 88814
Operating Expenses.....	\$10,758,355 20	\$10,630,286 47
Operating Expenses per Mile of Road.....	\$3,309 23	\$3,269 33
Operating Expenses per Train Mile.....	\$2 36209	\$2 38610
Net Operating Revenue.....	\$1,857,449 68	\$2,236,656 40
Net Operating Revenue per Mile of Road.....	\$571 35	\$687 88

Traffic and Mileage Statistics—Continued

CLASSIFICATION	Year Ended Dec. 31, 1934	Year Ended Dec. 31, 1933
Locomotive Mileage, Revenue Service:		
Freight Locomotive-Miles.....	1,714,299	1,616,107
Passenger Locomotive-Miles.....	1,783,165	1,773,723
Mixed Locomotive-Miles.....	1,089,250	1,089,556
Switching Locomotive-Miles.....	544,648	517,128
Total Revenue Locomotive Mileage.....	5,131,362	4,996,514
Non-revenue Service Locomotive-Miles.....	39,393	46,976
Car Mileage, Revenue Service:		
Freight Car-Miles:		
Loaded.....	48,421,510	45,113,187
Empty.....	28,455,264	23,819,641
Caboose.....	1,902,254	1,789,669
Total Freight Car-Miles.....	78,779,028	70,722,497
Passenger Car-Miles:		
Passenger.....	3,573,224	3,544,146
Sleeping, Parlor and Observation.....	2,758,750	2,414,288
Other Passenger Train Cars.....	5,231,599	5,092,793
Total Passenger Car-Miles.....	11,563,573	11,051,227
Total Revenue Car Mileage.....	90,342,601	81,773,724
Non-revenue Service Car-Miles.....	70,825	60,531
Train Mileage, Revenue Service:		
Freight Train-Miles.....	1,688,829	1,587,231
Passenger Train-Miles.....	1,780,231	1,781,184
Mixed Train-Miles.....	1,085,535	1,086,680
Total Revenue Train Mileage.....	4,554,595	4,455,095
Non-revenue Service Train-Miles.....	18,645	27,866
Average Number of Passengers per Car-Mile.....	6.33	5.21
Average Number of Passengers per Train-Mile.....	20.75	15.95
Average Number of Passenger Cars per Train-Mile.....	5.99	5.67
Average Number of Tons of Revenue Freight per Loaded Car-Mile.....	19.95	21.90
Average Number of Tons of Revenue Freight per Train-Mile.....	367.70	393.59
Average Number of Freight Cars per Train-Mile.....	30.03	28.20
Average Number of Loaded Cars per Train-Mile.....	18.46	17.99
Average Number of Empty Cars per Train-Mile.....	10.85	9.50
Average Mileage Operated During Year....	3,251.01	3,251.52

ADDITIONS AND BETTERMENTS TO ROAD
Year Ended December 31, 1934

Engineering.....	Cr.\$	9,102.84
Land for Transportation Purposes.....	Cr.	6,976.71
Grading.....	Cr.	5,794.30
Bridges, Trestles and Culverts.....	Cr.	25,783.37
Ties.....	Cr.	13,490.09
Rails.....	Cr.	25,628.15
Other Track Material.....		120,067.03
Ballast.....	Cr.	11,611.82
Track Laying and Surfacing.....	Cr.	498.88
Right of Way Fences.....	Cr.	882.03
Snow and Sand Fences and Snowsheds.....	Cr.	885.01
Crossings and Signs.....	Cr.	18.05
Station and Office Buildings.....		1,010.45
Roadway Buildings.....	Cr.	9,465.00
Water Stations.....	Cr.	23.85
Fuel Stations.....	Cr.	2,883.09
Shops and Enginehouses.....	Cr.	17,826.76
Telegraph and Telephone Lines.....	Cr.	3,503.13
Signals and Interlockers.....	Cr.	2,129.12
Power Distribution Systems.....	Cr.	5.26
Roadway Machines.....		4,851.32
Assessments for Public Improvements.....		312.31
Shop Machinery.....		6,071.68
Power Plant Machinery.....	Cr.	2,367.00
Organization Expenses.....	Cr.	9.02
General Officers and Clerks.....	Cr.	9.03
Law.....	Cr.	9.02
Stationery and Printing.....	Cr.	10.51
Taxes.....	Cr.	9.75
Interest during Construction.....	Cr.	245.28
Other Expenditures—General.....	Cr.	12.79
Total.....	Cr.\$	6,866.07

RESERVE FOR EQUIPMENT DEPRECIATION
As of December 31, 1934

Depreciation on Locomotives.....	\$	2,835,071.73
Depreciation on Freight Cars.....		8,823,664.46
Depreciation on Passenger Cars.....		1,780,479.99
Depreciation on Motor Equipment of Cars.....		6,176.62
Depreciation on Work Cars.....		376,315.80
Depreciation on Miscellaneous Equipment.....		4,879.81
Depreciation on Leased Equipment.....		719,992.87
Total.....	\$	14,546,581.28

ADDITIONS AND BETTERMENTS TO EQUIPMENT
Year Ended December 31, 1934

ADDITIONS:

Locomotives—Miscellaneous Improvements.....	\$ 1,400.73
Automobile Cars—Reinforce Roofs, Widen Doors, and Install Auto Loaders.....	29,923.81
Box Cars—Youngstown Steel Doors and Minor Improve- ments.....	1,491.28
Caboose Cars—Steel Center Sills.....	583.23
Freight Train Cars—Miscellaneous Improvements.....	282.12
Buffet-Sun Parlor-Lounge Cars—Apply Diaphragms and Curtains.....	390.25
Mail and Express Cars—Reinforcements to Comply with U. S. Government Mail Service Requirements	580.56
Mail and Express Cars—Install Triplex Axle Pulleys.....	471.21
Passenger Coaches—Install Electric Lights and Fans, and Triplex Axle Pulleys.....	3,758.47
Passenger Train Cars—Apply Triplex Axle Pulleys.....	504.87
5 Tourist Cars—(Transferred from 5 Sleeping Cars).....	126,873.01
1 Derrick Car—(Converted from 1 Automobile Car).....	1,485.50
7 Other Company Service Equipment—(Converted from Revenue Service).....	15,220.85
Other Company Service Equipment—Miscellaneous Im- provements.....	533.00
2 Automobiles.....	539.76
1 Spraying Outfit Car—(Transferred from Other Company Service Equipment).....	397.70
 Total,.....	 \$ 184,436.35

DEDUCTIONS:

6 Locomotives.....	\$ 97,801.45
56 Automobile Cars (1 Car Converted to Work Service).....	70,982.45
1 Ballast Car.....	871.92
1,342 Box Cars (1 Car Converted to Work Service).....	1,606,622.00
62 Flat Cars (2 Cars Converted to Work Service).....	41,644.90
3 Gondola Cars.....	1,588.66
222 Refrigerator Cars.....	380,052.94
3 Stock Cars.....	2,446.18
12 Passenger Coaches.....	84,549.51
4 Mail and Express Cars (Converted to Work Service).....	25,898.95
5 Sleeping Cars (Transferred to 5 Tourist Cars).....	126,873.01
8 Tourist Cars.....	100,135.10
1 Officer's Car.....	11,522.62
2 Derrick Cars.....	3,598.90
66 Other Company Service Equipment (1 Car Transferred to Miscellaneous Equipment).....	37,381.23
1 Automobile.....	362.50
 Total,.....	 \$2,592,333.22
 Net Deductions.....	 \$2,407,896.87

EQUIPMENT OWNED DECEMBER 31, 1934

Equipment Owned and Operated

STEAM LOCOMOTIVES

Steam Locomotives—all classes.....	194
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FREIGHT TRAIN CARS

Automobile Cars.....	434
Ballast Cars.....	256
Box Cars.....	6,490
Caboose Cars.....	159
Flat Cars.....	335
Gondola Cars.....	700
Ore Cars.....	1,760
Refrigerator Cars.....	313
Stock Cars.....	398
Tank Cars.....	*
	6
Total Freight Train Cars.....	10,851

PASSENGER TRAIN CARS

Baggage Cars.....	28
Baggage and Smoking Cars.....	4
Buffet—Sun Parlor—Lounge Cars.....	4
Cafe—Observation Cars.....	3
Dining Cars.....	8
Mail and Express Cars.....	36
Milk Cars.....	1
Motor Cars.....	1
Observation Cars.....	2
Parlor Cars.....	3
Passenger Coaches.....	61
Passenger and Baggage Cars.....	10
Sleeping Cars.....	18
Tourist Cars.....	8
Total Passenger Train Cars.....	187

WORK EQUIPMENT

Officer's Cars.....	6
Derrick Cars.....	3
Steam Shovels.....	2
Wrecking Cars (Steam).....	5
Other Company Service Equipment.....	232
Total Work Equipment.....	248

MISCELLANEOUS EQUIPMENT

Automobiles.....	7
Electric Trucks.....	3
Lime Spreader.....	1
Spraying Outfit.....	1
Total Miscellaneous Equipment.....	12

*Tanks on Tank Cars owned by Chippewa Springs Corporation.

EQUIPMENT OWNED DECEMBER 31, 1934

Equipment Owned But Not Operated

LEASED TO WISCONSIN CENTRAL RY. CO.

STEAM LOCOMOTIVES

Steam Locomotives—all classes.....	27
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FREIGHT TRAIN CARS

Box Cars.....	1,842
Gondola Cars.....	100
Total Freight Train Cars.....	1,942

PASSENGER TRAIN CARS

Baggage Cars.....	4
Baggage and Smoking Cars.....	4
Dining Cars.....	1
Mail and Express Cars.....	1
Parlor and Cafe Cars.....	2
Total Passenger Train Cars.....	12

LEASED TO DULUTH, SOUTH SHORE AND ATLANTIC RY. CO.

Box Cars.....	50
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LEASED TO MINNESOTA NORTHWESTERN ELECTRIC RY. CO.

Motor Car.....	1
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MILEAGE

The mileage owned and operated is as follows:

Owned:

Sault Ste. Marie, Mich.	to Camden Pl., Mpls., Minn.	493.27
Lime Kiln, Manistique, Mich. ....	.....	.81
Rapid River, Mich.	to Eben Jct., Mich.	30.54
Gladstone Coal Dock, Gladstone, Mich. ....	.....	1.54
Wisconsin Jct., Wis.	to Winnebago Jct., Wis.	118.68
North Wye, Wis.	to Appleton, Wis.	1.07
Rhinelander, Wis., Mill Tracks. ....	.....	.57
Cameron, Wis.	to Birchwood, Wis.	23.26
Barron, Wis.	to Ridgeland, Wis.	18.52
Dresser Jct., Wis.	to Boylston Jct., Wis.	96.79
Summit, Wis.	to St. Croix Falls, Wis.	2.04
Cardigan Jct., Minn.	to St. Paul, Minn., 7th St. Frt. Hse.	8.13
Hilo Jct., Mpls., Minn.	to Columbia Hts. Jct., Mpls., Minn.	1.09
Columbia Hts. Jct., Mpls., Minn.	to Columbia Hts., Minn.	1.16
Minneapolis, Minn., 5th Ave. No.	to Portal, N. D.	549.43
Brooten, Minn.	to Duluth, Minn.	186.68
Moose Lake, Minn.	to Plummer, Minn.	192.57
Lawler, Minn.	to East Lake, Minn.	6.51
Deerwood, Minn.	to Cuyuna Range Mines, Minn.	23.58
Crosby, Minn.	to Ironton, Minn.	1.00
Glenwood, Minn.	to Noyes, Minn.	265.05
Dakota Jct., Minn.	to Kenmare, N. D.	296.44
Fordville, N. D.	to Drake, N. D.	130.96
Egeland, N. D.	to Armourdale, N. D.	21.88
Fairmount, N. D.	to Grenville, S. D.	87.17
Hankinson, N. D.	to Max, N. D.	304.84
Wishek, N. D.	to Pollock, S. D.	70.06
Drake, N. D.	to Plaza, N. D.	83.62
Prairie Jct., N. D.	to Sanish, N. D.	32.80
Flaxton, N. D.	to Whitetail, Mont.	136.62
Total Mileage Owned and Operated.....	.....	3,186.68

Jointly owned mileage included above:

Sault Ste. Marie, Mich.—D. S. S. & A. Ry.	1.71
Rhinelander, Wis.—C. & N. W. Ry. ....	.09
Minneapolis, Minn.—N. P. Ry. ....	.88
Bemidji, Minn.—M. & I. Ry. ....	.19
Deerwood, Minn.—Cuyuna Range Mines—N. P. Ry.	23.58
 Total.....	26.45

MILEAGE—Cont.

Total Mileage Owned and Operated..... 3,186.68

Trackage Rights Over W. C. Ry:

Superior, Wis., 28th St.....	to Tower Ave.....	2.44
Duluth, Minn., Berwind Jet.....	to 6th Ave.....	4.65
Total.....		7.09

Trackage Rights Joint with W. C. Ry:

St. Paul, Minn.....	N. P. Ry., Soo Line Jct., to 3rd St.....	2.27
	St. P. U. D. Co., 3rd. St., to Sibley St.....	6.02
	C. St. P. M. & O. Ry., and C. M. St. P. & P. R. R., Sibley St. to Chestnut St.....	.79
	C. M. St. P. & P. R. R., Chestnut St. to Minneapolis, Minn.....	10.57
Minneapolis, Minn.....	M. & St. L. R. R., 20th Ave So., to 4th Ave. No.....	.80
	N. P. Ry., 4th Ave. No. to 14th Ave. No.....	.59
Superior, Wis.....	D. S. Br. Co., Superior, Wis., to Interstate Bridge.	.54
	L. S. T. & T. Ry., Tower Ave.....	.40
	N. P. Ry., Grassy Point Line, Superior, Wis., to Duluth, Minn.....	2.05
Duluth, Minn.....	N. P. Ry., Duluth.....	1.03
Total.....		25.06

Other Trackage Rights:

Sault Ste. Marie, Mich.—Union Depot Co.....	.53	
Deerwood—McGregor, Minn., N. P. Ry.....	30.84	
Total.....		31.37

Total Soo Line Mileage Operated..... 3,250.20

Owned but not Operated:

Leased to: M. N. W. E. Ry., Thief River Falls to Goodridge, Minn. 18.67

CENTRAL TERMINAL

GENERAL BALANCE SHEET, DECEMBER 31, 1934

ASSETS

Property Investment.....	\$ 6,298,280.28
Sinking Fund:	
First Mortgage Chicago Terminal 4% 30 Year	
Gold Bonds:	
Bonds Held by Trustee.....	\$ 3,833,000.00
Cash Held by Trustee.....	22,204.33
Total.....	<u>3,855,204.33</u>
Miscellaneous Physical Property.....	<u>176,719.01</u>
Investments:	
M. St. P. & S. S. M. Ry. Co. 4% Leased Line Certificates.....	<u>219,258.93</u>
Current Assets:	
Cash.....	\$ 4,360.55
Special Deposits.....	20.00
Miscellaneous Accounts Receivable.....	35,788.53
Interest Receivable.....	6,106.00
Total.....	<u>46,275.08</u>
Unadjusted Debits:	
Discount on Funded Debt.....	\$ 44,423.50
Other Unadjusted Debits.....	.30
Total.....	<u>44,423.80</u>
Grand Total.....	<u><u>\$ 10,640,161.43</u></u>

LIABILITIES

Capital Stock.....	\$ 2,000,000.00
Funded Debt Unmatured:	
First Mortgage Chicago Terminal 4% 30 year	
Gold Bonds:	
Audited Vouchers.....	\$ 10,237.16
Interest Matured Unpaid.....	20.00
Unmatured Interest Accrued on Funded Debt..	14,446.07
Other Current Liabilities.....	32.40
Total.....	<u>24,736.23</u>
Deferred Liabilities.....	<u>2,352.45</u>
Unadjusted Credits:	
Tax Liability.....	<u>235,706.76</u>
Corporate Surplus:	
Additions to Property thru Income and Surplus. \$ 4,856.54	
Profit and Loss, Credit Balance.....	650,641.51
Total.....	<u>655,498.05</u>
Grand Total.....	<u><u>\$ 10,640,161.43</u></u>

RAILWAY COMPANY

INCOME ACCOUNT, YEAR ENDED DECEMBER 31, 1934

Railway Tax Accruals.....	\$ 68,806.94
Railway Operating Income.....	<u>\$Dr. 68,806.94</u>
Non-Operating Income:	
Income from Lease of Road	\$ 180,000.00
Miscellaneous Rent Income.....	<u>90,378.65</u>
Total Non-Operating Income.....	<u>270,378.65</u>
Gross Income.....	<u>\$ 201,571.71</u>
Deductions from Gross Income:	
Interest on Funded Debt.....	\$ 92,955.24
Amortization of Discount on Funded Debt.....	6,813.50
Maintenance of Investment Organization.....	40.00
Miscellaneous Income Charges.....	<u>821.98</u>
Total deductions from Gross Income	<u>100,630.72</u>
Net Income Transferred to Profit and Loss.....	<u><u>\$ 100,940.99</u></u>

PROFIT AND LOSS ACCOUNT TO DECEMBER 31, 1934

Credit Balance December 31, 1933.....	\$ 549,044.52
Net Income for year ended December 31, 1934.....	\$ 100,940.99
Profit and Loss additions for the year 1934:	
Miscellaneous Credits to Profit and Loss.....	<u>\$ 7,370.00</u>
Total.....	<u>\$ 108,310.99</u>
Profit and Loss deductions for year 1934:	
Miscellaneous Debits to Profit and Loss.....	<u>6,714.00</u>
Profit and Loss Net Credit for year ended Dec. 31, 1934.	<u>101,596.99</u>
Credit Balance, December 31, 1934.....	<u><u>\$ 650,641.51</u></u>