

1955

UNION PACIFIC RAILROAD COMPANY

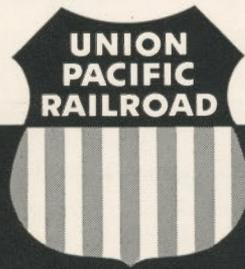


FIFTY-NINTH ANNUAL REPORT

*Year ended December 31, 1955*

**59TH  
ANNUAL  
REPORT**

*Year ended December 31, 1955*



**UNION PACIFIC  
RAILROAD  
COMPANY**



# UNION PACIFIC RAILROAD COMPANY

## DIRECTORS

(January 1, 1956)

E. ROLAND HARRIMAN, <i>Chairman</i> , ARDEN, N. Y.			
FRANK E. BARNETT . . . . .	NEW YORK, N. Y.	WILLIAM C. MULLENDORE . . . . .	LOS ANGELES, CALIF.
W. DALE CLARK . . . . .	OMAHA, NEBR.	GEORGE E. ROOSEVELT . . . . .	NEW YORK, N. Y.
WALTER D. FLETCHER . . . . .	GLEN HEAD, N. Y.	HOWARD C. SHEPERD . . . . .	BRONXVILLE, N. Y.
ARTEMUS L. GATES . . . . .	LOCUST VALLEY, N. Y.	JOHN S. SINCLAIR . . . . .	NEW YORK, N. Y.
THOMAS P. JERMAN . . . . .	SHORT HILLS, N. J.	EDWARD G. SMITH . . . . .	NEW ROCHELLE, N. Y.
LEROY A. LINCOLN . . . . .	NEW YORK, N. Y.	A. E. STODDARD . . . . .	OMAHA, NEBR.
ROBERT A. LOVETT . . . . .	LOCUST VALLEY, N. Y.	L. J. TRACY . . . . .	NEW ROCHELLE, N. Y.

## EXECUTIVE COMMITTEE

(January 1, 1956)

ROBERT A. LOVETT, *Chairman*

LEROY A. LINCOLN	JOHN S. SINCLAIR
GEORGE E. ROOSEVELT	E. ROLAND HARRIMAN, <i>ex officio</i>

## GENERAL OFFICERS

(January 1, 1956)

E. ROLAND HARRIMAN . . . . .	<i>Chairman, Board of Directors</i> . . . . .	NEW YORK, N. Y.
ROBERT A. LOVETT . . . . .	<i>Chairman, Executive Committee</i> . . . . .	NEW YORK, N. Y.
L. J. TRACY . . . . .	<i>Vice-President, Controller</i> . . . . .	NEW YORK, N. Y.
FRANK E. BARNETT . . . . .	<i>Vice-President and Eastern General Counsel</i> . . . . .	NEW YORK, N. Y.
A. C. SHERWOOD . . . . .	<i>Secretary</i> . . . . .	NEW YORK, N. Y.
D. A. POWELL . . . . .	<i>Treasurer</i> . . . . .	NEW YORK, N. Y.
A. E. STODDARD . . . . .	<i>President</i> . . . . .	OMAHA, NEBR.
P. J. LYNCH . . . . .	<i>Vice-President</i> . . . . .	OMAHA, NEBR.
E. J. CONNORS . . . . .	<i>Vice-President</i> . . . . .	OMAHA, NEBR.
ELGIN HICKS . . . . .	<i>Vice-President, Operations</i> . . . . .	OMAHA, NEBR.
W. T. BURNS . . . . .	<i>Vice-President, Traffic</i> . . . . .	OMAHA, NEBR.
A. J. SEITZ . . . . .	<i>Vice-President</i> . . . . .	PORTLAND, ORE.
WILLIAM REINHARDT . . . . .	<i>Vice-President, Oil Development</i> . . . . .	LOS ANGELES, CALIF.
W. R. ROUSE . . . . .	<i>Vice-President and Western General Counsel</i> . . . . .	OMAHA, NEBR.
R. M. SUTTON . . . . .	<i>Vice-President and General Auditor</i> . . . . .	OMAHA, NEBR.
L. J. BACHMAN . . . . .	<i>Assistant to President</i> . . . . .	OMAHA, NEBR.
D. A. SMITH . . . . .	<i>Assistant to President</i> . . . . .	OMAHA, NEBR.
G. E. STANLEY . . . . .	<i>Executive Assistant</i> . . . . .	KANSAS CITY, MO.
W. C. PERKINS . . . . .	<i>Chief Engineer</i> . . . . .	OMAHA, NEBR.
E. H. BAILEY . . . . .	<i>General Manager, Eastern District</i> . . . . .	OMAHA, NEBR.
A. D. HANSON . . . . .	<i>General Manager, South-Central District</i> . . . . .	SALT LAKE CITY, UTAH
D. F. WENGERT . . . . .	<i>General Manager, Northwestern District</i> . . . . .	PORTLAND, ORE.
J. R. MacANALLY . . . . .	<i>General Freight Traffic Manager</i> . . . . .	OMAHA, NEBR.
E. A. KLIPPEL . . . . .	<i>General Passenger Traffic Manager</i> . . . . .	OMAHA, NEBR.
F. J. MELIA . . . . .	<i>General Solicitor</i> . . . . .	OMAHA, NEBR.
B. P. LEVERICH . . . . .	<i>General Solicitor</i> . . . . .	SALT LAKE CITY, UTAH
ROY F. SHIELDS . . . . .	<i>General Solicitor</i> . . . . .	PORTLAND, ORE.
E. E. BENNETT . . . . .	<i>General Solicitor</i> . . . . .	LOS ANGELES, CALIF.
L. L. BURRI . . . . .	<i>Assistant Treasurer</i> . . . . .	OMAHA, NEBR.

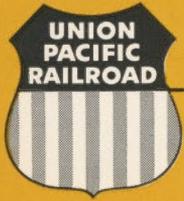
## OFFICES

120 BROADWAY, NEW YORK 5, N. Y.

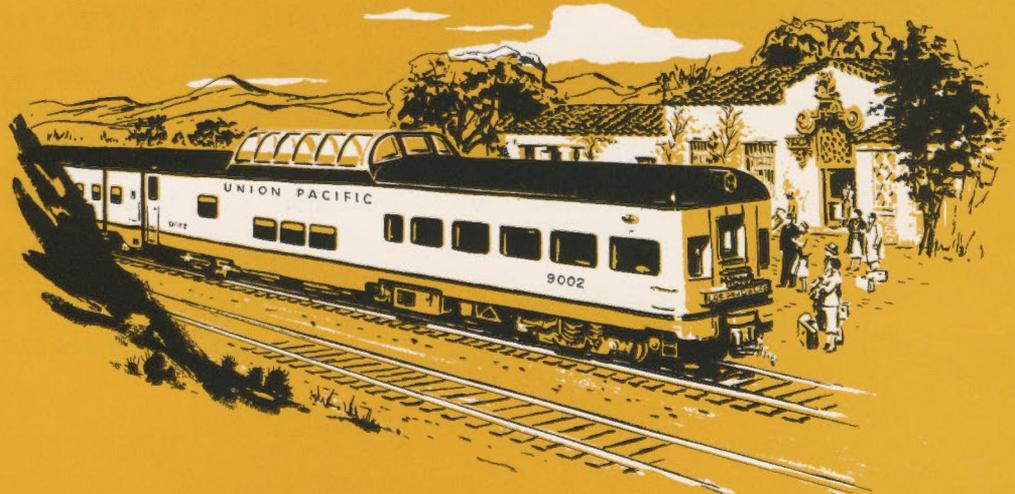
1416 DODGE STREET, OMAHA 2, NEBR.

Annual Meeting of Stockholders, Salt Lake City, Utah, second Tuesday in May.

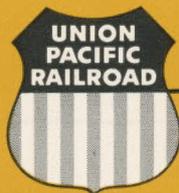
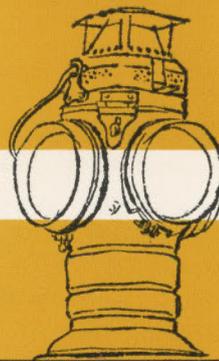
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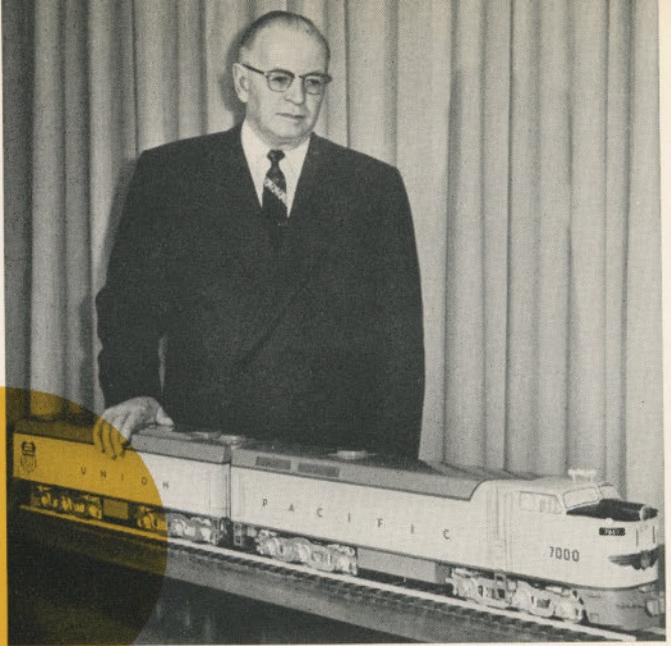
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# HIGHLIGHTS



	<u>1955</u>	<u>1954</u>
OPERATING REVENUES . . . . .	\$509,362,476	\$481,786,451
OPERATING EXPENSES . . . . .	\$370,526,330	\$365,858,880
OPERATING RATIO (ratio of expenses to revenues) . . . . .	72.74%	75.94%
REVENUES OVER EXPENSES . . . . .	\$138,836,146	\$115,927,571
FEDERAL INCOME TAXES (including taxes on income from oil and gas operations and other non-transportation sources) . . . . .	\$ 40,300,000	\$ 33,500,000
OTHER TAXES . . . . .	\$ 32,217,848	\$ 30,186,778
EQUIPMENT AND JOINT FACILITY RENTS (Debit) . . . . .	\$ 22,578,806	\$ 22,679,243
NET INCOME FROM TRANSPORTATION OPERATIONS:		
As Stated in Income Account . . . . .	\$ 43,739,492	\$ 29,561,550
After Adding Back Federal Income Taxes Applicable to Oil and Gas Operations . . . . .	\$ 52,111,592	\$ 40,280,550
NET INCOME FROM OIL AND GAS OPERATIONS:		
As Stated in Income Account . . . . .	\$ 28,075,475	\$ 33,743,135
After Deducting Applicable Federal Income Taxes . . . . .	\$ 19,703,375	\$ 23,024,135
DIVIDEND INCOME . . . . .	\$ 6,883,737	\$ 5,265,729
OTHER INCOME . . . . .	\$ 6,323,588	\$ 6,867,661
INTEREST ON FUNDED DEBT, AND OTHER CHARGES . . . . .	\$ 5,795,036	\$ 5,815,410
NET INCOME . . . . .	\$ 79,227,256	\$ 69,622,665
NET INCOME (after Preferred Dividends) PER SHARE OF COMMON STOCK . . . . .	\$16.93	\$14.76
COST OF NEW EQUIPMENT AND OTHER IMPROVEMENTS . . . . .	\$ 61,913,984	\$ 88,805,972
COST OF NEW EQUIPMENT AND OTHER IMPROVEMENTS PER SHARE OF COMMON STOCK . . . . .	\$13.93	\$19.98
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK . . . . .	\$ 8.00	\$ 7.00
TON-MILES OF REVENUE FREIGHT CARRIED (thousands) . . . . .	34,861,396	32,065,877
AVERAGE REVENUE PER TON-MILE (cents) . . . . .	1.267	1.288
AVERAGE NUMBER OF EMPLOYES . . . . .	49,744	49,823
TOTAL WAGES PAID . . . . .	\$235,446,579	\$231,035,018



# UP

## TO OUR STOCKHOLDERS:

**N**et income for the year 1955 increased 13.8 per cent over the preceding year and established an all time high for the Union Pacific.

Substantial capital expenditures for modern locomotives and improved plant and facilities, in recent years, are paying dividends in operating economies, and with the continued heavy volume of freight traffic which we enjoyed, operating results for the year were favorable. Accelerated amortization, for tax purposes, of the cost of new facilities and equipment, resulting in an income tax deferment, also contributed to improvement in income.

As shown in the chart on page 11 of this report, preponderant use of modern locomotives enabled attaining a record high in average gross ton-miles per train hour, generally accepted as a measure of efficiency in freight-train operation.

Maintenance of roadway, plant, and equipment was continued at a high standard.

Oil and gas net income declined 16.8 per cent due to natural decline in rate of production in our principal producing field at Wilmington, and to greater expenses in that and other fields.

During the year 1955 we acquired 62 diesel locomotive units, 1,279 freight-train cars and 43 passenger-train cars. On January 1, 1956, there were on order 15 gas-turbine locomotives, 13 diesel switching locomotives, 3,947 freight-train cars and 26 passenger-train cars.

The new yard and terminal facilities at East

Spokane, Washington, were placed in operation July 11, 1955.

Effective October 30, 1955, our Streamline passenger trains between Chicago and Denver, and between Chicago and the West Coast, began operating in and out of the Union Station in Chicago, being handled by the Milwaukee Railroad between Chicago and Omaha. The five dome cars received in 1954 and the 30 additional dome cars received in 1955, operating in our Streamline trains, are proving highly popular in providing added travel pleasure and comfort.

The advantages gained by industries through being located on Union Pacific tracks are being well recognized, as evidenced by the substantial increase in new and important industries located on our line during the year.

The Geological Department continued its investigation into practical utilization of iron-titanium ore deposits in Union Pacific territory and while some progress was made, there are basic technical problems which must be resolved before development can be considered. The Department was active in exploration for other valuable minerals adjacent to the Union Pacific, but no important developments occurred during 1955.

The patronage of our many shippers and receivers of freight, and of travelers on our passenger trains, and the loyal, efficient service rendered alike by officers and employes throughout the year, are appreciated and acknowledged by the Directors and myself.

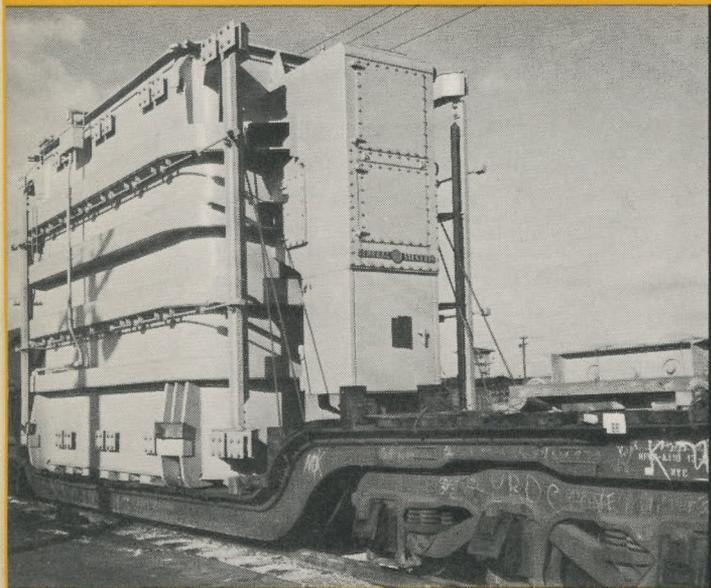
*President*



*Choice beef goes to market by swift Union Pacific trains.*



*Oil and petroleum products add to Union Pacific revenues.*



*Only a railroad could handle a giant transformer like this.*



*Potatoes are among the many agricultural products shipped over U.P.*

*Mountains of mail matter pass through the Council Bluffs terminal.*



*Artificial snowstorm—"Top icing" keeps lettuce fresh and crisp.*



## REPORT OF THE BOARD OF DIRECTORS

New York, N. Y., April 26, 1956.

TO STOCKHOLDERS OF UNION PACIFIC RAILROAD COMPANY:

The Board of Directors submits the following report for the Union Pacific Railroad Company, including its Leased Lines\*, for the year ended December 31, 1955.

### CONDENSED STATEMENT OF INCOME

	1955	1954
Operating revenues .....	\$509,362,476	\$481,786,451
Operating expenses .....	\$370,526,330	\$365,858,880
Taxes (including taxes on income from oil and gas operations and other non-transportation sources) .....	72,517,848	63,686,778
Equipment and joint facility rents—net charge .....	22,578,806	22,679,243
Net income from transportation operations .....	\$ 43,739,492	\$ 29,561,550
Net income from oil and gas operations (excluding income taxes)	28,075,475	33,743,135
All other income .....	13,207,325	12,133,390
Total income .....	\$ 85,022,292	\$ 75,438,075
Fixed and other charges .....	5,795,036	5,815,410
Net income from all sources .....	\$ 79,227,256	\$ 69,622,665

Net income from all sources, before dividends on preferred and common stocks of Union Pacific Railroad Company, represented a return for the year of 7.90 per cent on the average equity (par value of capital stock plus surplus) of Union Pacific Stockholders, compared with a return of 7.23 per cent in 1954.

Net earnings per share of common stock, after preferred dividends, amounted to \$16.93, or \$2.17 more per share than in 1954. However, if wage increases granted to employees during 1955 had been in effect for the entire year,

operating expenses would have been increased by approximately \$16 million, which after allowing for a consequent decrease in Federal income taxes, would have reduced net earnings per share of common stock in 1955 by about \$1.73.

It should also be noted, as explained under "Taxes" on page 12, that about \$2.68 of the net income per share arose from the deferment of Federal income taxes resulting from the rapid write-off, for income tax purposes, of the cost of certain improvements.

\* Leased Lines are: Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company, and The St. Joseph and Grand Island Railway Company. Figures in the Income Account and other tables are stated on a consolidated basis, excluding offsetting accounts between companies.



## OPERATING REVENUES

	1955	1954	Increase	Decrease	Per Cent
Freight .....	\$441,533,942	\$413,155,686	\$28,378,256	.....	6.9
Passenger .....	30,208,680	31,574,599	.....	\$1,365,919	4.3
Mail .....	16,357,649	17,159,634	.....	801,985	4.7
Express .....	5,952,155	5,135,178	816,977	.....	15.9
Other .....	15,310,050	14,761,354	548,696	.....	3.7
Total operating revenues .....	\$509,362,476	\$481,786,451	\$27,576,025	.....	5.7

The increase in **Freight** revenue was largely a reflection of the nation-wide improvement in business activity and general prosperity in 1955. Ton-miles of revenue freight were 8.7 per cent greater than in 1954 and represented the largest volume of freight traffic hauled by the Union Pacific in any year since the World War II year of 1945. There was a drop of 1.6 per cent in average revenue per ton-mile, which can be ascribed partly to an increase of .7 per cent in average distance hauled per ton and partly to fluctuations in relative quantities of the many different commodities carried. The general level of freight rates in 1955 was unchanged from 1954; however, the temporary increase in rates effective May 2, 1952, which was to have expired December 31, 1955, was made permanent by the Interstate Commerce Commission.

The largest *increases* in revenue were in: *automobiles and parts*, as the result of the record-breaking output and sales by manufacturers in 1955; *iron and steel products*, *bituminous coal*, and *iron ore*, chiefly because of expanded operations of steel plants; *lumber* (during first nine months of the year) and *plywood*, reflecting increased construction activity; *canned and packaged food products*, resulting from greater eastbound movement from Pacific Coast points in response to increased consumer demand; *less than carload freight*, due to improved business conditions, a strike of truckers in Pacific Coast and other Western areas for a short period in the late spring, and recapture of some traffic from highway carriers; *machinery and parts*, with more shipments of machines both for industrial purposes and for household use; *soda products*, resulting principally from continued expansion of

production at Westvaco, Wyoming; and *forwarder traffic* (consolidated shipments tendered by freight forwarders for movement in carload service), as the result of the increase in business volume and the strike of truckers mentioned above.

The most substantial *decreases* in revenue were in: *ammunition and explosives*, attributable to reduced Government traffic; *wheat*, due to decline in shipments to Pacific Northwest ports for export and a greater proportion of the current year's crop having been stored locally under Government loans; *sugar*, resulting primarily from smaller sugar beet crops; *hay*, because of less movement to supply farms in Missouri, Arkansas, and Texas, which suffered from drought in 1954; and *corn*, chiefly because of smaller crops and reduced requirements in Pacific Coast areas for livestock and poultry feed.

The decrease in **Passenger** revenue was occasioned by less rail travel generally, fewer movements of military personnel, and continuation of the trend toward greater use of coach service at low fares. However, passenger revenue per train mile increased 22 per cent because of a reduction of 21.6 per cent in unprofitable passenger-train miles.

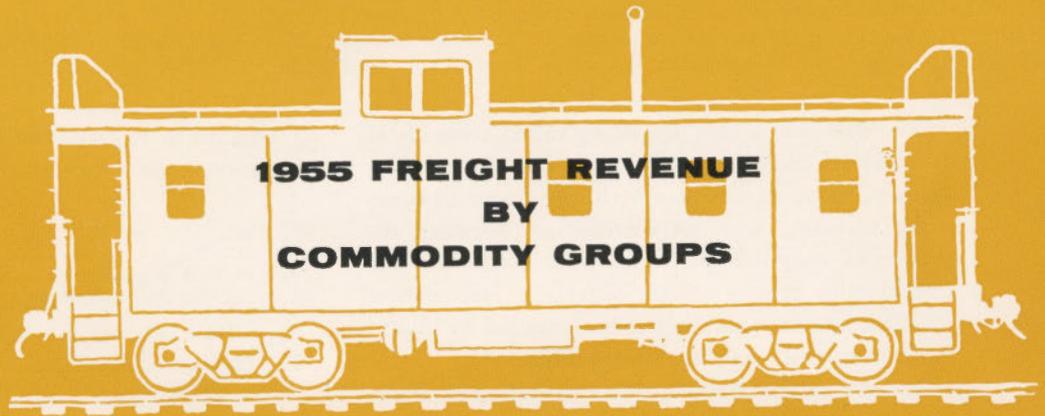
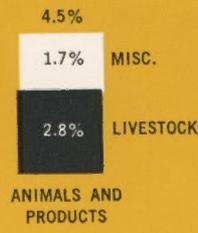
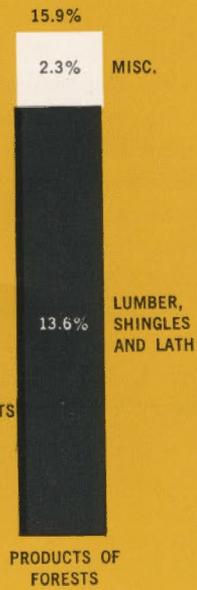
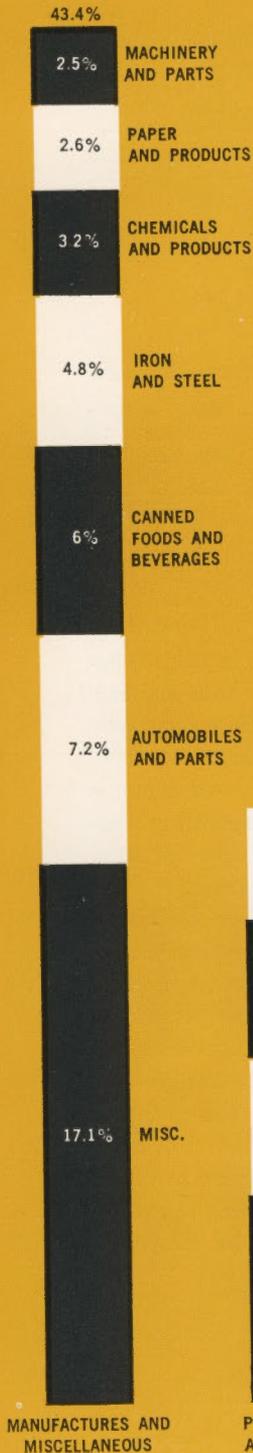
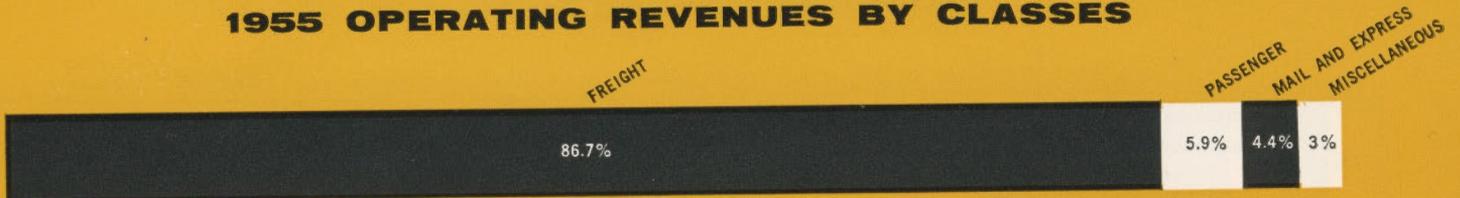
The decrease in **Mail** revenue resulted from inclusion in 1954 of credit representing retroactive 10 per cent increase in compensation for handling and transporting mail for the last quarter of 1953, and reduction in volume of mail handled because of diversion to other forms of transportation.

The increase in **Express** revenue was due to a general increase in movement of rail express traffic.

The increase in **Other** revenue was principally in switching and demurrage, because of the expanded volume of freight traffic.



# 1955 OPERATING REVENUES BY CLASSES





## OPERATING EXPENSES

	1955	1954	Increase	Decrease	Per Cent
*Maintenance of way and structures .....	\$67,105,513	\$62,621,569	\$4,483,944	.....	7.2
*Maintenance of equipment .....	92,275,940	88,890,693	3,385,247	.....	3.8
Total maintenance .....	\$159,381,453	\$151,512,262	\$7,869,191	.....	5.2
Traffic .....	12,571,255	12,266,564	304,691	.....	2.5
Transportation .....	173,484,002	175,993,960	.....	\$2,509,958	1.4
Miscellaneous operations .....	10,181,660	11,765,191	.....	1,583,531	13.5
General .....	14,907,960	14,320,903	587,057	.....	4.1
Total operating expenses .....	\$370,526,330	\$365,858,880	\$4,667,450	.....	1.3
Per cent—Operating expenses of operating revenues.	72.74	75.94	.....	3.20	4.2
*Include depreciation and retirement charges:					
Maintenance of way and structures .....	\$7,672,988	\$5,725,184	\$1,947,804		
Maintenance of equipment .....	19,679,633	17,965,344	1,714,289		

The decrease in the "operating ratio" from 75.94 in 1954 to 72.74 in 1955 (the lowest since 1950) resulted from an increase of 5.7 per cent in operating revenues, with an increase in operating expenses of only 1.3 per cent, notwithstanding the considerably greater volume of freight traffic moved in 1955, and increases in expenses caused by higher wage rates and other employe benefits.

Success in thus holding down operating expenses may be attributed chiefly to the increased proportion of trains hauled by diesel and gas-turbine locomotives as the result of acquisitions in 1954 and 1955, with consequent savings in cost of locomotive fuel, enginehouse expenses, etc.; sharp reductions in mileage of unprofitable passenger trains and in number of dining cars and Pullman sleeping cars operated over the Company's lines; reduced charges for personal injuries and for freight loss and damage; more sales of scrap material (credited to operating expenses); less new rails laid in renewals; and economies achieved through various additions and betterments to road property and rolling stock.

The principal increases in expenses, other than those primarily attributable to increased freight traffic or higher wages, were in cost of ties laid in renewals, expense of removal of snow and ice from tracks, charges representing value of non-depreciable road property retired, and depreciation charges.

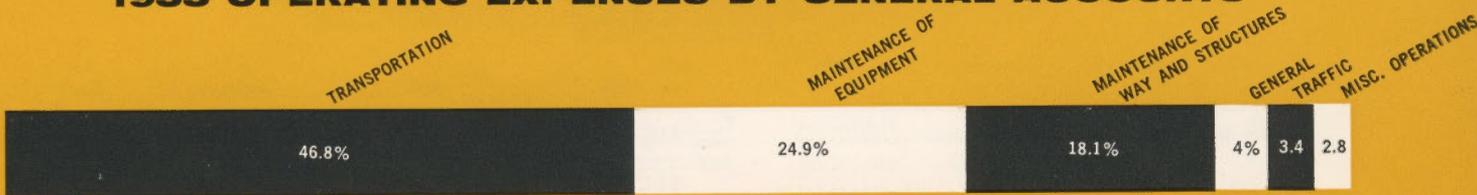
Quantities of rails, ties, and ballast used in main track renewals were as follows:

	1955	Increase (+) or Decrease (—) vs. 1954
New rails (track miles) .....	237.73	— 11.87
Second-hand rails (track miles) .....	94.95	+ 11.93
Total rails (track miles) .....	332.68	+ .06
Ties (number) .....	832,568	+243,242
Ballast (cubic yards) .....	454,823	+184,173

The most important of the increases in wage rates referred to above were 10½ cents per hour starting October 1, 1955, granted to operating employes (such as conductors, engineers, brakemen, firemen, and switchmen) and 14½ cents per hour starting December 1, 1955, granted to nonoperating employes (such as shop, maintenance, clerical, and telegraph employes). Since these increases were granted late in the year, their effect on operating expenses will naturally be much more pronounced in 1956, as indicated by the fact that if they had been in effect for the entire year, operating expenses in 1955 would have been greater by approximately \$16 million. In addition to the wage increase granted to nonoperating employes, they were also granted, effective February 1, 1955, a monthly allowance representing one half of the cost of a plan to cover medical and hospitalization expenses (effective March 1, 1956, such allowance will be increased to cover the entire cost of the plan).

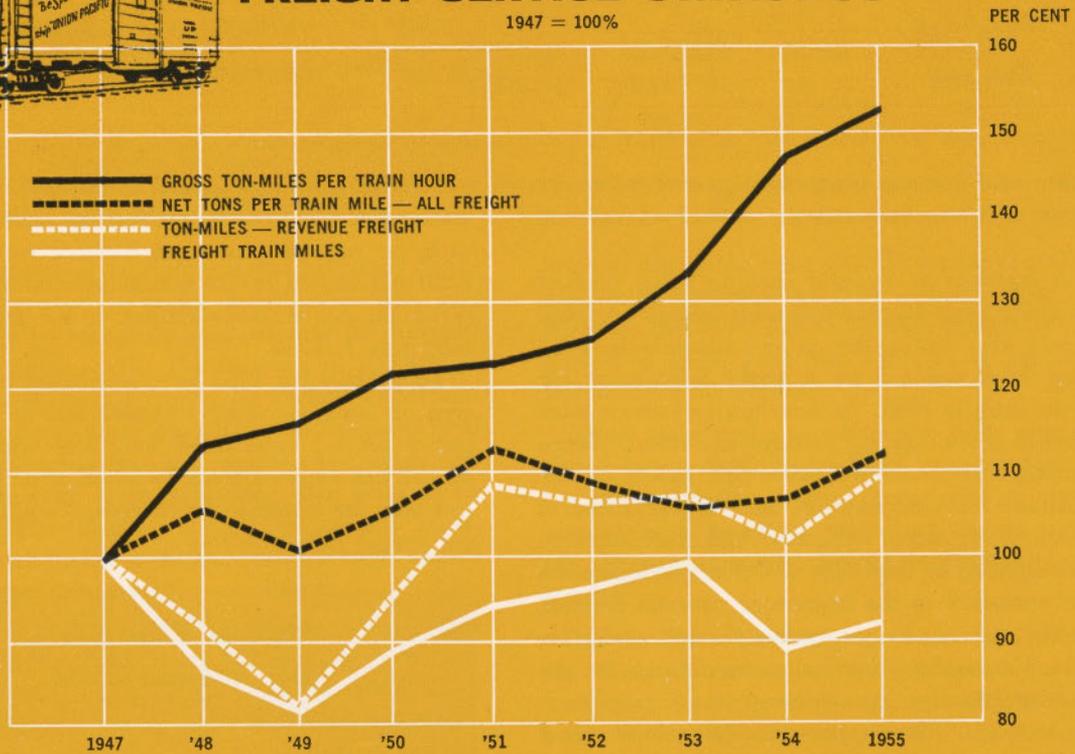


# 1955 OPERATING EXPENSES BY GENERAL ACCOUNTS



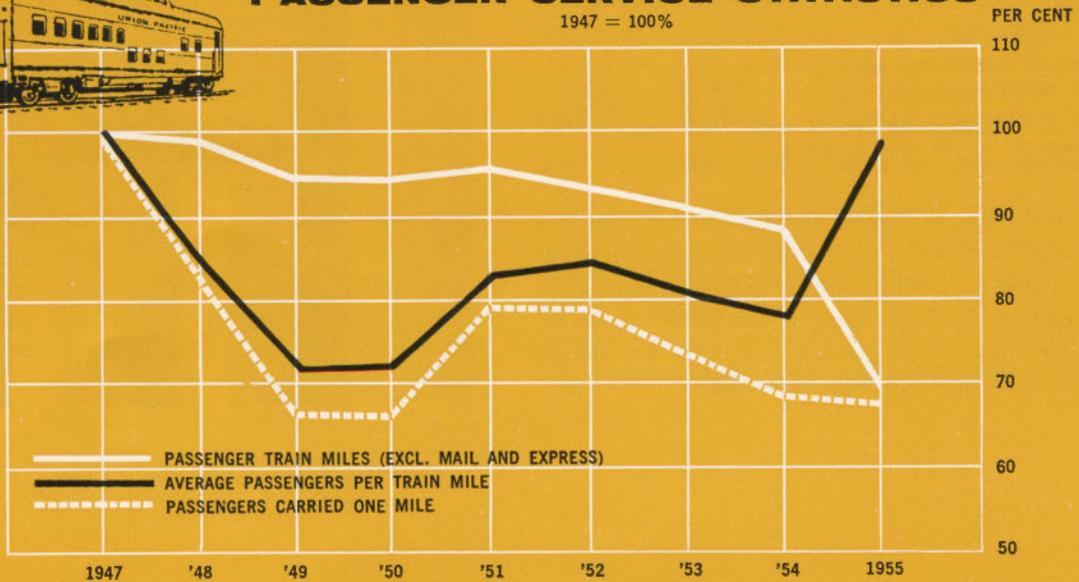
## FREIGHT SERVICE STATISTICS

1947 = 100%



## PASSENGER SERVICE STATISTICS

1947 = 100%





**TAXES**

	1955	1954	Increase	Per Cent
State and county .....	\$18,700,000	\$17,300,000	\$1,400,000	8.1
Federal income .....	\$40,300,000	\$33,500,000	\$6,800,000	20.3
Federal unemployment insurance .....	987,432	940,741	46,691	5.0
Federal retirement .....	12,354,688	11,793,603	561,085	4.8
Other federal .....	175,728	152,434	23,294	15.3
Total federal .....	\$53,817,848	\$46,386,778	\$7,431,070	16.0
Total taxes .....	\$72,517,848	\$63,686,778	\$8,831,070	13.9

State and county taxes were greater primarily because of sharp increases in rates of ad valorem taxes.

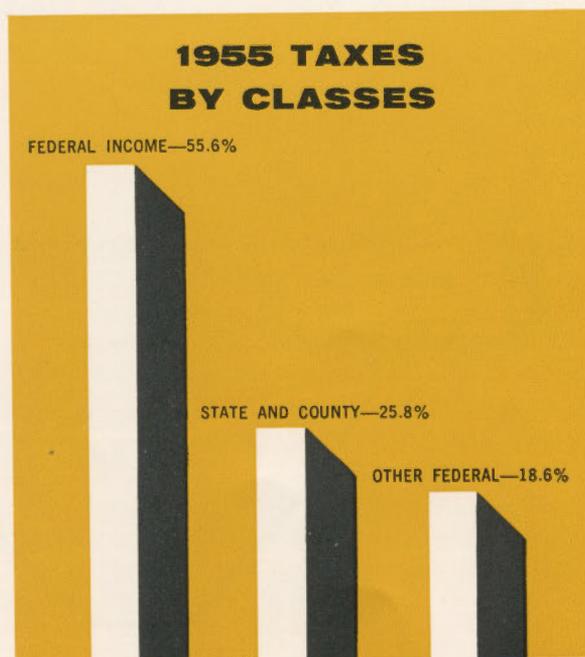
The increase in Federal income taxes resulted principally from increased taxable income in 1955, but was also due partly to the accruals in 1954 having been reduced by a credit adjustment for over-accruals in 1953. In determining income taxes in recent years, taxable income has been reduced by substantial amounts representing excess of (a) deductions for amortization, on a 5-year basis, of portions of the cost of equipment and other improvements certified by the Office of Defense Mobilization to be necessary in the interest of national defense, over (b) annual charges against income, under Interstate Commerce Commission regulations, for depreciation based on the estimated total lives of such improvements. The approximate amounts involved for 1955 compared with 1954 were as follows:

	1955	Increase over 1954
Amortization deductions .....	\$28,659,788	\$6,427,143
Excess of amortization over depreciation .....	22,934,114	5,183,470
Reduction in income taxes .....	11,925,739	2,695,404
Betterment in net income per share of common stock .....	\$2.68	\$.60

The reduction in income taxes resulting from this situation is more in the nature of a tax deferment than a true tax saving, because in future years, after the cost of the improvements has been amortized, income taxes will be greater than if the accelerated amortization had not been allowable.

The increases in Federal unemployment insurance taxes and Federal retirement taxes were due to larger payrolls and to an increase from \$300 to \$350 per month in the maximum amount of compensation per employe subject to the taxes beginning July 1, 1954.

Total taxes for 1955 were equivalent to 14.2 per cent of total operating revenues and to \$1,457.82 per employe. Total taxes were also equivalent to \$16.31 per share of common stock, or only 62 cents less than the Common Stockholders' equity (\$16.93 per share) in net earnings.





## OIL AND GAS OPERATIONS

	1955	1954	Increase	Decrease	Per Cent
Receipts from sale of oil, gas, and other products...	\$44,929,079	\$48,069,619	.....	\$3,140,540	6.5
Production expenses (including depreciation).....	\$8,326,066	\$6,760,469	\$1,565,597	.....	23.2
Taxes (other than income taxes)*.....	3,281,629	3,186,885	94,744	.....	3.0
Intangible drilling and development costs†.....	5,245,909	4,379,130	866,779	.....	19.8
Total charges against receipts.....	\$16,853,604	\$14,326,484	\$2,527,120	.....	17.6
Net income from oil and gas operations (as shown in Table 2) .....	\$28,075,475	\$33,743,135	.....	\$5,667,660	16.8
Drilling and development costs not charged against receipts .....	\$2,218,111	\$2,603,736	.....	\$385,625	14.8

\* Federal taxes on income from oil and gas operations, of approximately \$8,372,100 in 1955 and \$10,719,000 in 1954, are included in "Taxes" under "Transportation Operations."

† Represents costs such as labor, fuel, repairs and hauling in connection with drilling, geological work, clearing ground, building roads, and certain materials with no salvage value.

The decrease in receipts was due primarily to reduced oil production in the Wilmington field, partially offset by increased production in the Rangely field and other areas. The increase in production expenses was caused chiefly by higher wages and material prices, more extensive re-drilling and well stimulation measures, and increased expense for maintenance of dikes protecting the Wilmington field. Greater drilling activity in various areas, coupled with higher wage and material costs, caused the increase in intangible expenditures.

In the Wilmington field in California, oil production during 1955 amounted to 11,583,580 barrels, or 1,550,798 barrels less than in 1954. This decrease of 11.8 per cent can be attributed principally to normal depletion of the field which was not offset by production from new wells, and also in part to the light earthquake in January 1955 (mentioned in last year's report) which caused twenty-nine wells to stop producing. The average price received per barrel of oil sold in this field was approximately 4 cents less than in 1954 (notwithstanding a small price increase in October, 1955) because of the lower average A.P.I. gravity of the oil produced. Seventy-eight productive wells were completed during the year, but sixty-three (including the twenty-nine previously mentioned) were permanently taken off production. At the close of the year, seven hundred and twenty-eight wells were productive and thirty-five were either drilling or

located. Up to the close of 1955 a total of two hundred and ninety-two Company wells had been abandoned in this field, due to damage caused by earthquakes in 1949, 1951 and 1955, or to mechanical failure from other causes.

Three additional water injection wells were completed in this field during 1955, in connection with the study of water flooding, mentioned in previous reports, as a means of increasing the recovery of oil. These studies are encouraging but are not yet conclusive.

In the East Los Angeles field in California, the Company's share of oil production for 1955 amounted to 153,340 barrels, or 20,043 barrels more than in 1954, as the result of an increase in the number of producing wells. Five productive wells were completed in a newly developed portion of the field (the Bandini area); also, one unproductive well was drilled elsewhere in the field at the election and sole cost of the oil company with whose lands the Company's lands are pooled. At the close of the year, there were twenty-three productive wells and one (in the Bandini area) in course of drilling.

In the Rangely field in Colorado, the Company's share of oil production for 1955 amounted to 3,635,088 barrels, representing an increase of 494,475 barrels or 15.7 per cent over 1954. This increase in oil production was made possible by the installation of additional gas-injection facilities



for disposing of surplus gas in conformity with orders issued by the Colorado Oil and Gas Conservation Commission, and by a well stimulation program which assisted in maintaining the productive capacity of the field. The Conservation Commission's orders, requiring reinjection of gas produced with oil, were rescinded during the year as the result of a Court decision, but injection of gas has been continued to the extent possible with existing equipment, to conserve the gas for future sale when a market outlet becomes available. No additional wells were drilled during the year, the number of wells capable of production remaining at ninety-one, of which six have been converted for gas-injection service.

In the **Church Buttes gas field** in Wyoming, the Company's share of production for the year was 6,775 million cubic feet of gas and 54,550 barrels of condensate, which was greater than for 1954 by 782 million cubic feet of gas and 9,293 barrels of condensate. The additional well completed during 1954 (referred to in last year's report) was determined to be incapable of commercial production, and the drilling cost was accordingly borne solely by the oil company with whose lands the Company's lands are pooled, because it was drilled at the oil company's election. The number of productive wells at the close of the year remained at eleven.

In the **Table Rock gas field** in Wyoming, two additional wells were completed, producing on tests at the rates of approximately nine million and twelve million cubic feet of gas per day, respectively. At the close of the year, there were five wells capable of commercial production of gas, but all were closed in for present lack of market.

In the **Little Medicine Bow field** in Wyoming, one additional well was drilled, but it proved unproductive and was abandoned. The Company's share of oil production in 1955 amounted to 21,499 barrels, or 9,500 barrels more than in 1954.

In the **Denver-Julesburg Basin** (lying in northeastern Colorado and portions of abutting States) discoveries of oil were made during the year in two separate areas. One productive well was completed in the **Pierce area** (in Weld County, Colorado) where Company participation in production and expenses is approximately 48

per cent. The Company's share of production from this well was 16,363 barrels. The other discovery was in the **Cliff Field area** (in Logan County, Colorado), where Company participation in production and expenses is 60 per cent. Four wells were completed in this field, of which three were productive of oil and one proved unproductive and was abandoned. The Company's share of production from the three productive wells was 38,118 barrels.

In the **Byers field** (also in the Denver-Julesburg Basin) in Colorado, seven additional wells were completed during the year, of which one was productive of gas and oil and six were unproductive and were abandoned. The Company's share of oil production from the four wells which were "produced" in 1955 was 4,492 barrels, or slightly less than for 1954.

Twenty-four wells were drilled during the year (including twenty at the sole expense of oil companies) in various other areas where oil and gas rights in Company lands were pooled with similar rights held by oil companies. Of these wells, twenty-two proved unproductive and were abandoned, one was productive of oil, and one was productive of gas.

From beginning of the Company's oil and gas operations, to December 31, 1955, receipts from sale of oil, gas and other products have been \$476,077,162 and expenditures, including drilling and development costs, have been . . . \$172,132,999 the excess of receipts over expenditures being . . . \$303,944,163 Of the total expenditures, \$165,693,640 was charged against receipts in determining net income, leaving a balance of \$6,439,359 to be charged off against future receipts or otherwise.

On April 14, 1954, the United States of America filed a complaint in the U. S. District Court for the District of Wyoming, alleging that it was the owner of the oil and mineral deposits underlying the right of way granted to Union Pacific by the United States in the 1860's, and seeking to enjoin the Union Pacific from drilling for and removing the oil, gas and other minerals underlying the land in question. The case was tried in the United States District Court for the District of Wyoming. On December 30, 1954, the court entered its opinion holding that



the Union Pacific, under the grant of July 1, 1862, acquired a limited fee in its right of way, which in legal effect means that the Company owns the full title to its right of way, including the right to remove the minerals, subject only to reversion to the United States in the event the right of way is abandoned for railroad purposes. The case was appealed to the United States Court of Appeals for the Tenth Circuit and the latter court on February 24, 1956, entered its opinion affirming the opinion of the District Court and specifically holding that the Union Pacific by the terms of the grant received a limited fee title to its right of way and is entitled to remove the minerals.

On August 18, 1955, Sewell Thomas and certain other plaintiffs filed suit in the U. S. District Court for the District of Colorado alleging that certain lands in Colorado granted by the United States Government to Union Pacific were now available for lease under the Federal Leasing Act of 1920 on the ground that Union Pacific did not receive title under the original grant to minerals other than coal and iron. The several plaintiffs had filed with the Department of Interior applications for leases which were rejected by the Secretary of the Interior on December 22, 1954, and this suit was filed to reverse that action. The U. S. District Court held for Union Pacific and granted a motion to dismiss the suit holding that, once the patent is granted

under the original U. S. laws governing land grants to Union Pacific, no application by a third person for mineral rights will be entertained, thus following U. S. Supreme Court decisions which have been in effect for many years. It is not known what, if any, further action will be taken by the plaintiffs in this suit.

On May 28, 1954, Sara Radke and Edward Karr filed suit in the State of Colorado District Court alleging that they were the owners of land in Logan County which had been conveyed to their predecessors in title by Union Pacific under a deed which reserved to Union Pacific the exclusive right to prospect for and remove "coal and other minerals", that this reservation did not effectively reserve to Union Pacific the right to oil and gas underlying that land, and asking the Court to confirm the title of such plaintiffs to oil and gas. Concurrently with and following the filing of this suit many other surface owners who had acquired land sold by Union Pacific under similar or related circumstances granted leases providing for the extraction of oil and gas, and the suit attracted considerable attention even though Union Pacific's income from oil and gas underlying such lands and similar lands is not presently material in amount. This case was tried during the week of February 13, 1956. Briefs have been filed and the case now awaits decision by the Colorado District Court.

## ROYALTIES FROM OIL AND GAS LEASES

	1955	1954	Increase	Decrease
California .....	\$183,338	\$132,736	\$50,602	
Colorado .....	401,635	338,625	63,010	
Kansas .....	4,805	10,183	.....	\$5,378
Nebraska .....	4,584	8,686	.....	4,102
Wyoming .....	87,752	91,729	.....	3,977
Total (Table 2) .....	\$682,114	\$581,959	\$100,155	
Las Vegas Land and Water Co.—California (Table 13) .....	\$127,161	\$41,600	\$85,561	
Grand Total .....	\$809,275	\$623,559	\$185,716	

The increases in Union Pacific royalties in Colorado and California were chiefly due to increased

production of oil from Company lands leased to oil companies in the **Black Hollow** field (mentioned



in last year's report) and the Long Beach field, respectively.

The greater royalties received by Las Vegas Land and Water Co. in 1955 resulted from production of oil under two leases of its land in North Long Beach, which were entered into late in 1954.

From 1911, the first year that the Company received royalties from oil and gas leases, to December 31, 1955, such royalties (including those received by Las Vegas Land and Water Co.) have aggregated \$8,217,317.

### OTHER INCOME

	1955	1954	Increase	Decrease	Per Cent
Dividends on stocks owned (Table 8) .....	\$6,883,737	\$5,265,729	\$1,618,008	.....	30.7
Interest on bonds and notes owned (Table 9) .....	1,691,687	1,568,795	122,892	.....	7.8
Other interest income .....	276,541	235,120	41,421	.....	17.6
Rents from lease of road .....	123,399	123,510	.....	\$111	.1
Miscellaneous rents .....	629,193	645,174	.....	15,981	2.5
Miscellaneous income .....	2,920,654	3,713,103	.....	792,449	21.3
Total .....	\$12,525,211	\$11,551,431	\$973,780	.....	8.4

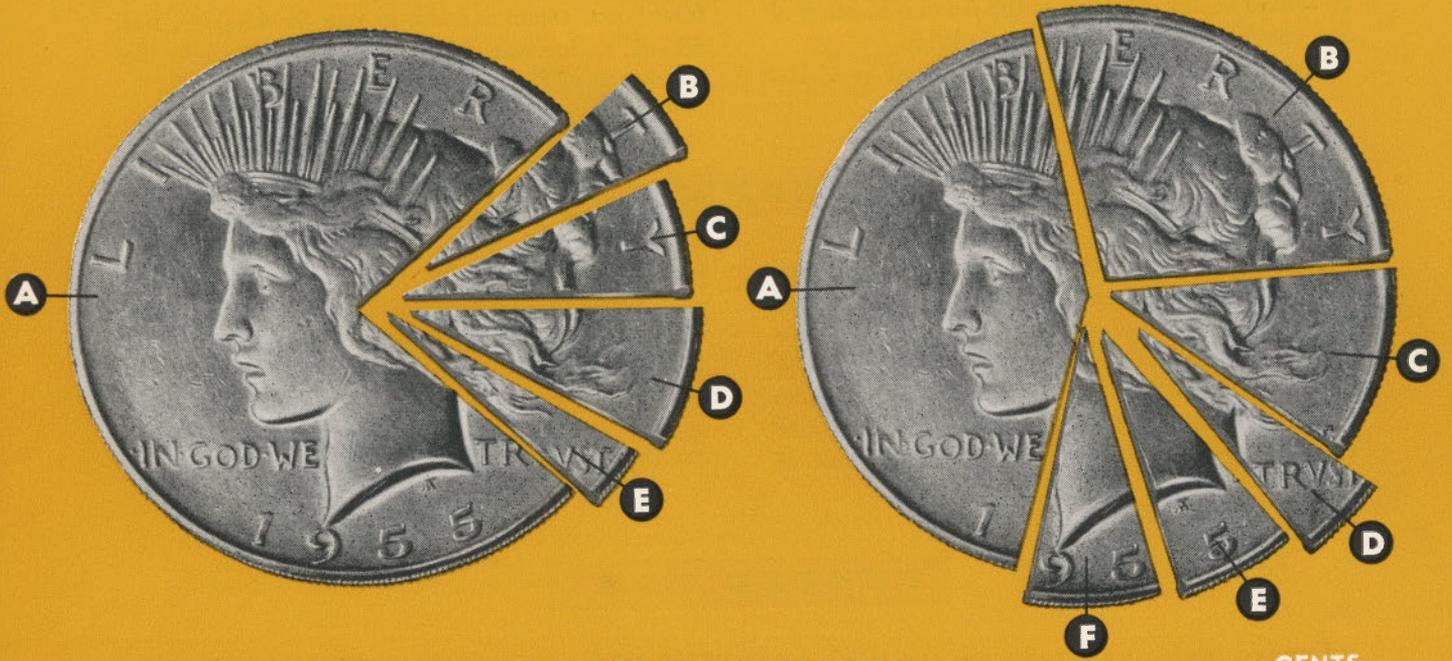
Dividends on stocks owned were greater primarily because of larger dividends received from Union Pacific Coal Co., Pacific Fruit Express Co., and Illinois Central Railroad Co.

Miscellaneous income reflects decreased charges against Pacific Fruit Express Co. for services rendered and privileges granted to it.





## SOURCE AND DISPOSITION OF THE 1955 GROSS INCOME DOLLAR



SOURCE	CENTS	DISPOSITION	CENTS
<b>A</b> Freight revenue .....	77.2	<b>A</b> Wages, other employe benefits, and payroll taxes ....	42.6
<b>B</b> Passenger revenue .....	5.3	<b>B</b> Payments to others for material and supplies, services, rentals, interest on debt, etc. ....	27.7
<b>C</b> Other operating revenues .....	6.6	<b>C</b> Taxes other than payroll taxes .....	11.0
<b>D</b> Receipts from sale of oil, gas, and other petroleum products .....	7.9	<b>D</b> Depreciation charges .....	4.8
<b>E</b> Other .....	3.0	<b>E</b> Dividends paid to Stockholders .....	6.9
Total .....	100.0	<b>F</b> Retained in the business .....	7.0
		Total .....	100.0

### CAPITAL STOCK

There were no changes during the year in number of shares or par value of Union Pacific Railroad

Common Stock, 4,445,820 shares, \$50 par .....	\$222,291,000
Preferred Stock, 1,990,862 shares, \$50 par .....	<u>99,543,100</u>

Total Par Value..... \$321,834,100

The detail of stock outstanding of the Company and of its Leased Lines is shown in Table 6.

The Interstate Commerce Commission has approved an application for authority to issue five shares of \$10 par value stock in place of each

Company capital stock. Amount outstanding on December 31, 1955, was:

share of \$50 par value stock now outstanding, both preferred and common. Accordingly, an appropriate amendment to the Company's Articles of Association, providing for such increase in number of shares and reduction in par value per share (with



no change in aggregate par value outstanding), will be submitted for approval at the Annual Meeting of Stockholders to be held on May 8, 1956.

The number of Stockholders of record as of De-

cember 31, 1955, considering a holder of both preferred and common stock as one Stockholder, was 58,701, an increase during the year of 376 over the number as of December 31, 1954.

### SURPLUS

Earned surplus—unappropriated was increased by transferring from Income the balance of \$39,678,972 remaining after declaration of dividends on preferred and common stocks, and by credits of \$781,266 representing net profit from sales of land and miscellaneous property, \$523,628 representing profit from sales or redemptions of

securities, \$453,776 for profit realized from re-acquisition, at a discount, of Union Pacific Railroad Company Refunding Mortgage Bonds, and \$9,591 for miscellaneous adjustments of surplus. These credits were partially offset by appropriations of surplus aggregating \$1,211,609 for sinking funds for retirement of bonds.

### FUNDED DEBT

Funded debt was reduced in 1955 by \$14,352,970, which is 7.4 per cent of the debt outstanding at the beginning of the year. In addition to maturing equipment obligations paid and the mortgage bonds purchased or called in connection with sinking fund requirements for the current year, \$3,280,000 face value of Union Pacific Railroad Company Refunding Mortgage 2½% Bonds and

\$550,000 face value of Oregon-Washington Railroad & Navigation Company Refunding Mortgage 3% Bonds were purchased for application against sinking fund requirements in future years. Surplus funds were so invested to take advantage of the attractive prices at which the bonds were available, and to effect a reduction in current annual interest payments.

Total debt outstanding in hands of the public on December 31, 1954 .....		\$192,795,978
Retired during the year:		
Union Pacific Railroad Company Refunding Mortgage 2½% Bonds, Series C, purchased for sinking funds .....	\$3,361,000	
Oregon-Washington Railroad & Navigation Company Refunding Mortgage 3% Bonds, Series A, called (\$544,000) and purchased (\$550,000) for sinking fund .....	1,094,000	
Union Pacific Equipment Trust, Series F, 1½% Certificates, annual maturity .....	838,000	
Equipment Purchase Contracts, installments paid .....	9,059,970	14,352,970
Total debt outstanding in hands of the public, December 31, 1955 (Table 7) .....		<u>\$178,443,008</u>

The aggregate of maturities of equipment trust certificates and installments paid on equipment purchase contracts during 1955, or \$9,897,970, was

only 51.2 per cent of the charges to operating expenses for depreciation on all rolling stock equipment during the year.



## INVESTMENT IN ROAD AND EQUIPMENT PROPERTY

**Charges:**

<b>Additions and Betterments—Road Property:</b>		
Centralized traffic control and line change between Pocatello and Granger.....	\$3,812,468	
Other centralized traffic control and signals.....	573,466	
Line and grade changes between The Dalles and Hook.....	5,060,745	
Other line and grade changes.....	1,970,835	
Diesel servicing facilities and additional yard tracks at Council Bluffs.....	916,371	
Other shop facilities, including shop machinery and power plants.....	2,934,490	
Yard at East Spokane.....	644,455	
Other yard tracks, sidings, and industry tracks.....	913,587	
Bridges, trestles, and culverts.....	971,105	
Increased weight of rails and other track material.....	2,183,631	
Station buildings and facilities.....	657,775	
Car cleaning facilities at Hinkle.....	134,549	
Other road property.....	1,274,691	<u>\$22,048,168</u>

**Additions and Betterments—Equipment:**

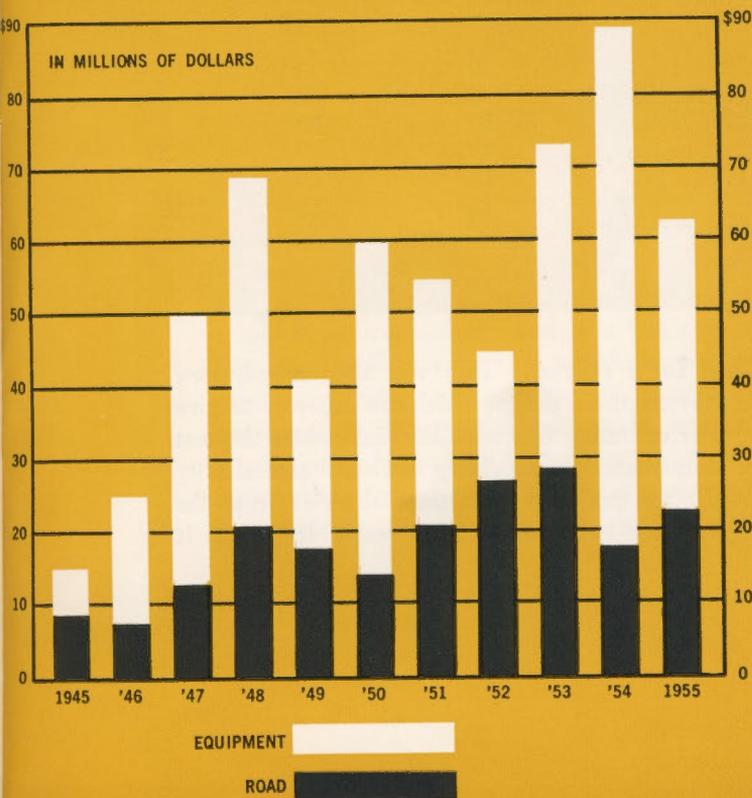
62 diesel locomotive units .....	\$11,137,098	
1,279 freight-train cars (709 built in Company shops).....	13,370,686	
43 passenger-train cars .....	11,012,626	
Other new equipment .....	542,314	
Cost of material to be used in constructing freight-train cars.....	580,891	
640 work equipment units (converted from other classes).....	1,468,720	
Improvements to existing equipment.....	1,643,522	
Adjustments—equipment purchased or built in previous years, etc.....	109,959	<u>39,865,816</u>
<b>Total .....</b>		<b><u>\$61,913,984</u></b>

**Credits:**

Cost of road property retired and replaced.....	\$2,918,155	
Cost of road property retired and not replaced.....	4,191,112	
Cost of steam locomotives retired.....	9,831,053	
Cost of other equipment retired (including equipment for conversion).....	6,956,654	<u>23,896,974</u>

Increase in Investment in Road and Equipment Property (as shown in Table 1) ..... \$38,017,010

### GROSS EXPENDITURES FOR ROAD AND EQUIPMENT PROPERTY



Gross capital expenditures of \$61,913,984 for equipment and improvements to fixed property during the year were about 30 per cent less than such expenditures in 1954 of \$88,805,972, because of a decrease of 44 per cent in expenditures for equipment compared with last year. Expenditures for improvements to fixed property were about 26 per cent greater than in 1954.

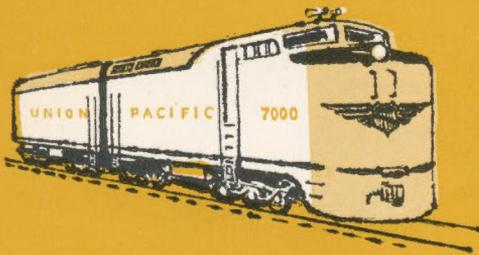
The aggregate expenditures in 1955 for equipment, improvements to fixed property, and retirement of funded debt, amounting to \$75,807,167, exceeded the sum of charges to operating expenses for depreciation and retirements and the amount of donations and grants received toward the cost of property improvements by \$42,382,269.



## NEW EQUIPMENT

On order at beginning  
of year or ordered  
during year      Delivered  
during year      On order at  
close of year

### LOCOMOTIVES



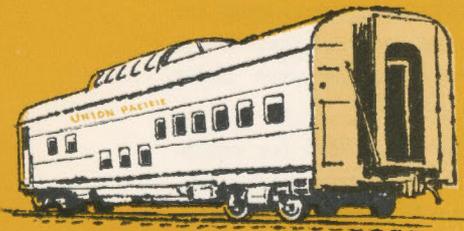
GAS-TURBINE—Freight .....	15	...	15
<b>DIESEL</b>			
Passenger units .....	30	30	
Switch .....	45	32	13
Total .....	<u>75</u>	<u>62</u>	<u>13</u>

### FREIGHT-TRAIN CARS



<b>PURCHASES:</b>			
Automobile .....	168	168	
Box .....	200	200	
Tank .....	196	196	
Hopper .....	550	6	544
<b>CONSTRUCTION IN COMPANY SHOPS:</b>			
Automobile .....	500	200	300
Box .....	2,600	100	2,500
Flat .....	600	300	300
Stock .....	300	...	300
Caboose .....	112	109	3
Total .....	<u>5,226</u>	<u>1,279</u>	<u>3,947</u>

### PASSENGER-TRAIN CARS



Dome-Coach .....	5	5	
Dining .....	4	4	
Dome-Dining .....	10	10	
Sleeping .....	35	9	26
Dome-Observation .....	15	15	
Total .....	<u>69</u>	<u>43</u>	<u>26</u>

The fifteen gas-turbine locomotives on order at the close of the year will have a rating of 8,500 H.P. (7,000 H.P. at the rail) compared with a 4,500 H.P. rating for the 25 gas-turbines now in service. It is believed that the new locomotives will be the most powerful internally-powered units ever manufac-

tured for a railroad. They will also embody new improvements in design which are expected to give greater operating dependability and reduce the cost of maintenance by providing increased accessibility to the mechanical apparatus. Deliveries from the factory are expected to begin early in 1957. It



is tentatively planned to order two additional lots of 15 locomotives each, at a later date. A small scale model of the new motive-power giants is shown in the photograph on page 5.

Pacific Fruit Express Co. (owned jointly with Southern Pacific Co.) constructed in its shops 200

large, heavily insulated, freight refrigerator cars, equipped with mechanical refrigeration units to protect frozen food shipments. Construction of 2,000 additional freight refrigerator cars was authorized in 1955, including 200 more of the large, heavily insulated cars with mechanical refrigeration units.



*The popular Dome Dining Car — only equipment of its kind — is featured on Union Pacific trains.*

## OTHER IMPROVEMENTS

A major project has been undertaken for improvement of the main line between Granger, Wyoming, and Pocatello, Idaho. To increase the capacity of the line and make it possible to operate trains more economically and at a faster speed in this heavy-traffic territory, it was decided to install centralized traffic control for the 164 miles of single track and the 50 miles of double track, and to construct seven new passing tracks in place of fourteen side tracks to be retired. The plan also provides for relocating an 8-mile portion of the line between

Moyer Junction and Nuggett, Wyoming. The maximum grade in the new location will be 1% compared with a maximum of 1.65% on the present line, and the maximum curvature will be reduced from 6° to 2°; as a result any necessity for using helper locomotives on this stretch of line should be completely eliminated. Besides the betterment of service which will be accomplished by these improvements, it is expected that annual savings in operating expenses will amount to approximately \$1.3 million. The estimated net charge to invest-



ment involved for the entire job is \$7½ million, with substantial incidental charges to operating expenses for removal and retirement of the tracks and other facilities to be replaced. All of the grading, bridge, and culvert work was completed, and substantial progress had been made at the close of the year on the track, signal, and telegraph work.

The new freight yard at East Spokane, Washington, referred to in previous reports, was completed and placed in operation on July 11, 1955. As anticipated, it has been found that the use of the new yard will not only materially improve service to the shipping public, but will result in gratifying savings in Company expenses. Removal of the facilities from the site of the old yard at West Spokane will release the area for possible industrial development and will also make the adjoining property more attractive to traffic-producing industries.

It was stated in last year's report that the entire freight classification yard at North Platte, Nebraska, would be equipped with a newly-developed electronic speed control system before the end of 1955, but this was not accomplished because of the inability of the manufacturers to fabricate the required devices during the year. However, delivery of the equipment is scheduled for early in 1956 and the entire yard should be equipped by the end of the year.

The greatly increased use of diesel locomotives in the Company's Eastern District, has made it imperative that modern facilities for servicing be provided at Council Bluffs, Iowa. Since the existing roundhouse layout was designed for servicing steam locomotives and is entirely unsuitable for the efficient handling of diesels, a servicing shop is being constructed of concrete and glass blocks, adjacent to the roundhouse area, with inspection pits, elevated platforms for six tracks, and facilities for fueling, watering, and sanding diesel locomotives. In connection with this project, four additional tracks have been provided for the Council Bluffs freight yard to expedite the westbound movement of fast manifest trains, with an estimated saving of twenty to thirty minutes on each train through the terminal.

New facilities were constructed at Hinkle, Oregon, for cleaning and conditioning freight cars. In the

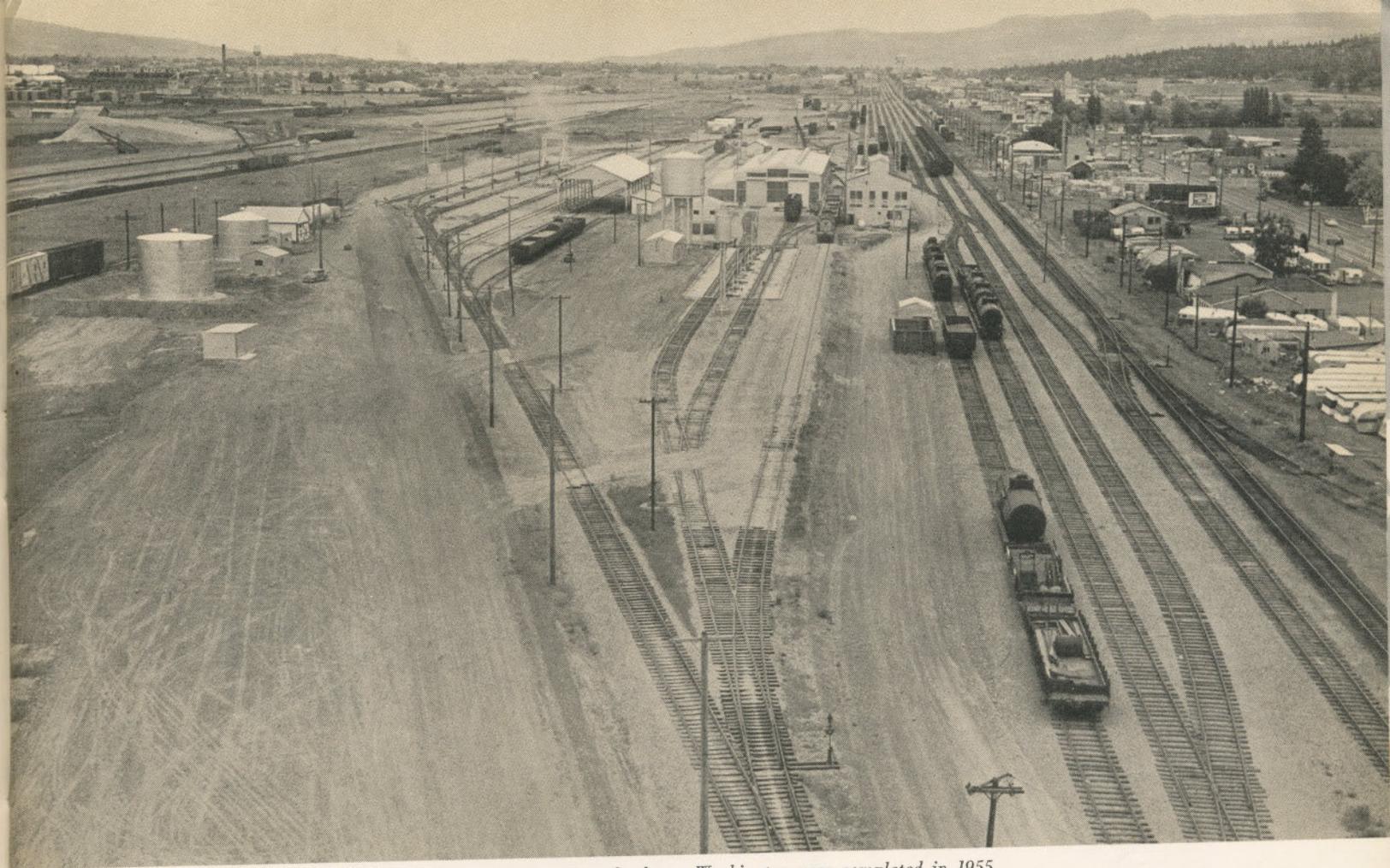
past, cars required at Hinkle for distribution to loading territories were cleaned at La Grande and then moved westbound to Hinkle, but the capacity at La Grande became inadequate for the growing volume of cars required and it was frequently necessary to haul the cars to The Dalles, 100 miles west of Hinkle, or even to Albina, 185 miles west, and then back-haul them for loading. The new facilities at Hinkle, consisting of 3½ miles of tracks, concrete pipe drains and catch basins, compressed air lines, etc., will eliminate this uneconomical procedure, and the savings in expenses during the first two years should pay for the entire investment outlay.

Relocation of the Company's main line between The Dalles and Hook, Oregon, which is being done at the expense of the Government in connection with The Dalles Dam project on the Columbia River, was about 80 per cent complete at the end of the year.

At various locations between Barneston and Beatrice, Nebraska (a distance of about 21 miles) on the Manhattan Branch, the main track was relocated and the grade raised to protect against washouts.

Two new scientific tools were purchased for the Research and Standards Laboratory, which add greatly to the scope and efficiency of analyses and tests of materials used by the Company. One of them is an electron microscope, which can magnify objects to 12,000 times their actual size. The other, called an emission spectrograph, assists in determining the composition of materials under study, by use of the spectrum principle. These electronic devices have proved particularly useful in examining metal alloys, fuels, and lubricants.

The efficiency of the Company's pick-up and delivery service in the Omaha-Council Bluffs area was increased materially during the year by the installation of two-way radios, providing contact between the dispatcher's office and trucks at all times. The broadcasting station is located in the dispatcher's office in the freight house at Omaha. Each call for pick-up service is immediately relayed to the driver of the truck serving the area from which the call is received. This gives faster and more convenient service to Union Pacific customers and reduces the length of travel required by the trucks.



*New freight yard at East Spokane, Washington, was completed in 1955.*

*Portion of 23-mile line change in connection with The Dalles Dam project, Oregon.*



PACIFIC OCEAN



# UNION PACIFIC RAILROAD

*Serves All the West!*

**LEGEND**

-  Double Track
-  Single Track
-  Track with Centralized Traffic Control\* } Union Pacific Railroad
-  Camas Prairie Railroad
-  Single Track } Solid Through Train Connections
-  Double Track }
-  Tourist Motor Coach Routes

**BE SPECIFIC - SAY UNION PACIFIC!**

\*Centralized Traffic Control enables the dispatcher to electrically operate the switches and signals from a central point so as to control the movement, meeting and passing of trains without use of train orders, thus facilitating the flow of traffic and increasing the capacity of the line.

A N A D A



NORTH DAKOTA

SOUTH DAKOTA

NEBRASKA

KANSAS

OKLAHOMA

T E X A S

M I N N E S O T A

I O W A

M I S S O U R I

AR K A N S A S

L O U I S I A N A

W I S C O N S I N

I L L I N O I S

M I S S I S S I P P I

M I C H I G A N

I N D I A N A

K E N T U C K Y

T E N N E S S E E

A L A B A M A

O H I O

G U L F O F M E X I C O

A N A

W I S T O N E  
N A T I O N A L P A R K

W Y O M I N G

C O L O R A D O

N E W M E X I C O

I C O



### INCREASE IN CASH AND GOVERNMENT SECURITIES

The aggregate of cash and investments in U. S. Government securities increased \$18,233,184 during

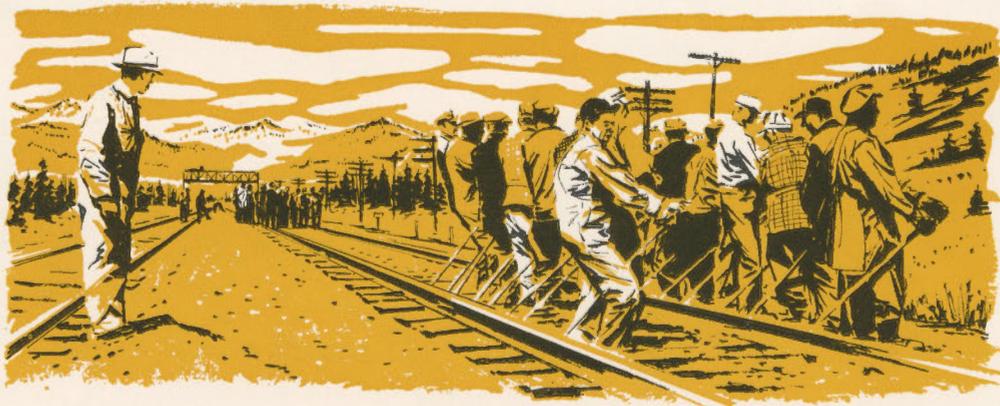
the year, due to an excess of receipts over disbursements, as summarized below:

RECEIPTS:

Net income (as detailed in Table 2) .....	\$79,227,256
Non-cash charges to income for:	
Depreciation and retirements of property.....	30,000,425
Fire insurance and other reserves.....	2,171,952
Proceeds from sales of securities, land, and other property .....	7,691,906
Donations and grants received toward cost of property improvements .....	6,072,277
Repayment by affiliated companies of advances — net .....	3,843,057
Miscellaneous—net .....	4,589,896
Total receipts .....	<u>\$133,596,769</u>

DISBURSEMENTS:

Dividends payable in 1955 on Union Pacific Railroad Company preferred and common stocks ( <i>includes dividend of \$14,448,915 declared on common stock in 1954, payable January 3, 1955, but excludes dividend of \$18,894,735 declared on common stock in 1955, payable January 3, 1956</i> ) .....	\$35,102,464
Gross expenditures for equipment and other improvements to transportation property .....	61,913,984
Cost of retiring funded debt .....	13,893,183
Cost of oil and gas wells and appurtenant facilities (not chargeable to income) and improvements to other miscellaneous property.....	4,453,954
Total disbursements .....	<u>\$115,363,585</u>
Receipts in excess of disbursements .....	<u>\$18,233,184</u>





## STOCKS AND BONDS DISPOSED OF

Following the calls for redemption by Baltimore & Ohio Railroad Co. of its Refunding & General Mortgage 5% Bonds, Series G, and Southwestern Division First Mortgage 5% Bonds, Series A, at 105% of face value, and its First Mortgage 5% Bonds, Series B, at 104 $\frac{3}{4}$ % of face value, the Union Pacific sold to the public its holdings (\$3,999,000) of the Refunding and General Mortgage Bonds, but exchanged its holdings of the other two issues (aggregating \$2,009,000) for a like face value of new First Consolidated Mortgage 4% Bonds, Series B, plus cash representing call premiums and net interest to the respective call dates. These transactions resulted in an aggregate profit of approximately \$467,500.

The Company also sold its entire holdings of Chicago & North Western Railway Co. securities—

\$2,152,500 Second Mortgage Convertible Income 4 $\frac{1}{2}$ % Bonds, Series A, and 12,838 shares of preferred stock; and sold 6,260 shares of Greyhound Corporation 4 $\frac{1}{4}$ % preferred stock and 375 shares of New York Central Railroad Co. capital stock. The Chicago & North Western and New York Central securities were sold at a loss, which offsets, for tax purposes, capital gains realized primarily from sales of other securities and property. Greyhound Corporation stock was sold at approximately its acquisition cost.

The Company's holdings of 196,540 shares (\$50 par value) of Illinois Central Railroad Co. 6% preferred stock (which was called for redemption in 1955) were converted into the same number of shares of no par common stock.

## PROPOSED ACQUISITION OF SPOKANE INTERNATIONAL STOCK

The Union Pacific made an offer to stockholders of the Spokane International Railroad Co. to acquire their stock on the basis of one share of Union Pacific common stock in exchange for each 5 $\frac{1}{2}$  shares of Spokane International stock tendered. This offer was made subject to the conditions that the holders of at least 80 per cent of the outstanding 199,248 shares of Spokane International stock should accept the offer and that the transaction should be approved by the Interstate Commerce Commission and any other governmental authority that might have jurisdiction. The offer has already been accepted by holders of well over 90 per cent of the Spokane International stock, and applications have been filed with the Interstate Commerce Commission for authority to acquire control of the line and to issue up to 36,227 additional shares of Union Pacific common stock (\$50 par value) in exchange for Spokane International stock. The Spokane International is 141 miles long, operating between Spokane, Washington, and Eastport, Idaho, on the Canadian border, where it connects with the Canadian Pacific Railway. Considerable freight traffic

moves over its line and if acquisition of a controlling interest is consummated, it should prove a profitable investment for the Union Pacific.





## LOSS AND DAMAGE FREIGHT CLAIM PREVENTION

Freight loss and damage claim payments in 1955 decreased by \$494,713 or 10.1 per cent under 1954, despite the increase in the volume of freight handled. The ratio of such payments to freight and switching revenues declined from 1.17 per cent in 1954 to .98 per cent in 1955—the lowest ratio since 1951.

Careful car handling in yards and in train movement, achieved by a continuing program of education of yard and train personnel, is an important factor in preventing freight damage. The interest of these employes is sustained by on-the-ground instructions, opportunity to see actual results of improper handling, periodic claim prevention meetings attended by officers and representatives of all departments involved in freight handling, and motion pictures, posters, and publications pertaining to prevention of freight damage. Additionally, our corps of freight service inspectors and container engineers cooperate with shippers, receivers, and railroad personnel to assist in developing the best methods of packaging, stowing, and bracing the various manufactured articles or commodities, and thus assure

the highest degree of protection from loss and damage in transit.

Other factors contributing to prevention of damage are modernization of freight classification yards and the general improvement in freight equipment, with an increasing number of cars being equipped with rubber-cushioned draft gear and cushioned underframes.

In search of means to reduce damage to cattle in transit, Union Pacific engineers developed an all-steel stock car, 300 of which will be built during the first quarter of 1956. Steel construction eliminates the possibility of wood splinters from slats and does away with rough surfaces which create a hazard of injury to animals. The inside surfaces of this car are covered with a rubberized insulation and cushioning material—a non-conductor of heat, cold and electricity—which adds to the comfort and well-being of animals during transportation. Aside from the humane aspect, it is anticipated that these cars will substantially reduce claims for cattle injuries, and the cost of maintenance is expected to be less than that of cars of wood construction.



*Union Pacific claim prevention clinic—demonstrating the results of improperly stowed furniture.*



## FREIGHT REVENUE DIVISIONS

As stated in the 1954 report, Eastern and Midwestern lines filed complaints with the Interstate Commerce Commission seeking increases in the divisions of revenue on freight traffic moving between points on their lines, on the one hand, and points served by the Union Pacific and other Western lines, on the other hand.

Three hearings have been held and submission of testimony and exhibits of the complaining lines is

complete except in minor detail. At hearing scheduled for June 5, 1956, the Western lines will begin presentation of their evidence in support of the present divisions of revenue.

Any increased divisions granted to the Eastern and Midwestern lines will correspondingly decrease the revenues of the Western lines, including the Union Pacific.

## OGDEN GATEWAY LITIGATION

This litigation was explained on page 29 of the 1954 report. Since that report was issued, appeals from the decision of the United States District Court for the District of Nebraska have been filed in the Supreme Court of the United States by the Union Pacific Railroad Company and six other Western railroads and by the State Commissions of Oregon, Washington, Montana, Wyoming, and Nebraska, which are supporting our position in these cases. In these appeals it is contended that the District Court erred in failing and refusing to enjoin the Commission's order in its entirety for several reasons set out in the notices of appeal.

Appeals from the decision of the Nebraska Court have also been filed in the Supreme Court of the United States by the Department of Justice, the Interstate Commerce Commission, the Secretary of Agriculture, and The Denver and Rio Grande Western Railroad Company, contending that the Nebraska Court erred in holding that the Commission's order was invalid in so far as it ordered through routes and joint rates in connection with the Rio Grande on traffic not requiring stoppage-in-transit at points on the Rio Grande and later reshipment to points beyond its termini.

Appeals from the decision of the United States District Court for the District of Colorado have been filed in the Supreme Court of the United States by the State Commissions of the five States named above, by the Union Pacific and six other railroads, by the Department of Justice, and by the

Interstate Commerce Commission. In these appeals it is contended that the Colorado Court erred in setting aside the Commission's order "in so far as it denied and withheld relief to the Rio Grande" and in holding that the Rio Grande had standing to maintain its suit and in further holding that the Commission erroneously decided that through routes and joint rates in connection with the Rio Grande for the traffic concerned were not already in existence.

On October 24, 1955, the Supreme Court of the United States consolidated all of these appeals, noted probable jurisdiction to entertain them, and allotted a total of three hours for the argument of the cases, which probably will occur later this year.





## INDUSTRIAL DEVELOPMENT

There was a net increase during 1955 of 247 industries located on the Company's line, attributable in large measure to the Company's active promotion of sound industrial development and the high standards of Union Pacific freight service.

The following are some of the major plants completed or under construction during 1955, from which substantial freight traffic and revenue are anticipated:

At **Pico, California**, construction has been started by a farm machinery company of a warehouse and office building costing approximately \$1,000,000.

A large glass company started construction of a warehouse at **Hobart, California**, which will cost about \$1,700,000, and began work on construction of the first unit (at an approximate cost of \$1,600,000) of a projected \$18,000,000 plant at **Portland, Oregon**.

A brass mill is under construction at **Paramount, California**, which will turn out copper and copper-base alloys in various forms. The plant will cost approximately \$13,000,000 and is expected to commence operation by 1957 with about 500 employees.

At **Madras, Oregon**, work has been started on the erection of a large plywood plant, which will cost about \$1,000,000.

A lumber company is constructing a sulphite paper mill on an 850-acre tract of land at **Cosmopolis, Washington**, to cost more than \$20,000,000 and have a capacity of 400 tons per day.

At **Provo, Utah**, a plant was established for wrapping and processing pipe to protect it against underground erosion. The plant will have a capacity for processing 1,000 carloads of pipe annually, and full operation is anticipated in 1956.

In the Company's **Fairfax Industrial District**, at **Kansas City, Kansas**, expenditures in 1955 aggregated approximately \$12,000,000 for new plants and for expansion of existing plants.

Reflecting industrial growth in Union Pacific territory, expansion of plants was undertaken by many industries in 1955. The following is a partial list of such projects:

A large tire manufacturing company inaugurated

a \$6,000,000 plant expansion program at **Los Angeles, California**, scheduled for completion by the middle of 1956, to provide facilities for a 50 per cent increase in output.

At **Tacoma, Washington**, expansion programs were completed for a newsprint plant and an aluminum processing plant, at an aggregate cost of about \$7,500,000.

A factory at **Longview, Washington**, commenced installation of additional equipment, costing several million dollars, for the manufacture of kraft paper and container board.

At **Geneva, Utah**, a large steel company started construction of an \$18,000,000 plant for the production of 200 tons daily of anhydrous ammonia from coke oven gases, which is expected to be in operation late in 1956. The same company initiated a two-year program, to cost about \$5,000,000, for a 20 per cent increase in its steel-producing capacity.

A chemical company at **Garfield, Utah**, is expanding \$2,500,000 to increase by one third its present daily production of 750 tons of sulphuric acid, for which it uses sulphur dioxide from the smoke fumes of a nearby copper smelter. The increased output will be taken by uranium mills and by a producer of phosphate fertilizer (mentioned in the report for 1953) which expanded its fertilizer capacity in 1955 at a cost of \$500,000.

At **Caldwell, Idaho**, a warehouse, costing approximately \$2,000,000, was constructed for storage of 20,000 tons of potatoes and refrigerated storage of 5,000 tons of frozen products, as an addition to the existing plant for dehydrating, freezing, and packaging vegetables.

At **East Portland, Oregon**, 188 acres of land were purchased for lease or sale to industries. This tract is adjacent to the Union Pacific main line and the Banfield Expressway, and is about ten miles from the Portland downtown area.

A tract of 90 acres, just west of **Topeka, Kansas**, was also purchased for industrial development. It lies between the Company's main line and U.S. Highway No. 240.

By order of the Board of Directors,

**E. ROLAND HARRIMAN**  
*Chairman of the Board*

**ROBERT A. LOVETT**  
*Chairman of the Executive Committee*

**A. E. STODDARD**  
*President*



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**NO. 1 — GENERAL BALANCE SHEET — ASSETS**

	December 31, 1955	December 31, 1954	Increase	Decrease
<b>INVESTMENTS</b>				
Road and equipment property .....	\$1,437,138,037.20	\$1,399,121,026.89	\$38,017,010.31	
Donations and grants (credit) .....	25,860,565.45	19,789,393.02	6,071,172.43(a)	
Reserve for depreciation—road and equipment (credit) .....	243,870,702.49	237,956,011.34	5,914,691.15	
Reserve for amortization of national defense projects (credit) ..	57,425,165.95	57,737,517.89	.....	\$312,351.94
Sinking funds .....	7,651.25	1,727.50	5,923.75	
Miscellaneous physical property .....	43,174,487.42	40,070,967.82	3,103,519.60(b)	
Reserve for depreciation—miscellaneous physical property (credit) .....	24,169,005.75	22,672,337.24	1,496,668.51	
<b>Investments in Affiliated Companies:</b>				
Stocks (Table 8) .....	\$17,721,112.75	\$17,721,112.75	.....	
Notes (Table 9) .....	277,001.18	277,001.18	.....	
Advances .....	8,192,397.43	8,412,400.84	.....	\$220,003.41
Total Investments in Affiliated Companies .....	\$26,190,511.36	\$26,410,514.77	.....	\$220,003.41
<b>Other Investments:</b>				
Stocks (Table 8) .....	\$53,491,353.21	\$55,121,567.04	.....	\$1,630,213.83
Bonds and notes (Table 9) .....	9,185,642.25	14,722,133.66	.....	5,536,491.41
Total Other Investments .....	\$62,676,995.46	\$69,843,700.70	.....	\$7,166,705.24
Reserve for adjustment of investments in securities (credit) ...	\$25,020,871.12	\$26,165,842.01	.....	\$1,144,970.89(c)
Total Investments .....	<u>\$1,192,841,371.93</u>	<u>\$1,171,126,836.18</u>	<u>\$21,714,535.75</u>	
<b>CURRENT ASSETS</b>				
Cash .....	\$56,138,453.84	\$54,369,244.62	\$1,769,209.22	
Temporary cash investments (U. S. Govt. securities) (Table 9) ..	83,837,293.14	67,373,318.75	16,463,974.39	
Special deposits .....	101,515.20	102,221.90	.....	\$706.70
Traffic and car-service balances—net .....	12,682,910.12	13,086,560.54	.....	403,650.42
Net balance receivable from agents and conductors .....	7,493,218.22	4,685,418.21	2,807,800.01	
Miscellaneous accounts receivable .....	15,282,772.56	11,980,906.01	3,301,866.55	
Material and supplies .....	38,337,570.28	38,565,843.20	.....	228,272.92
Interest and dividends receivable .....	1,175,555.83	685,298.53	490,257.30	
Accrued accounts receivable .....	18,825,520.63	18,164,148.30	661,372.33	
Other current assets .....	444,903.36	945,950.44	.....	501,047.08
Total Current Assets .....	<u>\$234,319,713.18</u>	<u>\$209,958,910.50</u>	<u>\$24,360,802.68</u>	
<b>DEFERRED ASSETS</b>				
Working fund advances .....	\$149,644.91	\$154,944.05	.....	\$5,299.14
Other deferred assets .....	4,174,988.90	2,566,797.22	\$1,608,191.68	
Total Deferred Assets .....	<u>\$4,324,633.81</u>	<u>\$2,721,741.27</u>	<u>\$1,602,892.54</u>	
<b>UNADJUSTED DEBITS</b>				
Prepayments .....	\$377,084.34	\$16,471.62	\$360,612.72	
Other unadjusted debits .....	2,082,865.71	1,796,041.96	286,823.75	
Total Unadjusted Debits .....	<u>\$2,459,950.05</u>	<u>\$1,812,513.58</u>	<u>\$647,436.47</u>	
Grand Total .....	<u>\$1,433,945,668.97</u>	<u>\$1,385,620,001.53</u>	<u>\$48,325,667.44</u>	

(a) Principally contributions by U. S. Government toward cost of constructing new lines necessitated by construction of The Dalles Dam and the McNary Dam, on the Columbia River.

(b) Represents principally costs of drilling oil and gas wells and constructing appurtenant facilities, not chargeable against receipts from sales of oil and other products, less credits to the account for wells abandoned; also costs of land acquired for industrial purposes and of warehouses constructed for lease to industries.

(c) Losses from sales of Chicago & North Western Ry. Co. Second Mortgage Convertible Income 4½% Bonds and preferred stock, and New York Central R.R. Co. capital stock, charged to this account (see page 27).



## NO. 1 — GENERAL BALANCE SHEET — LIABILITIES

	December 31, 1955	December 31, 1954	Increase	Decrease
<b>CAPITAL STOCK (Table 6)</b>				
Common stock .....	\$222,301,000.00	\$222,301,000.00		
Preferred stock .....	99,589,680.79	99,589,680.79		
<b>Total Capital Stock .....</b>	<b>\$321,890,680.79</b>	<b>\$321,890,680.79</b>		
<b>FUNDED DEBT (Table 7)</b>				
Bonds .....	\$165,149,000.00	\$169,604,000.00		\$4,455,000.00
Equipment obligations:				
Maturing after one year from date.....	7,282,999.97	13,694,799.05		6,411,799.08
Maturing within one year.....	6,011,007.84	9,497,178.44		3,486,170.60
<b>Total Funded Debt .....</b>	<b>\$178,443,007.81</b>	<b>\$192,795,977.49</b>		<b>\$14,352,969.68</b>
<b>Total Capital Stock and Funded Debt .....</b>	<b>\$500,333,688.60</b>	<b>\$514,686,658.28</b>		<b>\$14,352,969.68</b>
<b>DUE TO AFFILIATED COMPANIES .....</b>	<b>\$19,102,125.44</b>	<b>\$15,479,071.40</b>	<b>\$3,623,054.04</b>	
<b>CURRENT LIABILITIES</b>				
Audited accounts and wages payable .....	\$30,630,611.34	\$27,534,007.12	\$3,096,604.22	
Miscellaneous accounts payable .....	2,595,081.37	2,349,887.76	245,193.61	
Interest matured unpaid (including interest due first proximo)	87,670.81	94,680.41		\$7,009.60
Dividends matured unpaid:				
Dividend on common stock payable third proximo.....	18,894,735.00	14,448,915.00	4,445,820.00	
Dividends due but unclaimed.....	334,237.36	329,908.63	4,328.73	
Unmatured interest accrued .....	1,523,531.95	1,534,195.28		10,663.33
Accrued accounts payable .....	25,629,675.18	22,833,154.47	2,796,520.71	
Taxes accrued .....	47,903,462.22	45,549,811.78	2,353,650.44	
Other current liabilities .....	2,180,591.96	2,009,790.16	170,801.80	
<b>Total Current Liabilities .....</b>	<b>\$129,779,597.19</b>	<b>\$116,684,350.61</b>	<b>\$13,095,246.58</b>	
<b>DEFERRED LIABILITIES .....</b>	<b>\$10,304,568.11</b>	<b>\$9,964,299.56</b>	<b>\$340,268.55</b>	
<b>UNADJUSTED CREDITS</b>				
Premium on funded debt .....	\$3,197,537.33	\$3,426,617.15		\$229,079.82
Reserve for fire insurance .....	25,973,716.31	24,240,741.38	\$1,732,974.93	
Reserve for depreciation—leased property .....	5,590.66	11,112.23		5,521.57
Other unadjusted credits .....	3,765,869.07	1,089,821.91	2,676,047.16	
<b>Total Unadjusted Credits .....</b>	<b>\$32,942,713.37</b>	<b>\$28,768,292.67</b>	<b>\$4,174,420.70</b>	
<b>Total Liabilities .....</b>	<b>\$692,462,692.71</b>	<b>\$685,582,672.52</b>	<b>\$6,880,020.19</b>	
<b>SURPLUS</b>				
Unearned surplus .....	\$395,796.90	\$394,692.28	\$1,104.62	
Earned surplus—appropriated .....	42,503,552.14	41,294,633.39	1,208,918.75	
Earned surplus—unappropriated .....	658,998,709.98	618,763,086.10	40,235,623.88	
<b>Total Surplus .....</b>	<b>\$701,898,059.02</b>	<b>\$660,452,411.77</b>	<b>\$41,445,647.25</b>	
Consolidation surplus arising from acquisition at various times from the public, by other companies included in this consolidated balance sheet, of securities issued by the Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company, for lesser amounts than those at which such securities are carried on the issuing companies' books .....	\$39,584,917.24	\$39,584,917.24		
<b>Grand Total .....</b>	<b>\$1,433,945,668.97</b>	<b>\$1,385,620,001.53</b>	<b>\$48,325,667.44</b>	



**NO. 2 — INCOME ACCOUNT**

	<u>1955</u>	<u>1954</u>	<u>Increase</u>	<u>Decrease</u>
TRANSPORTATION OPERATIONS				
Operating revenues (Table 3) .....	\$509,362,476.21	\$481,786,451.16	\$27,576,025.05	
Operating expenses (Table 4) .....	370,526,330.19	365,858,879.99	4,667,450.20	
Revenues over expenses .....	\$138,836,146.02	\$115,927,571.17	\$22,908,574.85	
Taxes (see page 12) .....	72,517,847.79	63,686,777.87	8,831,069.92	
Railway Operating Income .....	\$66,318,298.23	\$52,240,793.30	\$14,077,504.93	
Equipment rents (debit) .....	21,049,557.20	21,224,069.33	.....	\$174,512.13
Joint facility rents (debit) .....	1,529,249.45	1,455,174.42	74,075.03	
<b>Net Income from Transportation Operations .....</b>	<b><u>\$43,739,491.58</u></b>	<b><u>\$29,561,549.55</u></b>	<b><u>\$14,177,942.03</u></b>	
INCOME FROM INVESTMENTS AND SOURCES OTHER THAN TRANSPORTATION OPERATIONS				
Income from oil and gas operations—net* (see page 13) .....	\$28,075,475.22	\$33,743,134.85	.....	\$5,667,659.63
Royalties from oil and gas leases (see page 15) .....	682,114.02	581,958.76	\$100,155.26	
Dividends on stocks owned (Table 8) .....	6,883,737.25	5,265,728.60	1,618,008.65	
Interest on bonds and notes owned (Table 9) .....	1,691,687.15	1,568,794.72	122,892.43	
Other interest income .....	276,540.85	235,120.26	41,420.59	
Rents from lease of road .....	123,398.83	123,510.37	.....	111.54
Miscellaneous rents .....	629,193.43	645,174.13	.....	15,980.70
Miscellaneous income .....	2,920,654.04	3,713,103.26	.....	792,449.22
<b>Total .....</b>	<b><u>\$41,282,800.79</u></b>	<b><u>\$45,876,524.95</u></b>	<b><u>.....</u></b>	<b><u>\$4,593,724.16</u></b>
<b>Total Income .....</b>	<b><u>\$85,022,292.37</u></b>	<b><u>\$75,438,074.50</u></b>	<b><u>\$9,584,217.87</u></b>	
FIXED AND OTHER CHARGES				
Interest on funded debt (Table 7) .....	\$4,955,347.00	\$5,016,564.43	.....	\$61,217.43
Other interest .....	404,775.15	398,079.61	\$6,695.54	
Miscellaneous rents .....	31,083.53	30,376.12	707.41	
Miscellaneous charges .....	403,830.77	370,389.20	33,441.57	
<b>Total .....</b>	<b><u>\$5,795,036.45</u></b>	<b><u>\$5,815,409.36</u></b>	<b><u>.....</u></b>	<b><u>\$20,372.91</u></b>
<b>Net Income from All Sources .....</b>	<b><u>\$79,227,255.92</u></b>	<b><u>\$69,622,665.14</u></b>	<b><u>\$9,604,590.78</u></b>	
Per cent on par value of Capital Stock and average Surplus....	7.90	7.23	.67	
DISPOSITION OF NET INCOME				
Semi-annual dividends of \$1.00 per share on Preferred Stock of Union Pacific R.R. Co., payable April 1 and October 1.....	\$3,981,724.00	\$3,981,724.00		
<b>Surplus for Common Stock of Union Pacific R.R. Co. ....</b>	<b><u>\$75,245,531.92</u></b>	<b><u>\$65,640,941.14</u></b>	<b><u>\$9,604,590.78</u></b>	
Per share on stock outstanding December 31st .....	\$16.93	\$14.76	\$2.17	
Quarterly dividends of \$1.25 per share payable April 1, July 1, and October 1, 1955 and 1954, and January 3, 1956 and 1955, and extra dividend of \$3.00 per share payable January 3, 1956, and \$2.00 per share payable January 3, 1955.....	35,566,560.00	31,120,740.00	4,445,820.00	
<b>Transferred to Earned Surplus—Unappropriated .....</b>	<b><u>\$39,678,971.92</u></b>	<b><u>\$34,520,201.14</u></b>	<b><u>\$5,158,770.78</u></b>	

\* Excludes Federal income taxes, which are included in "Taxes." Federal taxes on income from oil and gas operations were approximately \$8,372,100 in 1955 and \$10,719,000 in 1954.

NOTE: Income for each of the last ten years and average income for the years 1935 to 1939, inclusive, are shown in Table 12 on pages 44 and 45.



## NO. 3 — OPERATING REVENUES

TITLE OF ACCOUNT	1955	1954	Increase	Decrease
Freight .....	\$441,533,942.38	\$413,155,685.46	\$28,378,256.92	
Passenger .....	30,208,679.57	31,574,599.55		\$1,365,919.98
Baggage .....	113,374.38	137,975.10		24,600.72
Sleeping car .....	381.78	478.51		96.73
Parlor and chair car .....	15,739.17	18,984.87		3,245.70
Mail .....	16,357,649.24	17,159,633.66		801,984.42
Express .....	5,952,155.37	5,135,177.81	816,977.56	
Other passenger-train .....	236,799.71	222,537.13	14,262.58	
Milk .....	157,826.52	177,831.96		20,005.44
Switching .....	5,889,589.48	5,413,219.30	476,370.18	
Dining and buffet .....	4,582,689.64	4,886,654.69		303,965.05
Hotel and restaurant .....	1,459,081.35	1,428,629.57	30,451.78	
Station, train, and boat privileges .....	150,882.27	148,952.73	1,929.54	
Parcel room .....	7,113.35	6,583.60	529.75	
Storage—freight .....	11,008.83	11,010.78		1.95
Storage—baggage .....	17,939.48	18,458.28		518.80
Demurrage .....	675,994.48	570,771.07	105,223.41	
Communication .....	134,693.49	138,027.89		3,334.40
Power .....	7,584.03	9,125.02		1,540.99
Rents of buildings and other property .....	485,211.34	484,806.56	404.78	
Miscellaneous .....	875,634.64	917,201.02		41,566.38
Joint facility—credit .....	594,596.71	462,073.14	132,523.57	
Joint facility—debit .....	106,091.00	291,966.54		185,875.54
<b>Total Operating Revenues .....</b>	<b>\$509,362,476.21</b>	<b>\$481,786,451.16</b>	<b>\$27,576,025.05</b>	

## NO. 4 — OPERATING EXPENSES

TITLE OF ACCOUNT	1955	1954	Increase	Decrease
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence .....	\$4,094,174.15	\$4,101,311.60		\$7,137.45
Roadway maintenance .....	4,826,505.18	4,454,999.89	\$371,505.29	
Tunnels and subways .....	43,984.02	256,525.51		212,541.49
Bridges, trestles, and culverts .....	1,940,529.15	1,789,919.10	150,610.05	
Ties .....	3,402,117.73	2,475,669.62	926,448.11	
Rails .....	2,754,780.81	3,824,523.13		1,069,742.32
Other track material .....	4,465,513.02	4,651,339.18		185,826.16
Ballast .....	761,443.38	558,723.30	202,720.08	
Track laying and surfacing .....	19,427,709.25	18,895,784.74	531,924.51	
Fences, snowsheds, and signs .....	463,629.63	580,432.53		116,802.90
Station and office buildings .....	2,290,159.31	2,182,106.50	108,052.81	
Roadway buildings .....	760,757.24	656,859.90	103,897.34	
Water stations .....	348,417.50	295,645.18	52,772.32	
Fuel stations .....	245,626.08	378,485.93		132,859.85
Shops and enginehouses .....	1,828,380.86	1,697,951.17	130,429.69	
Wharves and docks .....	22,737.26	25,161.25		2,423.99
Communication systems .....	1,372,235.52	1,447,810.40		75,574.88
Signals and interlockers .....	2,703,708.55	3,031,107.70		327,399.15
Power plants .....	139,919.00	93,589.11	46,329.89	
Power-transmission systems .....	400,523.83	341,515.91	59,007.92	
Miscellaneous structures .....	2,538.25	1,511.21	1,027.04	
Road property—depreciation .....	5,292,340.00	4,994,638.04	297,701.96	
Retirements—road .....	2,380,648.26	730,546.31	1,650,101.95	
Roadway machines .....	657,680.16	609,405.72	48,274.44	
Dismantling retired road property .....	423,492.74	359,896.05	63,596.69	
Small tools and supplies .....	1,656,636.17	1,479,199.84	177,436.33	
Removing snow, ice, and sand .....	1,500,909.53	628,301.14	872,608.39	
Public improvements—maintenance .....	609,972.16	500,188.01	109,784.15	
Injuries to persons .....	433,599.42	319,789.77	113,809.65	
Insurance .....	202,330.86	225,103.88		22,773.02
Stationery and printing .....	64,904.43	59,054.34	5,850.09	
Other expenses .....	355,711.45	37,895.00	317,816.45	
Right-of-way expenses .....	1,092.04	8,127.14		7,035.10
Maintaining joint tracks, yards, and other facilities—debit....	2,660,409.43	2,417,025.43	243,384.00	
Maintaining joint tracks, yards, and other facilities—credit....	1,429,603.97	1,488,574.31		58,970.34
<b>Total Maintenance of Way and Structures .....</b>	<b>\$67,105,512.40</b>	<b>\$62,621,569.22</b>	<b>\$4,483,943.18</b>	
<b>Ratio to Operating Revenues .....</b>	<b>13.17</b>	<b>13.00</b>	<b>.17</b>	



**NO. 4 — OPERATING EXPENSES — (Continued)**

TITLE OF ACCOUNT	1955	1954	Increase	Decrease
<b>MAINTENANCE OF EQUIPMENT</b>				
Superintendence .....	\$3,460,318.61	\$3,572,492.19	.....	\$112,173.58
Shop machinery .....	1,725,010.17	1,816,777.65	.....	91,767.48
Power-plant machinery .....	412,275.11	449,197.98	.....	36,922.87
Shop and power-plant machinery—depreciation .....	380,661.58	346,183.01	\$34,478.57	
Dismantling retired shop and power-plant machinery.....	1,051.22	1,219.06	.....	167.84
Steam locomotives—repairs .....	4,387,612.44	8,657,315.28	.....	4,269,702.84
Diesel and gas-turbine locomotives—repairs .....	25,076,226.23	19,398,004.64	5,678,221.59	
Freight-train cars—repairs .....	21,563,724.99	20,096,394.75	1,467,330.24	
Passenger-train cars—repairs .....	11,097,079.89	11,806,938.56	.....	709,858.67
Work equipment—repairs .....	655,951.31	832,311.50	.....	176,360.19
Miscellaneous equipment—repairs .....	486,322.91	443,348.08	42,974.83	
Dismantling retired equipment .....	272,162.37	353,223.61	.....	81,061.24
Retirements—equipment .....	34,633.20*	12,017.79*	.....	22,615.41
Equipment—depreciation .....	19,333,604.60	17,631,178.61	1,702,425.99	
Injuries to persons .....	257,308.93	446,284.69	.....	188,975.76
Insurance .....	1,593,066.43	1,491,454.86	101,611.57	
Stationery and printing .....	78,829.33	78,799.77	29.56	
Other expenses .....	1,095,777.12	1,158,552.72	.....	62,775.60
Joint maintenance of equipment expenses—debit.....	540,835.38	510,864.16	29,971.22	
Joint maintenance of equipment expenses—credit .....	107,245.27	187,830.37	.....	80,585.10
<b>Total Maintenance of Equipment .....</b>	<b>\$92,275,940.15</b>	<b>\$88,890,692.96</b>	<b>\$3,385,247.19</b>	
<b>Ratio to Operating Revenues .....</b>	<b>18.11</b>	<b>18.45</b>	.....	.34
<b>TRAFFIC</b>				
Superintendence .....	\$2,260,701.78	\$2,273,324.52	.....	\$12,622.74
Outside agencies .....	5,886,923.20	5,821,452.21	\$65,470.99	
Advertising .....	3,530,247.83	3,307,715.15	222,532.68	
Traffic associations .....	238,534.41	251,161.33	.....	12,626.92
Industrial and immigration bureaus .....	226,013.58	199,055.84	26,957.74	
Insurance .....	6,908.16	10,269.17	.....	3,361.01
Stationery and printing .....	409,311.21	402,032.89	7,278.32	
Other expenses .....	12,614.82	1,553.15	11,061.67	
<b>Total Traffic .....</b>	<b>\$12,571,254.99</b>	<b>\$12,266,564.26</b>	<b>\$304,690.73</b>	
<b>Ratio to Operating Revenues .....</b>	<b>2.47</b>	<b>2.55</b>	.....	.08
<b>TRANSPORTATION</b>				
Superintendence .....	\$4,976,479.38	\$5,034,283.38	.....	\$57,804.00
Dispatching trains .....	1,730,886.44	1,702,413.40	\$28,473.04	
Station employes .....	17,959,148.83	17,478,883.05	480,265.78	
Weighing, inspection, and demurrage bureaus .....	376,883.96	388,516.17	.....	11,632.21
Station supplies and expenses .....	1,284,463.88	1,178,419.85	106,044.03	
Yardmasters and yard clerks .....	6,065,887.63	5,616,342.16	449,545.47	
Yard conductors and brakemen .....	12,869,778.47	11,852,507.02	1,017,271.45	
Yard switch and signal tenders .....	1,334,986.83	1,093,495.14	241,491.69	
Yard enginemen .....	7,484,576.34	6,945,789.15	538,787.19	
Yard switching fuel .....	1,427,975.10	1,495,201.60	.....	67,226.50
Water for yard locomotives .....	32,447.44	53,816.50	.....	21,369.06
Lubricants for yard locomotives .....	91,518.68	91,967.93	.....	449.25
Other supplies for yard locomotives .....	38,018.39	44,536.39	.....	6,518.00
Enginehouse expenses—yard .....	1,322,086.17	1,304,332.23	17,753.94	
Yard supplies and expenses .....	414,284.79	378,360.37	35,924.42	
Operating joint yards and terminals—debit .....	6,955,788.28	7,193,765.26	.....	237,976.98
Operating joint yards and terminals—credit .....	2,674,124.24	2,581,453.83	92,670.41	

\* Credit.



## NO. 4 — OPERATING EXPENSES — (Concluded)

TITLE OF ACCOUNT	1955	1954	Increase	Decrease
TRANSPORTATION—(Concluded)				
Train enginemen .....	\$20,951,435.57	\$20,852,917.91	\$98,517.66	
Train fuel .....	29,113,011.02	31,281,217.41	.....	\$2,168,206.39
Water for train locomotives .....	881,758.28	938,590.49	.....	56,832.21
Lubricants for train locomotives .....	1,492,046.85	1,459,993.61	32,053.24	
Other supplies for train locomotives .....	303,023.27	372,853.39	.....	69,830.12
Enginehouse expenses—train .....	6,769,612.55	7,016,126.02	.....	246,513.47
Trainmen .....	27,632,865.46	27,033,251.88	599,613.58	
Train supplies and expenses .....	12,601,196.55	13,130,875.26	.....	529,678.71
Operating sleeping cars .....	853,933.18	1,885,358.86	.....	1,031,425.68
Signal and interlocker operation .....	720,736.80	753,953.13	.....	33,216.33
Crossing protection .....	492,451.26	539,526.47	.....	47,075.21
Drawbridge operation .....	89,852.72	91,551.78	.....	1,699.06
Communication system operation .....	1,254,827.23	1,235,153.96	19,673.27	
Stationery and printing .....	655,599.17	610,215.55	45,383.62	
Other expenses .....	416,983.11	141,335.09*	558,318.20	
Operating joint tracks and facilities—debit .....	825,880.42	802,752.89	23,127.53	
Operating joint tracks and facilities—credit .....	194,864.62	188,082.24	6,782.38	
Insurance .....	442,635.24	507,750.79	.....	65,115.55
Clearing wrecks .....	350,986.29	276,298.31	74,687.98	
Damage to property .....	116,400.98	150,771.38	.....	34,370.40
Damage to livestock on right-of-way .....	44,480.83	37,587.26	6,893.57	
Loss and damage—freight .....	4,391,076.89	4,885,790.24	.....	494,713.35
Loss and damage—baggage .....	13,455.87	11,862.22	1,593.65	
Injuries to persons .....	1,573,530.91	3,177,802.70	.....	1,604,271.79
<b>Total Transportation .....</b>	<b>\$173,484,002.20</b>	<b>\$175,993,959.95</b>	<b>.....</b>	<b>\$2,509,957.75</b>
<b>Ratio to Operating Revenues .....</b>	<b>34.06</b>	<b>36.53</b>	<b>.....</b>	<b>2.47</b>
MISCELLANEOUS OPERATIONS				
Dining and buffet service .....	\$8,362,180.01	\$9,942,685.61	.....	\$1,580,505.60
Hotels and restaurants .....	1,802,352.32	1,808,788.48	.....	6,436.16
Producing power sold .....	11,818.00	7,771.70	\$4,046.30	
Other miscellaneous operations .....	2,184.70	2,815.42	.....	630.72
Operating joint miscellaneous facilities—debit .....	3,125.18	3,129.52	.....	4.34
<b>Total Miscellaneous Operations .....</b>	<b>\$10,181,660.21</b>	<b>\$11,765,190.73</b>	<b>.....</b>	<b>\$1,583,530.52</b>
<b>Ratio to Operating Revenues .....</b>	<b>2.00</b>	<b>2.44</b>	<b>.....</b>	<b>.44</b>
GENERAL				
Salaries and expenses of general officers .....	\$1,304,684.15	\$1,313,606.22	.....	\$8,922.07
Salaries and expenses of clerks and attendants .....	8,764,907.79	8,638,314.33	\$126,593.46	
General office supplies and expenses .....	938,807.85	880,584.58	58,223.27	
Law expenses .....	1,368,384.43	1,254,412.71	113,971.72	
Insurance .....	11,575.05	15,911.76	.....	4,336.71
Pensions .....	660,247.59	612,573.55	47,674.04	
Employees' group insurance .....	438,039.04	376,235.98	61,803.06	
Stationery and printing .....	376,355.92	283,768.24	92,587.68	
Valuation expenses .....	151,269.93	150,129.52	1,140.41	
Other expenses .....	681,115.09	608,301.65	72,813.44	
General joint facilities—debit .....	233,562.61	221,250.81	12,311.80	
General joint facilities—credit.....	20,989.21	34,186.48	.....	13,197.27
<b>Total General .....</b>	<b>\$14,907,960.24</b>	<b>\$14,320,902.87</b>	<b>\$587,057.37</b>	
<b>Ratio to Operating Revenues .....</b>	<b>2.93</b>	<b>2.97</b>	<b>.....</b>	<b>.04</b>
<b>Total Operating Expenses .....</b>	<b>\$370,526,330.19</b>	<b>\$365,858,879.99</b>	<b>\$4,667,450.20</b>	
<b>Ratio to Operating Revenues .....</b>	<b>72.74</b>	<b>75.94</b>	<b>.....</b>	<b>3.20</b>

\* Credit.



NO. 5—OPERATING STATISTICS

	1955	1954	Increase	Decrease	Per Cent
Average miles of road operated.....	9,811.81	9,816.59	.....	4.78	—
<b>Freight Traffic</b>					
<b>REVENUE FREIGHT</b>					
Cars of revenue freight loaded on line.....	938,457	894,999	43,458	.....	4.9
Cars of revenue freight received from connections.....	848,324	769,196	79,128	.....	10.3
Total cars of revenue freight handled.....	1,786,781	1,664,195	122,586	.....	7.4
Tons of revenue freight carried.....	56,233,816	52,108,613	4,125,203	.....	7.9
Ton-miles, revenue freight.....	34,861,395,589	32,065,877,317	2,795,518,272	.....	8.7
Average distance hauled per ton (miles).....	619.94	615.37	4.57	.....	.7
Average revenue per ton.....	\$7.85	\$7.93	.....	\$ .08	1.0
Average revenue per ton-mile (cents).....	1.267	1.288	.....	.021	1.6
Average revenue per train mile.....	\$15.04	\$14.48	\$ .56	.....	3.9
<b>REVENUE AND COMPANY FREIGHT</b>					
Tons of all freight carried.....	61,127,053	57,267,215	3,859,838	.....	6.7
Ton-miles, all freight.....	36,489,654,738	33,767,012,554	2,722,642,184	.....	8.1
Gross ton-miles (cars and contents) all freight.....	88,007,512,659	82,827,710,155	5,179,802,504	.....	6.3
Average net ton-miles per mile of road per day.....	10,187	9,423	764	.....	8.1
<b>Passenger Traffic</b>					
Revenue passengers carried.....	1,950,646	1,968,221	.....	17,575	.9
Revenue passengers carried one mile.....	1,437,009,123	1,459,288,247	.....	22,279,124	1.5
Average journey per passenger (miles).....	736.68	741.42	.....	4.74	.6
Average revenue per passenger mile (cents).....	2.102	2.164	.....	.062	2.9
Average revenue per train mile—passengers only.....	\$2.66	\$2.18	\$ .48	.....	22.0
Average total revenue per train mile.....	\$4.02	\$3.62	\$ .40	.....	11.0
<b>Train and Car Statistics</b>					
<b>FREIGHT</b>					
Train miles—Ordinary.....	29,091,418	28,244,519	846,899	.....	3.0
Light (locomotive with caboose).....	260,525	285,365	.....	24,840	8.7
Total.....	29,351,943	28,529,884	822,059	.....	2.9
Train hours.....	1,132,130	1,101,193	30,937	.....	2.8
Locomotive miles.....	32,249,090	31,489,846	759,244	.....	2.4
Car miles in freight trains:					
Freight—Loaded.....	1,330,968,577	1,233,273,499	97,695,078	.....	7.9
Freight—Empty.....	687,908,839	677,948,108	9,960,731	.....	1.5
Caboose.....	28,618,154	27,718,905	899,249	.....	3.2
Passenger-train.....	7,591,630	8,979,917	.....	1,388,287	15.5
Total.....	2,055,087,200	1,947,920,429	107,166,771	.....	5.5
Average freight-train speed—miles per hour.....	25.93	25.91	.02	.....	.1
Average tons per loaded car mile—all freight.....	27.39	27.35	.04	.....	.1
Average car miles per freight-train mile.....	69.40	67.67	1.73	.....	2.6
Percentage of loaded to total freight-carrying car miles.....	65.93	64.53	1.40	.....	2.2
Average net tons per train mile—all freight.....	1,254.13	1,195.33	58.80	.....	4.9
Average gross tons per train mile.....	3,025.21	2,932.52	92.69	.....	3.2
Average gross ton-miles per train hour.....	77,736	75,216	2,520	.....	3.4
<b>PASSENGER</b>					
Train miles—Passenger.....	11,369,756	14,510,457	.....	3,140,701	21.6
Mail and express.....	2,978,914	1,772,179	1,206,735	.....	68.1
Total.....	14,348,670	16,282,636	.....	1,933,966	11.9
Train hours.....	287,608	331,651	.....	44,043	13.3
Locomotive miles.....	14,451,723	16,298,819	.....	1,847,096	11.3
Car miles in passenger trains:					
Passenger-carrying.....	91,184,006	109,820,198	.....	18,636,192	17.0
Other passenger-train.....	85,215,480	92,815,628	.....	7,600,148	8.2
Freight-train.....	1,522,064	1,589,895	.....	67,831	4.3
Total.....	177,921,550	204,225,721	.....	26,304,171	12.9
Average passenger-train speed—miles per hour.....	49.89	49.10	.79	.....	1.6
Average car miles per passenger-train mile.....	12.40	12.54	.....	.14	1.1
Average passengers per train mile.....	126.39	100.57	25.82	.....	25.7
Average passengers per passenger-carrying car mile.....	17.49	14.70	2.79	.....	19.0



**NO. 6 — CAPITAL STOCK**

Company	Amount in Hands of the Public December 31, 1955		Amount Owned within the System			Grand Total Dec. 31, 1955
	Common	Preferred	By Union Pacific R. R. Co.	By Oregon Short Line R. R. Co.	Total	
UNION PACIFIC RAILROAD CO.						
Common Stock (par value \$50 per share) .....	\$222,291,000.00					\$222,291,000.00
Preferred Stock (par value \$50 per share) .....		\$99,543,100.00				99,543,100.00
	<u>\$222,291,000.00</u>	<u>\$99,543,100.00</u>				<u>\$321,834,100.00</u>
OREGON SHORT LINE RAILROAD CO.						
Capital Stock (par value \$100 per share) .....			\$100,000,000.00		\$100,000,000.00	100,000,000.00
OREGON-WASHINGTON RAILROAD & NAVIGATION CO.						
Capital Stock (par value \$100 per share) .....				\$50,000,000.00	50,000,000.00	50,000,000.00
LOS ANGELES & SALT LAKE RAILROAD CO.						
Capital Stock (par value \$100 per share) .....			12,500,000.00	12,500,000.00	25,000,000.00	25,000,000.00
THE ST. JOSEPH AND GRAND ISLAND RAILWAY CO.						
Common Stock (par value \$100 per share) .....	10,000.00		4,590,000.00		4,590,000.00	4,600,000.00
First Preferred Stock (par value \$100 per share) .....		36,610.37	5,462,789.63		5,462,789.63	5,499,400.00
Second Preferred Stock (par value \$100 per share) .....		9,970.42	3,490,029.58		3,490,029.58	3,500,000.00
DES CHUTES RAILROAD CO.						
Capital Stock (par value \$100 per share) .....				100,000.00	100,000.00	100,000.00
Total .....	<u>\$222,301,000.00</u>	<u>\$99,589,680.79</u>	<u>\$126,042,819.21</u>	<u>\$62,600,000.00</u>	<u>\$188,642,819.21</u>	<u>\$510,533,500.00</u>

**NO. 7 — FUNDED DEBT OUTSTANDING IN HANDS OF THE PUBLIC, AND THE INTEREST THEREON**

Company and Character of Funded Debt	Date of Issue	Date of Maturity	Interest Payable	Outstanding		Interest Accrued Charged to Income Account	
				Dec. 31, 1955	Decrease vs. Dec. 31, 1954	Year 1955	Increase (+) or Decrease (-) vs. Year 1954
UNION PACIFIC RAILROAD CO.							
Refunding Mortgage 2½% Bonds, Series C .....	Mar. 1, 1946	Mar. 1, 1991	Mar. & Sept.	\$71,865,000.00	\$3,361,000.00	\$1,858,114.17	—\$35,536.87
Thirty Year 2⅞% Debenture Bonds	Feb. 1, 1946	Feb. 1, 1976	Feb. & Aug.	44,493,000.00		1,279,173.75	
Equipment Trust, Series F 1½% ..	Jan. 1, 1941	Jan. 1, 1956	January	838,000.00	838,000.00	12,570.00	— 12,570.00
Equipment Trust, Series H 1¼% ..	Aug. 1, 1944						— 8,289.17
Equipment Purchase Contracts ....	Various	Various	Monthly	627,341.16	4,361,303.00	47,297.41	— 84,281.77
Equipment Purchase Contracts ....	1954	Various	Quarterly	11,828,666.65	4,698,666.68	275,073.34	+ 92,934.13
				<u>\$129,652,007.81</u>	<u>\$13,258,969.68</u>	<u>\$3,472,228.67</u>	<u>—\$47,743.68</u>
OREGON-WASHINGTON RAILROAD & NAVIGATION CO.							
† Refunding Mortgage 3% Bonds, Series A .....	Oct. 1, 1944	Oct. 1, 1960	Apr. & Oct.	\$48,791,000.00	\$1,094,000.00	\$1,483,118.33	—\$13,473.75
Total .....				<u>\$178,443,007.81</u>	<u>\$14,352,969.68</u>	<u>\$4,955,347.00</u>	<u>—\$61,217.43</u>

† Principal and interest guaranteed by Union Pacific Railroad Co.

NOTE A: Union Pacific Railroad Co. is a guarantor of the principal and interest of \$42,152,000 face value of serial bonds, bearing interest rates varying from 1½% to 3%, issued by Kansas City Terminal Railway Co., maturing 1956-74, such issue having also as guarantors eleven other railroads which are joint tenants of the union depot and terminal facilities.

NOTE B: Face value of bonds owned within the System:

Description	Owned by:	
	U. P. R. R. Co.	O. S. L. R. R. Co.
O. S. L. R. R. Co. First & Consolidated Mortgage 4% Bonds, due December 1, 1960 .....	\$41,487,000	\$3,587,000
O-W. R. R. & N. Co. Refunding Mortgage 3% Bonds, Series B, due October 1, 1960 .....	17,444,000	—
L. A. & S. L. R. R. Co. First Mortgage 4% Fifty-Year Bonds, due July 1, 1961 .....	59,022,000	—



**NO. 8—STOCKS OWNED, AND DIVIDENDS THEREON CREDITED TO INCOME ACCOUNT**

Company	Total Shares Outstanding Dec. 31, 1955	Number of Shares Owned		Dividends Credited to Income Account	
		Dec. 31, 1955	Increase (+) or Decrease (-) vs. Dec. 31, 1954	Year 1955	Increase (+) or Decrease (-) vs. Year 1954
<b>Affiliated Companies</b>					
TERMINAL AND TRANSPORTATION					
Camas Prairie Railroad Co.....	1,000	500			
Cowlitz, Chehalis & Cascade Railway Co.....	4,250	699.7			
Denver Union Terminal Railway Co.....	300	50			
Kansas City Terminal Railway Co.....	22,000	1,833.3			
Leavenworth Depot & Railroad Co.....	240	80			
Northern Pacific Terminal Co. of Oregon....	30,000	12,000			
Ogden Union Railway and Depot Co.....	3,000	1,500			
Pacific Fruit Express Co.....	240,000	120,000	.....	\$2,880,000.00	+ \$480,000.00
Pullman Co. ....	731,350	43,914	.....	87,828.00	- 175,656.00
Railway Express Agency, Inc. ....	1,000	25			
St. Joseph Terminal Railroad Co.....	3,000	1,500			
St. Joseph Union Depot Co.....	100	10			
Union Pacific Motor Freight Co.....	50	50			
Union Pacific Stage Co.....	30	30			
Yakima Valley Transportation Co.....	10,000	10,000			
COAL					
Union Pacific Coal Co.....	50,000	50,000	.....	1,100,000.00	+ 700,000.00
LAND					
Kansas City Industrial Land Co.....	9,000	9,000	.....	45,000.00	+ 45,000.00
Las Vegas Land and Water Co.....	500	500			
Union Land Co.....	100	100			
WATER					
Union Pacific Water Co.....	1,783	1,783	.....	12,481.00	+ 12,481.00
MISCELLANEOUS					
Overland Terminal Warehouse Co.....	1,150	1,150			
Southern Wyoming Utilities Co.....	3,500	3,500			
Utah Parks Co.....	250	250			
Total Dividends—Affiliated Companies...				\$4,125,309.00	+\$1,061,825.00
<b>Other than Affiliated Companies</b>					
Baltimore & Ohio Railroad Co.					
Preferred .....		24,191.7	.....	\$96,768.00	
Chicago & North Western Railway Co.					
Preferred, Series A .....			- 12,838*		- \$42,365.40
Greyhound Corporation					
Preferred .....		3,020	- 6,260*	23,183.75	- 20,407.45
Illinois Central Railroad Co.					
Common .....		733,940	+196,540†	2,293,562.50	+ 950,062.50
Preferred .....			-196,540†		- 589,620.00
New York Central Railroad Co.					
Capital .....		85,682	- 375*	172,114.00	+ 172,114.00
Pennsylvania Railroad Co.					
Capital .....		115,200	.....	172,800.00	+ 86,400.00
Miscellaneous .....		54			
Total Dividends—Other than Affiliated Companies.....				\$2,758,428.25	+ \$556,183.65
Grand Total Dividends Credited to Income Account.....				\$6,883,737.25	+\$1,618,008.65

\* Sold.

† On January 26, 1955, each share of Illinois Central R.R. Co. preferred stock, of \$50 par value, owned by Union Pacific, was converted into one share of no par value common stock.



## NO. 9—BONDS AND NOTES OWNED, AND INTEREST THEREON CREDITED TO INCOME ACCOUNT

Company	Total Outstanding Dec. 31, 1955	Face Value Owned		Interest Credited to Income Account	
		Dec. 31, 1955	Increase (+) or Decrease (-) vs. Dec. 31, 1954	Year 1955	Increase (+) or Decrease (-) vs. Year 1954
<b>Affiliated Companies</b>					
NOTES					
Kansas City Terminal Railway Co.					
Demand Note (non-interest bearing) .....	\$1,497,160.80	\$102,001.18			
St. Joseph Terminal Railroad Co.					
6% Demand Note .....	350,000.00	175,000.00		\$10,500.00	
Total .....		\$277,001.18		\$10,500.00	
<b>Other than Affiliated Companies</b>					
BONDS AND MISCELLANEOUS					
Baltimore & Ohio Railroad Co.					
Refunding & General Mortgage 5% Bonds, Series G .....			-\$3,999,000.00*	\$55,986.00	-\$143,964.00
Southwestern Division First Mortgage 5% Bonds, Series A .....			- 1,999,000.00†	82,178.89	- 17,771.11
Convertible 4½% Income Bonds .....	Feb. 1, 2010	\$1,613,000.00		72,585.00	
First Mortgage 5% Bonds, Series B .....			- 10,000.00‡	411.12	- 88.88
First Consolidated Mortgage 4% Bonds, Series B .....	Sept. 1, 1980	2,009,000.00	+ 2,009,000.00	14,290.67	+ 14,290.67
Chicago & North Western Railway Co.					
Second Mortgage Convertible Income 4½% Bonds, Series A .....			- 2,152,500.00*		
Lehigh Valley Railroad Co.					
General Consolidated Mortgage 4½% Bonds, Series B .....					- 4,650.94
New York Central Railroad Co.					
Refunding and Improvement Mortgage 4½% Bonds .....	Oct. 1, 2013	3,000,000.00		135,000.00	
Pittsburgh, Youngstown & Ashtabula Railway Co.					
First General Mortgage 4½% Gold Bonds, Series D .....	June 1, 1977	1,485,000.00		66,825.00	
Miscellaneous (principally property-sale and other contracts) .....		1,380,707.25	+ 379,638.53	60,483.40	+ 21,265.97
Total .....		\$9,487,707.25	-\$5,771,861.47	\$487,760.08	-\$130,918.29
‡UNITED STATES OF AMERICA					
Treasury Certificates of Indebtedness 1%, Series C .....	Mar. 22, 1955		-\$15,000,000.00	\$33,365.95	- \$16,966.70
Treasury Certificates of Indebtedness 1⅛%, Series D .....	Aug. 15, 1955		- 16,400,000.00	115,312.50	+ 46,125.00
Treasury Certificates of Indebtedness 1⅞%, Series A .....	Mar. 22, 1956	\$5,000,000.00	+ 5,000,000.00	42,557.08	+ 42,557.08
Treasury Certificates of Indebtedness 2%, Series B .....	June 22, 1956	21,900,000.00	+ 21,900,000.00	153,807.55	+ 153,807.55
Treasury 1⅝% Notes, Series A—1956 .....	Mar. 15, 1956	21,000,000.00	+ 21,000,000.00	106,558.28	+ 106,558.28
Treasury 2% Notes, Series B—1956 .....	Aug. 15, 1956	10,000,000.00	+ 10,000,000.00	60,446.79	+ 60,446.79
Treasury 1⅝% Notes, Series B—1957 .....	May 15, 1957	16,000,000.00		260,000.00	+ 197,826.08
Treasury 1⅞% Notes, Series A—1959 .....	Feb. 15, 1959	10,000,000.00		187,461.93	+ 78,264.66
Treasury Bills (91-Day) .....	Mar. 3, 1955		- 10,000,000.00	17,361.54	+ 8,823.08
§ Interest on other Treasury securities .....				216,555.45	- 423,631.10
Total .....		\$83,900,000.00	+\$16,500,000.00	\$1,193,427.07	+\$253,810.72
Grand Total .....		\$93,664,708.43	+\$10,728,138.53	\$1,691,687.15	+\$122,892.43

\* Sold.

† Exchanged October 27, 1955, for Baltimore &amp; Ohio Railroad Co. First Consolidated Mortgage 4% Bonds, Series B (see page 27).

‡ Included in balance sheet as "Temporary Cash Investments," under "Current Assets."

§ Interest received in 1955 on Treasury securities acquired during the year but disposed of prior to December 31st, compared with interest received in 1954 on Treasury securities disposed of prior to December 31st of that year.



NO. 10 — EQUIPMENT OWNED

LOCOMOTIVES	Owned December 31, 1954	Acquired			Retired	Owned December 31, 1955
		Purchased or Built	Rebuilt or Converted	Total Acquired		
<b>Diesel</b>						
Freight units .....	597	....	26*	26	....	623
Passenger units .....	118	30	....	30	26	122
Road-Switch .....	58	....	....	....	....	58
Switch .....	234	32	....	32	....	266
Total Diesel .....	1,007	62	26	88	26	1,069
Gas-Turbine .....	25	....	....	....	....	25
<b>Steam</b>						
Road .....	572	....	....	....	173	399
Switch .....	33	....	....	....	10	23
Total Steam .....	605	....	....	....	183	422
<b>FREIGHT-TRAIN CARS</b>						
Automobile .....	4,581	368	....	368	156	4,793
Box .....	23,056	300	....	300	429	22,927
Gondola .....	17,726†	6	....	6	1,024	16,708†
Ballast .....	45	....	....	....	4	41
Flat .....	2,308	300	....	300	46	2,562
Stock .....	3,336	....	....	....	24	3,312
Tank .....	1,054	196	....	196	2	1,248
Caboose .....	748	109	....	109	36	821
Total Freight-Train Cars .....	52,854	1,279	....	1,279	1,721	52,412
<b>PASSENGER-TRAIN CARS</b>						
Postal .....	103	....	3	3	2	104
Baggage .....	302	....	....	....	2	300
Baggage-combination .....	119	....	....	....	5	114
Coach .....	293	5	....	5	....	298
Coach-combination .....	9	....	....	....	....	9
Buffet or Parlor .....	3	....	....	....	....	3
Sleeping .....	209	9	....	9	....	218
Dining .....	103	14	....	14	....	117
Club, Lounge, and Observation .....	77‡	15	....	15	....	92‡
Auxiliary steam generator .....	2	....	....	....	....	2
Motor Car (Gas-Electric) .....	9	....	....	....	2	7
Motor-Car Trailer .....	9	....	....	....	5	4
Total Passenger-Train Cars .....	1,238	43	3	46	16	1,268
<b>WORK EQUIPMENT</b>						
Business .....	19	....	....	....	....	19
Instruction .....	9	....	....	....	....	9
Roadway .....	187	....	111	111	34	264
Boarding .....	1,575	....	313	313	242	1,646
Tool .....	206	1	155	156	19	343
Miscellaneous .....	601	1	61	62	64	599
Total Work Equipment Units .....	2,597	2	640	642	359	2,880

\* Converted from passenger units.

† Includes cars owned jointly with Utah Ry.: 1,425 as of December 31, 1954, and 1,263 as of December 31, 1955.

‡ Includes 4 club-dormitory cars owned jointly with Chicago & North Western Ry. Co. (These cars were sold in January, 1956.)



## NO. 11 — FREIGHT TRAFFIC BY COMMODITIES

Commodity	TONS				GROSS FREIGHT REVENUE			
	1955	Per Cent of Total	1954	Per Cent of Total	1955	Per Cent of Total	1954	Per Cent of Total
<b>PRODUCTS OF AGRICULTURE</b>								
Wheat .....	3,424,309	6.09	3,637,521	6.98	\$19,564,352	4.31	\$22,205,631	5.22
Corn .....	546,658	.97	737,243	1.42	3,127,306	.69	4,114,397	.97
Other grain and grain products.....	1,575,611	2.80	1,674,148	3.21	7,100,555	1.56	7,666,781	1.80
Sugar beets .....	2,411,608	4.29	2,740,033	5.26	1,659,687	.37	2,072,816	.49
Potatoes, other than sweet.....	1,151,643	2.05	1,147,435	2.20	15,902,494	3.51	16,387,664	3.85
Fresh fruits and vegetables.....	1,983,121	3.53	1,959,326	3.76	28,972,245	6.39	28,892,424	6.79
Other products of agriculture.....	765,291	1.36	859,670	1.65	7,850,235	1.73	8,796,482	2.07
Total .....	11,858,241	21.09	12,755,376	24.48	\$84,176,874	18.56	\$90,136,195	21.19
<b>ANIMALS AND PRODUCTS</b>								
Livestock .....	838,139	1.49	899,316	1.73	\$12,647,475	2.79	\$13,179,117	3.10
Meats and other edible packing house products .....	210,686	.37	213,807	.41	4,398,696	.97	4,589,116	1.08
Other animals and products.....	207,368	.37	200,102	.38	3,345,154	.74	3,265,153	.77
Total .....	1,256,193	2.23	1,313,225	2.52	\$20,391,325	4.50	\$21,033,386	4.95
<b>PRODUCTS OF MINES</b>								
Bituminous coal .....	4,807,861	8.55	4,024,293	7.72	\$15,819,629	3.49	\$13,560,510	3.19
Iron ore .....	4,483,267	7.97	3,620,840	6.95	10,299,352	2.27	8,569,821	2.01
Other ores and concentrates.....	1,290,511	2.30	1,138,626	2.19	5,767,942	1.27	5,564,606	1.31
Gravel, sand, and stone.....	2,717,968	4.83	2,638,289	5.06	5,369,142	1.18	5,102,121	1.20
Phosphate rock .....	1,595,013	2.84	1,402,870	2.69	2,537,562	.56	3,049,175	.72
Other products of mines.....	2,237,898	3.98	1,982,688	3.81	9,798,256	2.16	8,958,772	2.10
Total .....	17,132,518	30.47	14,807,606	28.42	\$49,591,883	10.93	\$44,805,005	10.53
<b>PRODUCTS OF FORESTS</b>								
Lumber, shingles, and lath.....	6,503,673	11.56	6,159,398	11.82	\$61,851,482	13.64	\$58,928,588	13.86
Veneer, plywood, and built-up wood..	801,776	1.43	615,015	1.18	7,342,038	1.62	5,740,074	1.35
Other products of forests.....	1,016,811	1.81	952,127	1.83	3,052,118	.67	2,615,561	.61
Total .....	8,322,260	14.80	7,726,540	14.83	\$72,245,638	15.93	\$67,284,223	15.82
<b>MANUFACTURES AND MISCELLANEOUS</b>								
Petroleum products .....	1,567,441	2.79	1,484,409	2.85	\$8,482,866	1.87	\$9,025,147	2.12
Iron and steel, including scrap.....	2,209,015	3.93	1,903,693	3.65	21,802,737	4.81	18,809,236	4.42
Other metals and alloys.....	913,218	1.62	678,353	1.30	9,430,198	2.08	8,353,946	1.97
Chemicals and products.....	1,290,607	2.29	1,040,995	2.00	14,439,412	3.18	11,917,545	2.80
Machinery and parts.....	396,569	.71	340,617	.65	11,432,085	2.52	9,991,810	2.35
Automobiles, other vehicles, and parts	837,335	1.49	596,845	1.14	32,474,620	7.16	21,274,314	5.00
Cement, brick, lime, and plaster.....	1,655,260	2.94	1,532,968	2.94	5,786,918	1.28	5,028,081	1.18
Paper and products.....	966,960	1.72	855,868	1.64	11,641,605	2.57	10,176,664	2.39
Ammunition and explosives.....	160,799	.29	263,522	.51	3,958,704	.87	8,198,093	1.93
Canned and other foods and beverages	2,407,235	4.28	2,370,830	4.55	27,146,123	5.99	26,871,265	6.32
Other manufactures and miscellaneous	4,420,626	7.86	3,692,190	7.09	50,002,356	11.02	44,212,039	10.40
Total .....	16,825,065	29.92	14,760,290	28.32	\$196,597,624	43.35	\$173,858,140	40.88
Forwarder Traffic .....	584,562	1.04	532,393	1.02	\$20,476,938	4.51	\$19,547,846	4.60
Total Carload Freight.....	55,978,839	99.55	51,895,430	99.59	\$443,480,282	97.78	\$416,664,795	97.97
All less than carload freight.....	254,977	.45	213,183	.41	10,049,679	2.22	8,624,554	2.03
Total All Commodities.....	56,233,816	100.00	52,108,613	100.00	\$453,529,961	100.00	\$425,289,349	100.00

NOTE: Total gross freight revenue shown above exceeds freight revenue reported in Table 3 for 1955 and 1954 by \$11,996,019 and \$12,133,664, respectively. These differences represent principally absorbed switching and drayage charges, adjustments of prior settlements with foreign lines, and other allowances, deducted from revenue but not classified by commodities.



**NO. 12—SUMMARY OF INCOME AND SELECTED STATISTICS FOR LAST**

	1955	1954	1953
<b>Transportation Operations</b>			
<b>OPERATING REVENUES</b>			
Freight .....	\$441,533,942	\$413,155,686	\$453,790,011
Passenger .....	30,208,680	31,574,599	36,264,163
Mail and express .....	22,309,804	22,294,812	23,258,165
Other .....	15,310,050	14,761,354	16,711,961
Total operating revenues .....	\$509,362,476	\$481,786,451	\$530,024,300
<b>OPERATING EXPENSES</b>			
Maintenance of way and structures .....	\$67,105,513	\$62,621,569	\$72,090,672
Maintenance of equipment .....	92,275,940	88,890,693	100,178,643
Traffic .....	12,571,255	12,266,564	11,742,583
Transportation .....	173,484,002	175,993,960	189,579,208
Miscellaneous operations .....	10,181,660	11,765,191	12,696,228
General .....	14,907,960	14,320,903	14,140,031
Total operating expenses .....	\$370,526,330	\$365,858,880	\$400,427,365
<b>TAXES</b>			
State and county .....	\$18,700,000	\$17,300,000	\$17,200,000
Federal income .....	40,300,000	33,500,000	47,018,000
All other .....	13,517,848	12,886,778	13,418,443
Total taxes .....	\$72,517,848	\$63,686,778	\$77,636,443
Equipment and joint facility rents—net charge .....	\$22,578,806	\$22,679,243	\$23,100,566
Net income from transportation operations .....	\$43,739,492	\$29,561,550	\$28,859,926
<b>Income from Investments and Other Sources</b>			
Income from oil and gas operations—net* .....	28,075,475	33,743,135	34,318,992
Other income .....	13,207,325	12,133,390	13,003,414
Total income .....	\$85,022,292	\$75,438,075	\$76,182,332
<b>Fixed and Other Charges</b>			
Interest on funded debt .....	\$4,955,347	\$5,016,564	\$4,998,646
Other charges .....	839,689	798,846	753,473
Net income from all sources .....	\$79,227,256	\$69,622,665	\$70,430,213
Released from "Reserve against possible refunds on U. S. Government shipments" .....	.....	.....	535,127
Total for disposition .....	\$79,227,256	\$69,622,665	\$70,965,340
Dividends on Preferred Stock of Union Pacific Railroad Co. ....	3,981,724	3,981,724	3,981,724
Surplus for Common Stock of Union Pacific Railroad Co. ....	\$75,245,532	\$65,640,941	\$66,983,616
Dividends on Common Stock .....	35,566,560	31,120,740	26,674,920
Transferred to Earned Surplus—Unappropriated .....	\$39,678,972	\$34,520,201	\$40,308,696
<b>Statistics</b>			
Ton-miles of revenue freight carried (thousands) .....	34,861,396	32,065,877	34,132,866
Average revenue per ton-mile (cents) .....	1.267	1.288	1.329
Average distance hauled per ton (miles) .....	619.94	615.37	611.10
Average freight-train speed—miles per hour .....	25.93	25.91	24.53
Average net tons per train mile—all freight .....	1,254.13	1,195.33	1,188.31
Average gross ton-miles per train hour .....	77,736	75,216	68,046
Revenue passengers carried one mile (thousands) .....	1,437,009	1,459,288	1,562,489
Average revenue per passenger-mile (cents) .....	2.102	2.164	2.321
Average journey per passenger (miles) .....	736.68	741.42	734.10
Average passenger-train speed—miles per hour .....	49.89	49.10	47.42
Average passengers per train mile .....	126.39	100.57	103.70
Average number of employees .....	49,744	49,823	55,934
Total wages paid .....	\$235,446,579	\$231,035,018	\$251,324,408
Wages and other employe benefits charged to operating expenses, per share of common stock†	\$51.17	\$50.11	\$53.98
Other operating expenses, per share of common stock† .....	32.17	32.18	36.09

\* Excludes Federal income taxes, which are included in "Taxes" under "Transportation Operations."

† Figures for years prior to 1949 are adjusted to basis of shares outstanding after stock split effective July 1, 1948.



## TEN YEARS AND AVERAGE FOR YEARS 1935 TO 1939, INCLUSIVE

1952	1951	1950	1949	1948	1947	1946	Average 1935-1939
\$438,729,321	\$428,511,620	\$389,289,637	\$332,654,719	\$359,724,653	\$330,468,521	\$263,825,663	\$124,092,982
39,604,044	39,463,456	33,159,662	32,400,923	42,369,215	46,412,314	64,767,863	15,556,061
24,957,408	20,415,746	27,743,365	18,183,283	18,237,212	15,897,210	14,348,886	6,960,811
16,930,553	16,806,938	15,090,852	15,584,157	17,252,052	17,275,660	18,453,122	6,199,851
\$520,221,326	\$505,197,760	\$465,283,516	\$398,823,082	\$437,583,132	\$410,053,705	\$361,395,534	\$152,809,705
\$73,697,182	\$65,749,039	\$59,107,661	\$63,410,805	\$60,680,926	\$53,128,675	\$46,576,730	\$17,105,004
93,610,503	91,851,520	81,527,612	73,694,809	73,232,763	69,571,254	69,667,705	28,121,606
10,836,441	10,513,721	9,562,158	9,118,500	9,333,132	8,486,056	7,880,228	4,214,224
185,125,446	181,810,856	155,294,638	148,980,346	154,397,879	146,741,604	140,262,539	50,705,231
12,853,023	12,880,820	11,264,049	11,858,599	13,112,488	13,130,294	13,633,024	3,232,708
13,717,459	12,664,663	10,895,494	11,217,127	11,012,844	9,786,250	9,222,169	5,573,035
\$389,840,054	\$375,470,619	\$327,651,612	\$318,280,186	\$321,770,032	\$300,844,133	\$287,242,395	\$108,951,808
\$16,600,000	\$17,452,920	\$16,312,888	\$16,187,349	\$14,971,732	\$13,885,835	\$12,480,000	\$9,291,726
50,350,000	47,255,406	49,027,389	15,843,910	34,840,293	30,449,590	12,269,366	1,714,299
13,008,000	12,406,466	11,201,474	10,697,965	10,186,458	14,096,195	10,654,282	2,581,710
\$79,958,000	\$77,114,792	\$76,541,751	\$42,729,224	\$59,998,483	\$58,431,620	\$35,403,648	\$13,587,735
\$17,662,152	\$16,961,060	\$16,631,021	\$15,969,571	\$13,701,156	\$13,858,853	\$11,598,803	\$8,740,040
\$32,761,120	\$35,651,289	\$44,459,132	\$21,844,101	\$42,113,461	\$36,919,099	\$27,150,688	\$21,530,122
33,608,842	31,483,424	23,902,998	27,140,327	26,540,409	16,957,218	6,621,631	1,905,319†
8,218,892	8,324,772	8,031,732	7,473,941	5,661,570	8,916,184	8,979,423	10,839,433
\$74,588,854	\$75,459,485	\$76,393,862	\$56,458,369	\$74,315,440	\$62,792,501	\$42,751,742	\$34,274,874
\$5,175,091	\$5,368,575	\$5,565,280	\$5,766,478	\$5,946,176	\$7,487,771	\$11,384,595	\$14,372,043
686,537	1,225,558	1,067,032	1,102,164	1,079,671	857,234	935,544	672,797
\$68,727,226	\$68,865,352	\$69,761,550	\$49,589,727	\$67,289,593	\$54,447,496	\$30,431,603	\$19,230,034
938,258	6,894	226,982	104,811	164,731	1,547,973	3,780,135	—
\$69,665,484	\$68,872,246	\$69,988,532	\$49,694,538	\$67,454,324	\$55,995,469	\$34,211,738	\$19,230,034
3,981,724	3,981,724	3,981,724	3,981,724	3,981,724	3,981,724	3,981,724	3,981,724
\$65,683,760	\$64,890,522	\$66,006,808	\$45,712,814	\$63,472,600	\$52,013,745	\$30,230,014	\$15,248,310
26,674,920	26,674,920	26,674,920	22,229,100	26,674,920	22,229,100	13,337,460	13,337,460
\$39,008,840	\$38,215,602	\$39,331,888	\$23,483,714	\$36,797,680	\$29,784,645	\$16,892,554	\$1,910,850
33,723,962	34,350,333	30,255,786	25,918,651	29,167,846	31,738,921	27,474,365	12,238,964
1,301	1,247	1,287	1,283	1,233	1,041	960	1,014
609.27	600.60	587.95	550.50	559.23	562.54	572.35	471.44
23.22	22.05	22.05	21.61	21.20	19.99	19.99	20.93
1,215.93	1,263.39	1,181.69	1,127.20	1,187.14	1,122.40	1,023.55	686.98
64,194	62,613	62,290	59,062	58,085	51,064	47,884	40,412
1,679,295	1,682,086	1,426,402	1,431,214	1,774,950	2,116,425	3,653,843	927,249
2,358	2,346	2,325	2,264	2,387	2,193	1,773	1,678
744.83	713.26	651.14	616.97	676.31	705.52	748.23	472.01
47.20	46.56	46.10	44.69	44.69	43.10	40.61	39.68§
109.68	107.17	92.41	92.38	109.10	129.07	184.07	64.15
54,881	55,092	52,100	48,046	49,804	51,712	53,130	33,545
\$247,331,696	\$232,961,063	\$201,003,662	\$190,217,928	\$186,498,781	\$177,256,838	\$174,282,030	\$62,922,005
\$53.23	\$49.89	\$42.98	\$42.30	\$40.03	\$38.42	\$38.00	\$13.60
34.46	34.56	30.72	29.29	32.35	29.25	26.61	10.91

† Oil and gas operations started in 1937.

§ Average 1936-1939.



**NO. 13—BALANCE SHEETS AND INCOME AND SURPLUS ACCOUNTS OF**

	(1) Union Pacific Coal Co.	(2) Utah Parks Co.	(3) Union Pacific Stage Co.	(4) Union Pacific Motor Freight Co.	(5) Yakima Valley Transportation Co.	(6) Southern Wyoming Utilities Co.
<b>BALANCE SHEET DECEMBER 31, 1955</b>						
<b>ASSETS</b>						
Property investment .....	\$23,160,546.65	\$4,240,393.07	—	\$53,670.52	\$1,306,321.96	\$3,166,535.83
Donations and grants (credit) .....	—	—	—	—	7,289.08	—
Other investments .....	—	—	—	—	—	—
Cash: In banks .....	164,592.00	—	—	—	114,179.24	1,883.33
On deposit with Union Pacific R. R. Co. ...	10,795,791.10	—	\$1,648.20	48,708.97	—	—
On deposit with other stockholder .....	—	—	—	—	—	—
Accounts receivable .....	119,953.92	18,881.51	10,247.08	67,467.29	8,112.66	107,053.46
Material and supplies .....	588,231.39	183,853.26	—	—	31,475.38	69,170.06
Other current assets .....	1,479.47	—	—	—	—	969.97
Deferred assets .....	124.46	1,000.00	—	—	—	—
Unadjusted debits .....	152.28	311.06	165.90	1,019.74	403.70	231.41
<b>Total .....</b>	<b>\$34,830,871.27</b>	<b>\$4,444,438.90</b>	<b>\$12,061.18</b>	<b>\$170,866.52</b>	<b>\$1,453,203.86</b>	<b>\$3,345,844.06</b>
<b>LIABILITIES</b>						
Capital stock .....	\$5,000,000.00	\$25,000.00	\$3,000.00	\$5,000.00	\$500,000.00	\$350,000.00
Funded debt .....	—	—	—	—	—	—
Due to Union Pacific R. R. Co. ....	—	894,648.96	—	—	273,688.02	207,370.33
Tax liability .....	601,833.27	52,138.42	—	6,493.52	4,013.50	108,724.56
Other current liabilities .....	427,938.35	53,611.00	7,843.50	62,908.92	48,283.39	69,986.88
Deferred liabilities .....	—	—	—	—	—	89,023.80
Unadjusted credits .....	29,640.00	6,611.17	—	—	—	—
<b>Total liabilities .....</b>	<b>\$6,059,411.62</b>	<b>\$1,032,009.55</b>	<b>\$10,843.50</b>	<b>\$74,402.44</b>	<b>\$825,984.91</b>	<b>\$825,105.57</b>
Reserve for depreciation, depletion, insurance, etc.	15,376,250.40	3,412,429.35	—	52,251.00	345,881.98	1,683,460.12
Surplus, as shown below .....	13,395,209.25	—	1,217.68	44,213.08	281,336.97	837,278.37
<b>Total .....</b>	<b>\$34,830,871.27</b>	<b>\$4,444,438.90</b>	<b>\$12,061.18</b>	<b>\$170,866.52</b>	<b>\$1,453,203.86</b>	<b>\$3,345,844.06</b>
<b>INCOME ACCOUNT, YEAR ENDED DECEMBER 31, 1955</b>						
Revenues .....	\$6,867,545.40	\$1,489,338.71	—	\$779,740.95	\$465,534.55	\$1,009,690.47
Expenses and rents .....	4,520,808.05	1,280,466.02	—	737,160.14	382,642.59	785,825.90
Net .....	\$2,346,737.35	\$208,872.69	—	\$42,580.81	\$82,891.96	\$223,864.57
Royalties from oil and gas leases .....	—	—	—	—	—	—
Other income .....	3,296.92	—	—	—	—	610.11
<b>Total .....</b>	<b>\$2,350,034.27</b>	<b>\$208,872.69</b>	<b>—</b>	<b>\$42,580.81</b>	<b>\$82,891.96</b>	<b>\$224,474.68</b>
Interest on funded debt .....	—	—	—	—	—	—
Federal income taxes .....	535,499.27	49,279.50	—	6,493.52	—	97,134.24
Other taxes .....	297,846.82	74,978.65	—	20,935.76	44,610.59	44,956.07
Other deductions .....	13.34	—	—	833.33	144.72	2,559.55
Balance transferred to surplus .....	\$1,516,674.84	\$84,614.54	—	\$14,318.20	\$38,136.65	\$79,824.82
<b>SURPLUS</b>						
Surplus, December 31, 1954 .....	\$12,987,133.39	—	\$1,217.68	\$29,894.88	\$243,200.32	\$757,401.22
Adjustments .....	8,598.98*	\$84,614.54*	—	—	—	52.33
Income balance, as shown above .....	1,516,674.84	84,614.54	—	14,318.20	38,136.65	79,824.82
<b>Total .....</b>	<b>\$14,495,209.25</b>	<b>—</b>	<b>\$1,217.68</b>	<b>\$44,213.08</b>	<b>\$281,336.97</b>	<b>\$837,278.37</b>
Less dividends .....	1,100,000.00	—	—	—	—	—
<b>Surplus, December 31, 1955 .....</b>	<b>\$13,395,209.25</b>	<b>—</b>	<b>\$1,217.68</b>	<b>\$44,213.08</b>	<b>\$281,336.97</b>	<b>\$837,278.37</b>

(1) Owns and operates coal mines in Wyoming to supply U.P.R.R.Co. and affiliated companies. (2) Owns and operates hotels and other tourist facilities (including motor coaches) in National Parks in Utah and Arizona, and at Cedar City, Utah. Its profits or deficits are absorbed by U.P.R.R.Co. (3) Operates motor coaches between East Los Angeles and other Southern California points, for accommodation of rail passengers. (4) Provides highway motor truck service supplementary to rail freight service of U.P.R.R.Co. in various States. (5) Owns and operates electric railway for freight service (connecting with U.P.R.R.Co. at Yakima, Washington) and local transit motor buses for passenger service in Yakima and vicinity. (6) Furnishes electric energy and water to consumers in various Wyoming towns on line of U.P.R.R.Co.

\* Debit.



## WHOLLY OWNED AFFILIATED COMPANIES AND PACIFIC FRUIT EXPRESS CO.

BALANCE SHEET DECEMBER 31, 1955	(7) Union Pacific Water Co.	(8) Las Vegas Land and Water Co.	(9) Union Land Co.	(10) Kansas City Indus- trial Land Co.	(11) Overland Terminal Warehouse Co.	(12) Pacific Fruit Express Co.
<b>ASSETS</b>						
Property investment .....	\$1,213,577.91	\$2,327,338.46	\$2,575,982.06	\$546,926.44	\$1,208,673.00	\$210,338,903.73
Donations and grants (credit) .....	—	—	—	—	—	—
Other investments .....	—	1,900.00	—	1,000.00	—	—
Cash: In banks .....	—	—	—	—	9,496.49	1,079,052.28
On deposit with Union Pacific R. R. Co. ..	162,791.56	112,582.62	—	726,574.99	—	7,251,298.69
On deposit with other stockholder .....	—	—	—	—	—	7,251,298.69
Accounts receivable .....	10,621.61	10,644.51	2,894.66	12,239.44	45,232.28	10,093,502.76
Material and supplies .....	8,185.95	—	—	—	—	2,411,306.65
Other current assets .....	.53	—	—	—	—	29,130.75
Deferred assets .....	—	226,524.07	—	306,868.05	—	4,594.56
Unadjusted debits .....	—	—	—	38.00	23,791.94	1,659,053.35
Total .....	<u>\$1,395,177.56</u>	<u>\$2,678,989.66</u>	<u>\$2,578,876.72</u>	<u>\$1,593,646.92</u>	<u>\$1,287,193.71</u>	<u>\$240,118,141.46</u>
<b>LIABILITIES</b>						
Capital stock .....	\$178,300.00	\$50,000.00	\$10,000.00	\$900,000.00	\$115,000.00	\$24,000,000.00
Funded debt .....	—	—	—	—	—	33,127,326.82
Due to Union Pacific R. R. Co. ....	—	—	2,051,417.98	—	80,593.86	—
Tax liability .....	16,097.73	171,421.13	33,538.35	15,016.91	26,390.37	6,912,972.40
Other current liabilities .....	4,077.19	1,305.84	38,627.14	20,201.81	61,410.80	18,328,517.04
Deferred liabilities .....	—	—	—	—	—	112,724.74
Unadjusted credits .....	—	117,982.01	—	26,364.65	—	141,636.57
Total liabilities .....	\$198,474.92	\$340,708.98	\$2,133,583.47	\$961,583.37	\$283,395.03	\$82,623,177.57
Reserve for depreciation, depletion, insurance, etc.	995,047.45	524,670.03	151,364.33	12,626.53	645,425.55	116,604,442.84
Surplus, as shown below .....	201,655.19	1,813,610.65	293,928.92	619,437.02	358,373.13	40,890,521.05
Total .....	<u>\$1,395,177.56</u>	<u>\$2,678,989.66</u>	<u>\$2,578,876.72</u>	<u>\$1,593,646.92</u>	<u>\$1,287,193.71</u>	<u>\$240,118,141.46</u>
<b>INCOME ACCOUNT, YEAR ENDED DECEMBER 31, 1955</b>						
Revenues .....	\$119,604.33	\$467,403.50	\$100,465.95	\$121,117.48	\$600,550.87	\$85,089,349.65
Expenses and rents .....	74,420.63	44,355.36	37,472.18	45,096.54	508,620.20	55,301,156.45
Net .....	\$45,183.70	\$423,048.14	\$62,993.77	\$76,020.94	\$91,930.67	\$29,788,193.20
Royalties from oil and gas leases .....	—	127,161.41	—	—	—	—
Other income .....	480.00	—	—	—	175.51	1,851.94
Total .....	\$45,663.70	\$550,209.55	\$62,993.77	\$76,020.94	\$92,106.18	\$29,790,045.14
Interest on funded debt .....	—	—	—	—	—	905,193.48
Federal income taxes .....	9,272.75	154,456.27	13,083.34	17,761.53	12,216.33	7,905,648.39
Other taxes .....	16,858.48	43,502.16	24,197.52	6,836.41	60,038.94	3,927,705.64
Other deductions .....	—	—	43.01	240.00	—	7,448,276.90
Balance transferred to surplus .....	<u>\$19,532.47</u>	<u>\$352,251.12</u>	<u>\$25,669.90</u>	<u>\$51,183.00</u>	<u>\$19,850.91</u>	<u>\$9,603,220.73</u>
<b>SURPLUS</b>						
Surplus, December 31, 1954 .....	\$196,418.40	\$1,460,759.12	\$269,453.32	\$611,580.95	\$338,848.79	\$37,500,643.89
Adjustments .....	1,814.68*	600.41	1,194.30*	1,673.07	326.57*	26,656.43
Income balance, as shown above .....	19,532.47	352,251.12	25,669.90	51,183.00	19,850.91	9,603,220.73
Total .....	\$214,136.19	\$1,813,610.65	\$293,928.92	\$664,437.02	\$358,373.13	\$47,130,521.05
Less dividends .....	12,481.00	—	—	45,000.00	—	6,240,000.00
Surplus, December 31, 1955 .....	<u>\$201,655.19</u>	<u>\$1,813,610.65</u>	<u>\$293,928.92</u>	<u>\$619,437.02</u>	<u>\$358,373.13</u>	<u>\$40,890,521.05</u>

(7) Owns and operates water facilities in Wyoming to supply U.P.R.R.Co. and others. (8) Holds real estate for sale or lease in Nevada and California. (9) Holds real estate for sale or lease in Nebraska, Wyoming, Kansas, Colorado, Idaho and Utah. (10) Holds real estate for sale or lease at Kansas City, Kansas. (11) Owns and operates public warehouse at Los Angeles, California. (12) Furnishes refrigerator cars and provides protection against heat and cold for perishable freight on lines of U.P.R.R.Co. and S.P.Co., each of which owns 50% of capital stock.



**NO. 14 — TRACK MILEAGE**

	Miles of Road	Miles of Additional Main Track	Miles of Yard Tracks and Sidings
Wholly owned .....	9,100.19	1,326.84	4,103.71
Owned jointly with other companies .....	90.88	2.00	181.74
Total owned .....	9,191.07	1,328.84	4,285.45
Owned but not operated .....	60.31	2.30	44.82
Total owned and operated .....	9,130.76	1,326.54	4,240.63
Operated but not owned:			
Trackage rights granted by other companies.....	672.45	261.68	485.64
Operated under lease or contract .....	1.30	.....	4.87
Total operated at close of year .....	9,804.51	1,588.22	4,731.14
Total operated at beginning of year .....	9,812.66	1,588.22	4,698.94
Increase (+) or decrease (—) during year.....	— 8.15*	.....	+ 32.20†
Average mileage operated during year .....	9,811.81	1,588.22	4,708.57
Mileage maintained at close of year .....	8,994.19	1,325.33	4,092.31
Average mileage maintained during year .....	9,019.43	1,325.35	4,070.85

\* Principally abandonment of Winton Branch in Wyoming, portion of Wallace Branch in Idaho, and Tono Branch in Washington; partially offset by acquisition of trackage rights between Manito, Washington, and Plummer, Idaho, for use in lieu of abandoned portion of Wallace Branch.

† Chiefly tracks in new yard at East Spokane, Washington, additional tracks in yard at Council Bluffs, Iowa, and additional passing tracks at various locations between Granger, Wyoming, and Pocatello, Idaho, in connection with installation of centralized traffic control between those points.

**NO. 15 — TRACK MILEAGE OPERATED — BY STATES**

State	Miles of Road		Miles of Additional Main Track		Miles of Yard Tracks and Sidings	
	Mileage	Per cent of total	Mileage	Per cent of total	Mileage	Per cent of total
California .....	380.95	3.88	121.02	7.62	520.89	11.01
Colorado .....	642.75	6.56	13.82	.87	313.11	6.62
Idaho .....	1,992.04	20.32	107.64	6.78	729.20	15.41
Iowa .....	2.25	.02	2.25	.14	83.16	1.76
Kansas .....	1,151.07	11.74	68.82	4.33	466.91	9.87
Missouri .....	2.16	.02	1.54	.10	22.12	.47
Montana .....	143.16	1.46	1.35	.09	47.92	1.01
Nebraska .....	1,332.38	13.59	466.84	29.39	609.14	12.88
Nevada .....	366.85	3.74	.....	.....	129.54	2.74
Oregon .....	1,143.91	11.67	31.33	1.97	435.45	9.20
Utah .....	814.50	8.31	104.97	6.61	423.11	8.94
Washington .....	1,022.95	10.43	147.71	9.30	428.55	9.06
Wyoming .....	809.54	8.26	520.93	32.80	522.04	11.03
Total .....	<u>9,804.51</u>	<u>100.00</u>	<u>1,588.22</u>	<u>100.00</u>	<u>4,731.14</u>	<u>100.00</u>

