

DEPARTMENT OF COMMERCE

INLAND WATERWAYS CORPORATION

CREATION AND PURPOSE

The chartering of the Inland Waterways Corporation in 1924 was an outgrowth of needs which became apparent in inland water transportation during the period of the first World War. By the Federal Control Act of March 21, 1918, the Director General of Railroads was authorized to expend necessary funds for the purchase, construction, utilization, and operation of transportation facilities on inland waterways. In accordance with this authority, the Director General commandeered substantially all privately owned vessels on the inland waterways and initiated a construction program of new floating equipment. Under the terms of the Transportation Act of 1920, the functions exercised by the Railroad Administration were transferred to the Secretary of War and operated as the Bureau of Inland and Coastwise Waterways Service. By 1924 it had become evident that this operation could not be effectively carried on by a typical Government administrative bureau. Accordingly, by an act of Congress, June 3, 1924 (49 U. S. C. 151), the Inland Waterways Corporation was created. The Corporation was operated under the direction and supervision of the Secretary of War until 1939, when it was transferred to the Department of Commerce.

The chief purpose and objective of the Inland Waterways Corporation is to demonstrate the feasibility of water transportation on the inland rivers and to extend the benefits of this service to the people of the United States. The Corporation is to carry out the policy of the Congress in continuing the transportation services until: (a) there shall have been completed navigable channels as authorized by Congress; (b) terminal facilities shall have been provided on such rivers reasonably adequate for joint rail and water service; (c) there shall have been published and filed under the provisions of the Interstate Commerce Act, as amended, such joint tariffs with rail carriers as shall make generally available the privileges of joint rail and water transportation upon terms reasonably fair to both rail and water carriers; (d) private persons, companies, or corporations engage, or are ready to engage, in common carrier service on such rivers. The Corporation has no specified term of existence. However, it is provided in the enabling legislation that as soon as these conditions shall have been met the facilities of the Corporation are to be sold to private enterprise when such transfer can be made to the best advantage of the Government (49 U. S. C. 155).

In addition to the usual general officers, appointed by the Secretary of Commerce, the Corporation's operations are supervised by an advisory board. This board consists of a chairman plus six members. Each of these six members is selected by the Secretary of Commerce and each one must be a recognized business leader in his community. The bylaws of the Corporation provide that each of the six members of the advisory board shall represent one of the several sections of the country served by the Inland Waterways Corporation, shall serve for 5 years, and shall receive no compensation for their services other than per diem and travel.

FINANCIAL ORGANIZATION

The Corporation originally had an authorized capital stock of \$5,000,000. In 1928, this was increased to \$15,000,000 (49 U. S. C. 152). Of this amount, \$12,000,000 has actually been appropriated through the Secretary of the Treasury and made available to the Corporation. In addition to this capital stock of \$12,000,000, the Corporation also has paid-in surplus in excess of \$10,000,000. This paid-in surplus consists of the 1924 appraised value of the equipment and facilities turned over to the Corporation by the War Department at the time of its creation. The Corporation has no authority to issue bonds or other long-term debt obligations. A statement of the financial condition of the Corporation is shown immediately following the textual material (exhibit C).

ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

Estimating the budgetary requirements of this Corporation for the fiscal year 1947 is particularly difficult due to the aftermath-of-war adjustments. The Corporation is at present experiencing drastic reductions in war-related tonnage, and it is not at all certain how rapidly it can go about recovering the normal peacetime tonnage lost during the war period. This tonnage includes such items as sugar, iron and steel products, farm machinery, etc. These items were in short supply during the war period and the demand for them dictated the abandonment of water transportation in favor of faster though more expensive transport media. The following discussion presents the Corporation's requirements as accurately as possible on the basis of current information. The level at which the various activities of the Corporation were carried on during fiscal year 1945 and the projected level for the fiscal years 1946 and 1947 are shown in the statement of sources and application of funds in the financial statements immediately following the narrative (exhibit A).

COMMON CARRIER OPERATIONS

The Corporation makes a separate accounting for its Mississippi River operations and its Warrior River operations. However, there are numerous operating conditions and general economic factors that are equally applicable to both operations. In the following discussion these general factors will be discussed first and a more specific statement as to the operations of the two divisions will follow.

As has already been indicated the recent war period resulted in a profound alteration of several phases of the Corporation's operations. First, there was a material shift in traffic from merchandise tonnage to bulk tonnage. The result of this shift was a decrease in labor hours per ton of freight handled. Second, the level of wages of employees increased by approximately 35 percent, while wages of some classes of employees increased by as much as 75 percent. Thus, when the merchandise tonnage lost

to the Corporation during the war is again available, labor cost per hour will be considerably higher than before the war, and labor hours per ton of freight handled will be higher than during the war. Third, the Corporation sold to the Reconstruction Finance Corporation much of its newer floating equipment, thus enabling the Reconstruction Finance Corporation to begin more quickly certain of its emergency wartime activities. This transaction had the effect of materially increasing the average age of floating equipment units in operation. Fourth, the extreme urgency of concentrating a maximum effort on immediate problems resulted in considerable deferred maintenance for both terminal and floating equipment. The consequence of the latter was the appearance of numerous inefficiencies that will have to be weeded out as rapidly as possible. A final alteration brought about by the war was that the direction of flow of the bulk of the tonnage handled became more predominantly upstream and consequently more unbalanced.

On the Mississippi division, it is anticipated that operating revenues will decrease from an all-time high of more than \$8,250,000 in 1945 to less than \$7,000,000 in 1946. From this point it is estimated that revenues will increase to \$7,700,000 in the fiscal year 1947. Operating costs, on the other hand, will decrease by only a little more than \$100,000 in 1946 from the 1945 level. Likewise, operating expenses will increase by only a little more than \$100,000 during 1947. The explanation of this difference in behavior as between revenues and expenses is, first, that a large part of the cost of operation is relatively fixed in nature, and second, that a higher percentage of merchandise traffic will require a relatively larger expenditure of labor with an attendant increase in costs. As a result of these changes in revenues and expenses, the result of the Mississippi division operation will be a 1946 loss of \$800,000, as compared with a \$450,000 profit in 1945. In 1947 this loss will be reduced to \$112,000. If the development of normal peacetime traffic should proceed more rapidly than now contemplated, and if the introduction of new and improved techniques in cargo handling at terminals and in barges results in greater economies than can now be foreseen, this result might be materially improved.

The water operation of the Warrior division of the Corporation's operation has always been an unprofitable one. On the basis of present estimates the years 1946 and 1947 will show somewhat greater losses than past years. It is anticipated that on this division revenues will not significantly change in 1946 and 1947 as compared with 1945. On the other hand, expenses will rise materially in 1946, due to the return of merchandise freight. The 1947 expenses will decline by a small amount. The result of this operation will be that this division will show a gross loss of \$275,000 in 1947, with total revenues of \$225,000.

The unfavorable operating result depicted above will be somewhat mitigated by the fact of additional income in the year 1946, when it is anticipated that the Corporation will receive a total of \$250,000 from interest, dividends, and profit from security sales. In 1947, on the other hand, the latter two sources of additional income will yield no income to the Corporation while income from the first source will be reduced from \$72,000 to \$20,000.

LOANING ACTIVITIES

The Corporation is authorized to make loans where such loans will contribute to the improvement of transportation facilities along the inland waterways (49 U. S. C. 141).

These loans may be made to any State, municipality, or transportation company. The Corporation currently has three such loans outstanding. There have been no new loans granted for several years and none are in prospect for the fiscal year 1947. However, it is contemplated that approximately \$24,000 in principal will be repaid in each of the fiscal years 1946 and 1947, an amount slightly in excess of actual repayments during 1945.

RESEARCH AND DEVELOPMENT

Pursuant to the terms of the enabling legislation, the Corporation is required to carry on such experimentation and research as will be contributory to the general development in inland waterways transportation (49 U. S. C. 142). Many types of equipment and facilities for river operations have been developed and tested. Many were found to be beneficial to transportation companies and were adopted, while others were discarded as impractical. Due to the more pressing urgency of wartime transportation needs, this activity was eliminated during the war. During the 1947 fiscal year this phase of the Corporation's activities will be resumed.

CHARTERING OPERATIONS—RECONSTRUCTION FINANCE CORPORATION

Shortly after the outbreak of hostilities, the Inland Waterways Corporation entered into an agreement with the Defense Plants Corporation to supervise the construction and conversion of vessels for wartime use. In a subsequent agreement, the Corporation was made a chartering agent for the operation of approximately 425 barges and 21 towboats. All expenditures in connection with these operations were reimbursed by the Reconstruction Finance Corporation. The need no longer exists for these activities as now constituted. The residual function for fiscal year 1947 will consist of maintaining and servicing the remaining Defense Plants Corporation fleets, consisting of 50 vessels, negotiating cash settlements with charterers, accepting return of the off-charter vessels, and other sundry activities.

PURCHASE OF EQUIPMENT

For the fiscal year 1946, the Corporation plans to expend some \$750,000 for additional equipment. These expenditures will in effect restore a part of the floating equipment turned over to the Reconstruction Finance Corporation during the war. The expenditure of these funds has been approved by the Secretary of Commerce and the purchase of new equipment through the use of these funds will have been completed by June 30, 1946. During 1947, the Corporation plans to expend in excess of \$2,500,000 for new equipment, most of which will be Government surplus equipment. These expenditures would go somewhat beyond restoration of the fleet to prewar capacity and would in part take the form of retirement of a portion of the fleet now in operation. The necessity for this retirement stems from the fact that certain units of the Corporation's fleet are thought to be beyond the point of efficient use. The Corporation is now conducting a complete study of its capital requirements.

OPERATING RESULTS

During 4 of the first 6 years of its history, the operations of the Corporation resulted in losses. Beginning with 1930, however, the Corporation achieved a net income

each year through 1938, with the exception of 1934. Beginning in 1939 the operations of the Corporation again went into the loss column and losses have been sustained continuously since that time. For the year 1945, the loss amounted to \$193,000, an amount roughly typical of losses for the 4 or 5 years previous to that year. During 1946, however, it is estimated that the Corporation will lose \$1,500,000. This year will represent the low point in the Corporation's net financial operation, a year in which war-induced freight will have almost completely disappeared and during which normal prewar freight will not yet have been shifted back to the barge line. The over-all result of operations during the fiscal year 1947 will be a loss of \$1,000,000. Substantial losses will possibly continue each year until such time as the operating equipment of the Corporation is substantially modernized. (See exhibit B for complete details on operating results.)

The Corporation operates on 3,100 miles of inland rivers servicing 20 terminals with 27 towboats and 272 barges. In the 21 years of its existence it has attracted a substantial amount of private capital to transportation operations on inland rivers. The difference between charges paid during this time on traffic routed via the Corporation and all-rail charges amounts to approximately \$42,000,000. From 1924 through 1945, the Corporation hauled 40,000,000 tons of freight. In addition one of the major accomplishments of the Corporation over a period of years that is not reflected on financial statements is that the presence of the Corporation on the inland rivers has served as a stabilizer of rates in the Mississippi Valley.

The statute creating the Corporation requires that it continue operation until it shall have accomplished several specific things. These requirements are set forth in detail above. Insofar as the lower Mississippi is concerned these accomplishments have by and large been achieved. With respect to the upper Mississippi River, including the Missouri and Illinois Rivers, it is anticipated that these accomplishments will have been generally advanced by the end of fiscal year 1947. However, on the entire Mississippi River system the history of the last few years has been that no private common carrier has developed a type of common carrier service similar to that developed by this Corporation. With respect to the Warrior River, it is quite doubtful that private enterprise can operate successfully on a common carrier basis until more tonnage has been attained and higher rates secured.

FINANCIAL CONDITION

Profits made by the Corporation between 1930 and 1938 enabled the Corporation to build up an earned surplus in excess of \$2,500,000 in 1938. Losses sustained since 1938 through 1945 reduced this surplus to slightly in excess of \$100,000. Operating losses in 1946 and 1947 will turn this surplus of \$100,000 into a deficit of almost \$2,500,000. As a result, the financing of operations will necessitate some liquidation of Government securities. (For full details see exhibit C.)

In view of the fact that the principal assets of this Corporation are physical properties having a relatively

long life, its real financial condition, as distinguished from its book condition, is determined through a comparison of the appraised value of the assets with their value as shown by the books. The bulk of the assets of the Corporation are currently depreciated on the basis of a 33½-year life as approved by the Interstate Commerce Commission. This 3-percent rate has not been charged uniformly during the Corporation's existence, however, and as a result the Corporation's books do not show the full amount of depreciation that would have accrued at this rate. In addition there is a strong possibility that the proper service life of this type of equipment is not 33½ years but rather 30 years or even 25 years. If this is the case, the amount of underdepreciation will be still greater, and as a result the Corporation's property will be still further overvalued.

GOVERNMENT SECURITIES

As of June 30, 1945, the Corporation had an investment in Government securities amounting to \$6,600,000. This investment represented primarily the investment of depreciation reserves although a part of it represented the investment of proceeds from the sale of equipment to the Reconstruction Finance Corporation. During 1946 and 1947, it is anticipated that this investment will be reduced by approximately \$4,600,000. A part of this reduction will be used for operating expenses in view of the corporate deficit to be incurred in 1946 and 1947. Another part will be required for the purchase of additional equipment.

ADMINISTRATIVE EXPENSES

This expense covers the general supervisory staff engaged in over-all supervision of the programs carried on by the Corporation. During the calendar year 1944, the administrative staff performing these functions expended 177 man-years of personal service, which with other related costs of administration resulted in a total expenditure of \$581,000. The administrative organization was somewhat smaller during the calendar year 1945, but the anticipated expansion of the Corporation's activities in fiscal year 1947 will require some expansion in the administrative staff. (For further details see statement of income and expenses, exhibit B, and schedule B-1.)

The expenditures of \$714,000 for administrative expenses will allow some expansion in staff, and will also permit an increase in salaries in line with the Government's wage policy. The expanded staff will make it possible for the Corporation to make administrative and operating studies of numerous aspects of the Corporation's operations. These will include an investigation of terminal facilities, cargo handling techniques, and administrative procedures, and will be undertaken for the purpose of eliminating inefficiencies in operation.

LANGUAGE

The types of programs set forth in the 1947 budget of the Inland Waterways Corporation, within the funds available to it, are approved. (Act of Dec. 6, 1945, Public Law 248.)

EXHIBIT A

COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
FUNDS APPLIED			
To operating expenses: Administrative expenses (see schedule B-1).....	\$548,964	\$637,721	\$714,281
To purchase of plant and equipment (see schedule C-2).....	21,005	762,196	2,634,000
To purchase of Government securities (par value \$3,475,000).....	3,475,156	-----	-----
To chartering operations—Reconstruction Finance Corporation (contra).....	286,775	250,000	100,000
To increase (or decrease*) working capital (see schedule A-1).....	352,507	*479,233	526,719
Total funds applied	4,684,407	1,170,684	3,975,000
FUNDS PROVIDED			
By repayment of principal of loans (see schedule C-1).....	22,836	24,604	24,000
By operating income:			
Mississippi division:			
Revenue from operations.....	\$8,294,006	\$6,888,163	\$7,696,000
Less: Direct cost of operations.....	7,843,115	7,704,152	7,807,712
Gross profit (or loss*).....	450,891	*815,989	*111,712
Add depreciation.....	604,373	603,119	626,483
Warrior division:	1,055,264	*212,870	514,771
Revenue from operations.....	224,357	224,164	225,000
Less: Direct cost of operations.....	484,632	515,551	500,000
Gross profit (or loss*).....	*260,275	*291,387	*275,000
Add depreciation.....	71,550	71,577	71,229
Additions to reserve for self insurance less payments.....	*188,725	*219,810	*203,771
Interest earned on investments.....	40,723	*20,995	20,000
Dividend received from subsidiary.....	92,526	72,068	20,000
Dividend received from subsidiary.....	75,000	75,000	-----
By nonoperating income: Profit on sale of investments.....	-----	102,656	-----
By sale of plant and equipment: Funds and salvage from equipment retired.....	73,777	-----	-----
By sale of Government securities:			
Par value.....	3,225,000	1,100,000	3,500,000
Amortization of premiums.....	125	31	-----
-----	3,225,125	1,100,031	3,500,000
By recoveries of amounts written off in prior years.....	1,106	-----	-----
By Reconstruction Finance Corporation reimbursements (contra).....	286,775	250,000	100,000
Total funds provided	4,684,407	1,170,684	3,975,000

*Deduct.

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EXHIBIT B
COMPARATIVE STATEMENT OF INCOME AND EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Operating income:			
Revenue from operations:			
Freight	\$6,155,477	\$5,902,462	\$7,000,000
Towage	1,864,050	880,619	500,000
Miscellaneous voyage	5,322	5,298	6,000
Demurrage	23,364	10,360	15,000
Terminal operations	117,253	94,775	100,000
Rent	352,897	218,813	300,000
	\$8,518,363	\$7,112,327	\$7,921,000
Less direct cost of operations:			
Transportation (see schedule B-4)	5,350,231	5,391,903	5,600,000
Repairs (see schedule B-5)	1,370,329	1,575,173	1,500,000
Insurance	164,985	166,290	160,000
Rent	766,279	411,642	350,000
Depreciation	675,923	674,695	697,712
	8,327,747	8,219,703	8,307,712
Gross profit (or loss*) on operations	190,616	*1,107,376	*386,712
Interest earned on investments	92,526	72,068	20,000
Dividends received from subsidiary	75,000	75,000	-----
Total operating income (or loss*)	358,142	*960,308	*366,712
Operating expenses:			
Administrative expenses (see schedule B-1)	548,964	637,721	714,281
Depreciation on office furniture and equipment	2,288	2,288	2,288
Total operating expenses	551,252	640,009	716,569
Net operating income (or loss*)	*193,110	*1,600,317	*1,083,281
Nonoperating income: Profit on sale of investments	-----	102,656	-----
Net income (or loss*) for the year	*193,110	*1,497,661	*1,083,281

ANALYSIS OF EARNED SURPLUS

Balance at beginning of fiscal year	\$295,552	\$106,548	*\$1,391,113
Net income (or loss*) for the year (above)	*193,110	*1,497,661	*1,083,281
Adjustments for year affecting prior periods	1,106	-----	-----
Balance at end of fiscal year (deficit*)	106,548	*1,391,113	*2,474,394

*Deduct.

EXHIBIT C

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[As of June 30, 1944, 1945, 1946, and 1947]

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
ASSETS				
Loans receivable (see schedule C-1).....	\$353, 440	\$330, 604	\$306, 000	\$282, 000
Inventories: Supplies and materials held for use.....	313, 990	308, 296	300, 000	300, 000
Plant and equipment (see schedule C-2).....	21, 880, 853	21, 787, 804	22, 550, 000	25, 184, 000
Less reserve for depreciation (see schedule C-3).....	7, 982, 088	8, 620, 022	9, 297, 006	9, 997, 006
Net plant and equipment.....	13, 898, 765	13, 167, 782	13, 252, 994	15, 186, 994
Accrued interest receivable: Accrued interest on investments.....	21, 234	21, 905	12, 500	10, 000
Accounts receivable: Customers accounts ¹	833, 968	715, 156	791, 200	869, 099
Investments:				
U. S. Government securities.....	6, 350, 000	6, 600, 031	5, 500, 000	2, 000, 000
Capital stock of Warrior River Terminal Co.....	1, 250, 000	1, 250, 000	1, 250, 000	1, 250, 000
Total investments.....	7, 600, 000	7, 850, 031	6, 750, 000	3, 250, 000
Cash: On hand and in banks.....	868, 446	949, 121	500, 000	820, 000
Prepayments:				
Rents paid in advance.....	6, 748	6, 225	6, 500	6, 500
Prepaid insurance.....	10, 755	16, 146	15, 000	15, 000
Prepaid maintenance ¹	45, 803	230, 317	238, 500	238, 500
Total prepayments.....	63, 306	252, 688	260, 000	260, 000
Total assets	23, 955, 149	23, 595, 583	22, 172, 694	20, 978, 093
LIABILITIES				
Accounts payable.....	1, 044, 523	837, 436	932, 964	801, 644
Reserves:				
Insurance reserves.....	60, 272	100, 995	80, 000	100, 000
Other operating reserves.....	188, 959	187, 761	188, 000	188, 000
Total reserves.....	249, 231	288, 756	268, 000	288, 000
Total liabilities	1, 293, 754	1, 126, 192	1, 200, 964	1, 089, 644
CAPITAL				
Paid-in capital:				
Common stock: Held by U. S. Treasury.....	12, 000, 000	12, 000, 000	12, 000, 000	12, 000, 000
Paid-in surplus.....	10, 362, 843	10, 362, 843	10, 362, 843	10, 362, 843
Total paid-in capital.....	22, 362, 843	22, 362, 843	22, 362, 843	22, 362, 843
Earned surplus (or deficit*).....	298, 552	106, 548	*1, 391, 113	*2, 474, 394
Total capital	22, 661, 395	22, 469, 391	20, 971, 730	19, 888, 449

*Deduct

¹ Cost of repairs in excess of monthly budget allocation to be equalized over the balance of the year in accordance with Interstate Commerce Commission regulations

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SCHEDULE A-1
CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Current assets (increase or decrease*):			
Inventories: Supplies and materials held for sale.....	*\$5,694	*\$8,296	
Accrued interest receivable: Accrued interest on investments.....	671	*9,405	*\$2,500
Accounts receivable: Customers' accounts.....	*120,812	76,044	77,899
Cash: On hand and in banks.....	80,675	*449,121	320,000
Prepayments:			
Rents paid in advance.....	*523	275	
Prepared insurance.....	5,391	*1,146	
Prepaid maintenance.....	184,514	8,183	
Current liabilities (increase* or decrease):			
Accounts payable.....	207,087	*95,528	131,320
Reserves: Other operating reserves.....	1,198	*239	
Increase in working capital.....	352,507		526,719
Decrease in working capital.....		479,233	

*Deduct.

SCHEDULE A-2
REVENUE FREIGHT TONNAGE BY AREAS

[Fiscal years ending June 30, 1945, 1946, and 1947]

Area	1945, actual	1946, estimated	1947, estimated
1. Lower Mississippi.....	1,524,443	2,213,965	2,150,000
2. Upper Mississippi.....	740,084	1,132,743	970,000
3. Illinois River.....	598,375	675,716	672,000
4. Missouri River.....	23,234	141,894	210,000
5. Warrior River.....	92,096	124,935	205,000

NOTE.—These figures contain duplication inasmuch as some traffic moves over more than 1 river segment.

SCHEDULE B-1

ADMINISTRATIVE EXPENSES

[Calendar years 1944, 1945, and the fiscal year ending June 30, 1947]

By accounts	Calendar year 1944, actual	Calendar year 1945, actual	Fiscal year 1947, estimated
Salaries and wages:	Man-years Amount	Man-years Amount	Man-years Amount
Officers:			
Chairman of the board, president	1 \$9,986		
Acting chairman of the board, president	0.3 3,375	0.7 \$6,000	
Chairman of the board		0.6 6,083	1 \$10,000
President		0.3 3,361	1 10,000
Vice president	0.7 5,312	0.3 3,000	1 9,000
Secretary-treasurer	1 7,200	1 7,200	1 8,225
Administrative assistant	1 6,600	1 6,600	1 6,600
Employees:			
Executive department	14 34,540	15 41,618	22 63,386
Traffic department	63 172,592	61 171,528	62 185,738
Accounting department	73 148,192	71 149,714	88 191,386
Purchasing department	11 26,292	11 26,861	11 25,471
Office of chartering agent, Reconstruction Finance Corporation	12 19,771	11 23,582	11 25,000
Total	177 433,860	172.9 445,547	197 534,806
Travel expenses	22 158	22 772	34 500
Telephone and telegraph	13,862	13,010	15,500
Penalty and post-paid mail	2,221	3,326	3,600
Office rent and utilities	33,402	33,147	49,000
Auto expenses, other than depreciation	729	724	897
Office equipment expenses, other than depreciation	1,672	1,214	1,550
Office supplies and expenses	9,745	13,891	15,500
Stationery and printing	9,055	8,012	9,000
Membership dues and subscriptions	17,207	21,373	2,000
Tariffs purchased	14,872	25,813	25,000
Advertising	3,423	1,953	2,500
Legal expenses	20,963	13,588	25,288
Fees and expenses, board of advisers	1,061	876	2,500
Pensions and relief	22,008	17,396	20,000
Payments for services rendered:			
Audit of accounts	3,000	4,929	10,000
Department of Commerce: Reimbursements	3,828	3,717	(2)
Reconstruction Finance Corporation: Office supplies and expenses	668	174	200
Total	613,734	631,462	751,841
Less reimbursements received:			
Warrior River Terminal Co.: For services rendered	12,360	12,360	12,360
Coast and Geodetic Survey: For handling records	48		
Reconstruction Finance Corporation: Reimbursements	20,440	23,756	25,200
Total	32,848	36,116	37,560
Total administrative expenses	1 580,886	1 595,346	714,281

¹ The expenses in the first 2 columns above are for the calendar years 1944 and 1945 and cannot be reconciled with the first 2 columns on exhibits A and B, which are for the fiscal years 1945 and 1946.
² Included in executive department, salaries and wages.

SCHEDULE B-2

PERSONAL SERVICES

[Calendar years 1944, 1945, and fiscal year ending June 30, 1947]

By grades	Calendar year 1944, actual	Calendar year 1945, actual	Fiscal year 1947, estimated
PERSONAL SERVICES, DEPARTMENTAL	Man-years Amount	Man-years Amount	Man-years Amount
Rate over \$9,000:			
Chairman of the board		0.6 \$6,083	1 \$10,000
Rate of \$3,600 to \$4,000			1 3,640
All personal services, departmental		0.6 6,083	2 13,640
PERSONAL SERVICES, FIELD			
Rate over \$9,000:			
Chairman of board, president	1 \$9,986		
Acting chairman of board, president	0.3 3,375	0.7 6,000	
President		0.3 3,361	1 10,000
Rate of \$3,000 to \$9,000:			
Vice president	0.7 5,312	0.3 3,000	1 9,000
Secretary-treasurer	1 7,200	1 7,200	1 8,225
General operating manager	1 7,999	1 8,000	1 8,000
Operations assistant	0.5 3,688	1 8,000	
Rate of \$7,000 to \$8,000:			
Chief engineer	1 7,500	1 7,500	1 7,500
General traffic manager	1 7,500	1 7,500	1 7,500
Rate of \$6,000 to \$7,000:			
Traffic manager	1 6,300	1 6,300	1 6,800

By grades	Calendar year 1944, actual	Calendar year 1945, actual	Fiscal year 1947, estimated
PERSONAL SERVICES, FIELD—continued	Man-years Amount	Man-years Amount	Man-years Amount
Rate of \$6,000 to \$7,000—Continued			
Administrative assistant	1 \$6,600	1 \$6,600	1 \$6,600
Marine superintendent	1 6,400	1 6,600	1 6,600
Assistant general operating manager		0.2 1,245	1 6,500
Acting comptroller	1 5,708	1 6,000	1 6,230
Assistant comptroller	1 5,799	1 5,800	1 6,000
Director of personnel			1 6,000
Rate of \$5,000 to \$6,000:			
Master pilot	16 81,141	16 81,141	14 75,200
Director of labor relations	1 4,749	1 5,000	1 5,500
Assistant treasurer	1 4,999	1 5,000	1 5,500
General freight agent	1 5,250	1 5,250	1 5,500
Auditor of disbursement	1 4,999	1 5,000	1 5,500
Superintendent of vessels	1 4,889	1 5,400	1 5,400
Chief, office of chartering agent, Defense Plants Corporation	1 3,600	1 4,800	1 5,200
Assistant general freight agent	1 5,049	1 5,050	1 5,180
Superintendent of maintenance	1 3,525	1 4,800	1 5,180
Master	19 90,655	19 90,655	13 63,000
Pilot	51 243,337	51 243,337	38 189,000
Fleet captain			1 5,000
District superintendent	1 4,699	1 4,700	1 5,000
Safety engineer			1 5,000
Rate of \$4,000 to \$5,000:			
Special general agent	1 4,800	1 4,800	1 4,800
General agent	3 13,850	3 15,483	3 14,400
Claims attorney	0.7 3,200	1 4,800	1 4,800
Master mechanic	1 4,299	1 4,300	1 4,600
Terminal superintendent	2 8,400	2 8,400	3 13,500
Master	3 11,952	3 11,952	3 13,140
Master pilot	2 7,968	2 7,968	2 8,760
Chief engineer	36 149,628	36 149,628	27 118,160
Chief inspector	1 3,900	1 4,056	
Shop superintendent	1 4,299	1 4,300	1 4,300
Purchasing agent	2 7,732	2 7,900	2 8,300
General agent	1 3,850	1 4,200	1 4,300
Local agent	2 7,695	2 7,780	2 8,300
Chief, freight accounts	1 3,583	1 4,000	1 4,300
Terminal superintendent	2 7,908	2 8,200	2 8,600
Assistant master mechanic	1 3,750	0.4 2,400	1 4,200
Assistant to the president		1 2,170	1 4,000
District superintendent	1 3,650	1 3,750	1 4,000
Supervisor		1 3,900	
Chief clerk		1 3,600	1 4,000
Rate of \$3,600 to \$4,000	43 154,302	52 185,225	59 235,934
Rate of \$3,000 to \$3,600	89	95.4	63
Rate of \$2,000 to \$3,000 ¹	399	468	457
Rate under \$2,000 ¹	1,372	1,273	1,388
Total permanent, field	2,069.2	2,058.3	2,110
Temporary employment, field	3 4,488,142	2 4,569,175	2 4,796,745
All personal services, field	2,072.2	2,060.3	2,112
Total, departmental and field	4,490,633	4,570,150	4,798,245
Deduct nonadministrative expenses	1,895.2	1,888	1,917
Personal services (net) (schedule B-1)	4,056,773	4,130,686	4,277,079
	177	172.9	197
	433,860	445,547	534,806

¹ The bulk of these positions are hourly and per diem employees whose annual rate of compensation falls within the ranges indicated.

SCHEDULE B-3

SUMMARY OF PERSONNEL REQUIREMENTS

[Calendar years 1944, 1945, and fiscal year ending June 30, 1947]

By departments	Calendar year 1944, actual	Calendar year 1945, actual	Fiscal year 1947, estimated
	Man-years Amount	Man-years Amount	Man-years Amount
Executive department	18 \$66,438	20 \$73,114	27 \$107,211
Traffic department	63 170,518	61 168,034	62 185,738
Operating department	1,626	1,596	1,643
Engineering department	3,459,683	3,477,981	3,634,222
Accounting department	182.5	186	186
Purchasing department	395,133	405,364	426,987
Office of chartering agent (Defense Plants Corporation)	143.7	135.9	156
Chief engineer	306,654	305,023	364,760
General traffic manager	15 32,327	15 33,801	15 34,806
Total, Corporation	2,072.2	2,060.9	2,114
	4,490,633	4,576,233	4,811,885

INLAND WATERWAYS CORPORATION

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SCHEDULE B-4
ANALYSIS OF TRANSPORTATION EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Operation of vessels:			
Wages of crews.....	\$1,853,761	\$1,970,780	\$1,795,000
Fuel.....	996,667	809,965	805,000
Food.....	249,547	227,164	250,000
Other.....	273,118	213,793	233,500
Total.....	3,373,093	3,221,702	3,083,500
Operation of terminals:			
Wharf labor.....	963,112	1,157,699	1,427,700
Stevedores, foremen, and clerks.....	199,887	217,999	225,000
Salaries: Agents, clerks, and attendants.....	311,827	323,226	326,500
Tugs and lighters, operations.....	165,126	157,161	165,000
Superintendence.....	113,463	116,534	120,000
Other.....	135,804	140,287	167,300
Total.....	1,889,219	2,112,906	2,431,500
Incidental transportation expenses (loss, damage, and injury).....	87,919	57,295	85,000
Total transportation expenses	5,350,231	5,391,903	5,600,000

SCHEDULE B-5
ANALYSIS OF REPAIRS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Line vessels:			
Towboats:			
Hull and machinery.....	\$684,044	\$680,995	\$450,000
Furniture and fixtures.....	111,499	75,479	100,300
Total.....	795,543	756,474	550,300
Barges.....	344,344	501,815	613,000
Superintendence.....	60,991	66,837	70,000
Other.....	169,451	250,047	266,700
Total repairs	1,370,329	1,575,173	1,500,000

SCHEDULE C-1
STATUS OF LOANS RECEIVABLE

[As of June 30, 1944 and 1945]

	June 30, 1944		June 30, 1945	
	No.	Amount	No.	Amount
Investment securities:				
City of Memphis.....	1	\$138,750	1	\$123,750
Board of Commissioners of the Port of New Orleans.....	1	197,340	1	196,337
City of Kansas City, Mo.....	1	17,350	1	10,517
Total loans receivable	3	353,440	3	330,604

SCHEDULE C-2

INVESTMENT IN PROPERTY AND EQUIPMENT

[As of June 30, 1945, 1946, and 1947]

	Line equip- ment	Buildings and other struc- tures	Office and other terminal equipment	Improvements on leased property	Other transpor- tation prop- erty and equipment	Noncarrier property	Total
Balance June 30, 1944.....	\$18,480,282	\$1,710,731	\$580,218	\$537,685	\$462,299	\$109,638	\$21,880,853
Additions through June 30, 1945.....	9,644	720	6,300	477	3,864		21,005
Retirements and transfers through June 30, 1945.....	53,411	40,226	12,907	463	7,047		114,054
Balance June 30, 1945.....	18,436,515	1,671,225	573,611	537,699	459,116	109,638	21,787,804
Additions through June 30, 1946.....	765,666		3,339				769,005
Retirements and transfers through June 30, 1946.....			5,446		1,363		6,809
Balance June 30, 1946.....	19,202,181	1,671,225	571,504	537,699	457,753	109,638	22,550,000
Additions through June 30, 1947.....	2,775,000	100,000	125,000				3,000,000
Retirements and transfers through June 30, 1947.....	366,000						366,000
Balance June 30, 1947.....	21,611,181	1,771,225	696,504	537,699	457,753	109,638	25,184,000

SCHEDULE C-3

ANALYSIS OF DEPRECIATION RESERVE

[As of June 30, 1945, 1946, and 1947]

	Line equip- ment	Buildings and other struc- tures	Office and other terminal equipment	Improvements on leased property	Other transpor- tation prop- erty and equipment	Noncarrier property	Total
Balance June 30, 1944.....	\$6,928,251	\$477,652	\$331,112	\$59,299	\$174,576	\$11,198	\$7,982,088
Additions through June 30, 1945.....	576,547	39,721	18,005	20,909	18,834	4,195	678,211
Charges through June 30, 1945.....	25,961	6,729	6,271	463	853		40,277
Balance June 30, 1945.....	7,478,837	510,644	342,846	79,745	192,557	15,393	8,620,022
Additions through June 30, 1946.....	576,124	39,107	17,795	20,941	18,822	4,195	676,984
Charges through June 30, 1946.....	0	0	0	0	0	0	0
Balance June 30, 1946.....	8,054,961	549,751	360,641	100,686	211,379	19,588	9,297,006
Additions through June 30, 1947.....	599,140	39,107	17,795	20,941	18,822	4,195	700,000
Charges through June 30, 1947.....	0	0	0	0	0	0	0
Balance June 30, 1947.....	8,654,101	588,858	378,436	121,627	230,201	23,783	9,997,006

WARRIOR RIVER TERMINAL COMPANY

CREATION AND PURPOSE

The Warrior River Terminal Company was incorporated January 18, 1926, under the laws of the State of Alabama, as the Port Birmingham Railway Company. By amendment to its charter February 12, 1926, the name was changed to Warrior River Terminal Company. Since June 19, 1926, all capital stock of this Corporation has been owned by the Inland Waterways Corporation.

This company was formed for the purpose of acquiring the standard gage switching line extending from the river bank at Port Birmingham, Ala., to Ensley, Ala. This facility was acquired on May 1, 1926. The purchase of the stock of this Company by the Inland Waterways Corporation was necessitated by the unsatisfactory interchange relations between Warrior River barge line operators and the railroad, this road being the only means available to river operators for receiving freight from and delivering freight to the Birmingham district.

FINANCIAL ORGANIZATION

The Company originally had an authorized capital stock of \$150,000. Only \$100,000 of this amount had been paid in at the time the Inland Waterways Corporation acquired ownership of the outstanding stock. By amendment to the Company's charter the capital stock was increased to \$1,250,000 in 1931, all of which was issued and purchased by the Inland Waterways Corporation. Both of the purchases of stock made by the Inland Waterways Corporation were approved by the Interstate Commerce Commission. In addition to its capital stock, the Corporation also has paid-in surplus in the amount of approximately \$100,000. This paid-in surplus represents a grant from the Federal Emergency Relief Administration of Federal Works for replacement of trestles with steel spans. The Company has no outstanding bonds or other long-term debt obligations. A statement of the financial condition of the Company is shown immediately following the textual material (exhibit C).

ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

SWITCHING OPERATIONS

The Company's activity is exclusively devoted to its common carrier operation. During the war the Company suffered a decline in tonnage and revenues due to a reduction in receipts from and deliveries to water carriers. A large part of this reduced tonnage was regained during fiscal year 1946. In the year 1947, most of the remainder of these losses should be recouped. During 1945, the Company made a gross profit of \$50,000. It is anticipated that in 1946 this will be increased to in excess of \$80,000 and that in 1947 the Company will achieve a gross profit of almost \$200,000. (For full details see exhibit A.)

PURCHASE OF PLANT AND EQUIPMENT

The Company has undergone extensive rehabilitation over the past several years. This rehabilitation is illustrated by a program of replacement of 80-pound rail by 100-pound rail. This program of rehabilitation slackened considerably during the war period but is expected to be continued strongly in the immediate postwar period. During 1945, only \$1,400 was expended for plant and equipment. This amount will be increased to \$5,000 in 1946, and to \$100,000 in 1947. The bulk of this \$100,000 will be used for the purchase of an additional locomotive to make possible the handling of the increased coal tonnage that is in prospect for that year,

PAYMENT OF DIVIDENDS

The Company has an almost continuous record of dividend payments in recent years. Normally it pays to the Inland Waterways Corporation a 6 percent dividend or \$75,000. With earnings somewhat depressed during the war, continued payments resulted in a reduction of surplus available for dividends to approximately \$65,000. Dividend payments during 1946 will reduce this still further to \$52,000. In order to retain funds for use in its postwar rehabilitation program the Company does not plan to declare a dividend in 1947. Profits that would have been available for dividends will be temporarily invested in Government securities pending their expenditure for plant and equipment.

OPERATING RESULTS

This Company's operations are normally profitable. In the year 1945, its net income amounted to \$31,000. In 1946, this is expected to increase to \$61,000, while in 1947 a \$176,000 net income is expected. These amounts are almost exclusively the result of common carrier operations. (For full details see exhibit B.)

FINANCIAL CONDITION

Corporate profits during the years of the Company's existence enabled it to accumulate a total earned surplus in the amount of \$472,000 as of June 30, 1944, after the payment of dividends on capital stock. In the fiscal years 1945 and 1946, earned surplus will decrease slightly, although the Company will pay in those years a 6 percent dividend. During 1947 the Company anticipates that its earned surplus will build up to almost \$600,000. Of this amount more than \$360,000 is earmarked as having been invested in property, while almost \$230,000 will be available for dividends and property rehabilitation. (For full details see exhibit C.)

GOVERNMENT SECURITIES

The Company uses its portfolio of Government securities solely for the purpose of temporarily investing funds. At the end of fiscal years 1944 and 1945 the amount of funds thus invested was \$50,000. During 1946, it is anticipated that this portfolio will be completely liquidated, while in 1947 the Company will invest \$100,000 of its net earnings in Government securities.

ADMINISTRATIVE EXPENSES

This expense covers the general supervisory staff engaged in over-all supervision of the programs carried on by the Company. During the calendar year 1944 the administrative staff performing these functions expended 2 man-years of personal service, which with other related costs of administration resulted in a total expenditure of \$19,000. The administrative organization is expected to remain constant during calendar year 1945 and fiscal year 1947. Related costs of administration will go up slightly in each of these years. (For further details see statement of income and expenses, exhibit B and schedule B-2.)

LANGUAGE

The types of programs set forth in the 1947 budget of the Warrior River Terminal Company, within the funds available to it, are approved. (Act of Dec. 6, 1945, Public Law 248.)

EXHIBIT A
COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
FUNDS APPLIED			
To operating expenses, Administrative expenses (see schedule B-2).....	\$19,213	\$19,200	\$20,208
To purchase of plant and equipment (see schedule C-1).....	1,354	5,000	100,000
To purchase of Government securities.....	75,045	-----	100,000
To payment of dividends.....	75,000	75,000	-----
To increase (or decrease*) working capital (see schedule A-1).....	*20,682	56,383	1,592
Total funds applied	149,930	155,583	221,800
FUNDS PROVIDED			
By operating income:			
Revenue from operations.....	\$201,988	\$258,000	\$424,500
Less: Direct cost of operations.....	152,202	177,800	228,400
Gross profit.....	49,786	80,200	196,100
Add depreciation.....	24,224	24,400	25,200
Interest earned on investments.....	74,010	104,600	221,300
By nonoperating income: Profit earned on investments sold.....	565	219	500
By sale of plant and equipment: Funds and salvage from equipment retired.....	18	8	-----
By sale of Government securities:			
Par value.....	75,000	50,000	-----
Amortization of premiums.....	37	8	-----
By recoveries of amounts written off in prior years	249	748	-----
Total funds provided	149,930	155,583	221,800

*Deduct.

EXHIBIT B
COMPARATIVE STATEMENT OF INCOME AND EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Operating income:			
Revenue from operations:			
Switching.....	\$182,724	\$250,000	\$421,500
Rent.....	18,684	7,500	2,500
Incidental.....	580	500	500
Less direct cost of operations:	\$201,988	\$258,000	\$424,500
Transportation (see schedule B-4).....	36,665	54,800	80,000
Repairs (see schedule B-5).....	64,660	70,000	94,000
Rents.....	5,664	8,600	9,200
Taxes.....	20,818	20,000	20,000
Depreciation ¹	24,395	24,400	25,200
Gross profit on operations.....	49,786	80,200	196,100
Interest earned on investments.....	565	219	500
Total operating income	50,351	80,419	196,600
Operating expenses: Administrative expenses (see schedule B-2).....	19,213	19,200	20,208
Net operating income	31,138	61,219	176,392
Nonoperating income: Profit on investments sold.....	18	8	-----
Net income for the year	31,156	61,227	176,392

ANALYSIS OF EARNED SURPLUS

Balance at beginning of fiscal year.....	\$108,621	\$65,026	\$52,001
Net income for the year (above).....	31,156	61,227	176,392
Adjustments for year affecting prior periods.....	249	748	-----
Dividend paid Inland Waterways Corporation.....	175,000	\$75,000	-----
Balance at end of fiscal year	65,026	52,001	228,393

¹ Includes \$171 depreciation on leased property.

WARRIOR RIVER TERMINAL COMPANY

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EXHIBIT C
COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[As of June 30, 1944, 1945, 1946, and 1947]

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
ASSETS				
Inventories: Supplies and materials held for use.....	\$16,526	\$11,173	\$12,000	\$12,000
Plant and equipment (see schedule C-1).....	1,849,915	1,851,218	1,856,218	1,956,218
Less reserve for depreciation (see schedule C-2).....	175,140	199,364	223,764	248,964
Net plant and equipment.....	1,674,775	1,651,854	1,632,454	1,707,254
Accrued interest receivable: Accrued interest on investments.....	182	146	-----	500
Accounts receivable: Customers accounts.....	11,760	10,686	12,100	15,100
Investments: Government securities.....	50,000	50,008	-----	100,000
Cash (in banks).....	88,054	74,585	129,399	129,491
Prepayments:				
Prepaid insurance.....	878	962	1,000	1,000
Taxes paid in advance.....	1,252	-----	-----	-----
Total prepayments.....	2,130	962	1,000	1,000
Total assets	1,843,427	1,799,414	1,786,953	1,965,345
LIABILITIES				
Accounts payable	23,154	22,736	23,300	25,300
CAPITAL				
Paid-in capital:				
Common stock:				
Held by Inland Waterways Corporation.....	1,250,000	1,250,000	1,250,000	1,250,000
Paid-in surplus.....	97,913	97,913	97,913	97,913
Total paid-in capital.....	1,347,913	1,347,913	1,347,913	1,347,913
Earned surplus:				
Reserved for income and surplus invested in property.....	363,739	363,739	363,739	363,739
Other.....	108,621	65,026	52,001	228,393
Total earned surplus.....	472,360	428,765	415,740	592,132
Total capital	1,820,273	1,776,678	1,763,653	1,940,045

SCHEDULE A-1
CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Current assets (increase or decrease*):			
Inventories: Supplies and materials held for use.....	*\$5,353	\$827	-----
Accrued interest receivable: Accrued interest on investments.....	*36	*146	\$500
Accounts receivable: Customers accounts.....	*1,074	1,414	3,000
Cash (in banks).....	*13,469	54,814	92
Prepayments:			
Prepaid insurance.....	84	38	-----
Taxes paid in advance.....	*1,252	-----	-----
Current liabilities (increase* or decrease):			
Accounts payable.....	118	*275	*2,000
Undistributed credits: Unaudited accounts.....	300	*289	-----
Increase in working capital.....	-----	56,383	1,592
Decrease in working capital.....	20,682	-----	-----

*Deduct.

SCHEDULE B-1

REVENUE SWITCHING TONNAGE BY COMMODITIES

[Fiscal years ending June 30, 1945, 1946, and 1947]

Commodity	1945, actual	1946, estimated	1947, estimated
Coal, bituminous.....	230,790	333,072	800,000
Gasoline.....	6,271	31,233	50,000
All other.....	172,020	222,284	225,000
Total.....	409,081	586,589	1,075,000

SCHEDULE B-2

ADMINISTRATIVE EXPENSES

[Calendar years 1944, 1945, and fiscal year ending June 30, 1947]

By accounts	Calendar year 1944, actual		Calendar year 1945, actual		Fiscal year 1947, estimated	
	Man-years	Amount	Man-years	Amount	Man-years	Amount
Salaries and wages:						
Officers: Secretary and general freight agent.....	1	\$4,138	1	\$4,200	1	\$4,500
Employees: Office of secretary and general freight agent.....	1	1,942	1	1,980	1	2,100
Total.....	2	6,080	2	6,180	2	6,600
Travel expenses.....		180		95		250
Telephone and telegraph.....		131		124		130
Penalty and post paid mail.....		9		21		25
Office rent and utilities.....		416		429		435
Stationary and printing.....		119		137		150
Automobile expenses other than depreciation.....		169		195		300
Membership dues.....		105		110		115
Operating official train.....		36		230		250
Office supplies and expenses.....		13		63		63
Director's fees.....		80		80		80
Pensions and relief.....		525		454		500
Payments for services rendered: Inland Waterways Corporation.....		12,360		12,360		12,360
		20,223		20,458		21,258
Less reimbursements received: Inland Waterways Corporation.....		971		999		1,050
Total administrative expenses.....		19,252		19,459		20,208

SCHEDULE B-3

PERSONAL SERVICES

[Calendar years 1944, 1945, and fiscal year ending June 30, 1947]

By grades	Calendar year 1944, actual		Calendar year 1945, actual		Fiscal year 1947, estimated	
	Man-years	Amount	Man-years	Amount	Man-years	Amount
PERSONAL SERVICES, FIELD						
Rate of \$4,000 to \$5,000:						
Supervisor.....	1	\$4,519	1	\$4,519	1	\$4,519
Secretary and general freight agent.....	1	4,137	1	4,200	1	4,500
Trainmaster.....	1	4,159	1	4,159	1	4,159
Rate of \$2,000 to \$3,000.....	5	10,693	5	10,788	7	15,798
Rate under \$2,000.....	22	38,018	25	44,516	34	61,833
Total permanent, field.....	30	61,526	33	68,182	44	90,809
Temporary employment, field.....	0.3	513	0.4	887	1	2,373
All personal services, field.....	30.3	62,039	33.4	69,069	45	93,182
Deduct nonadministrative expenses.....	28.3	55,959	31.4	62,889	43	86,582
Personal services (net) (schedule B-2).....	2	6,080	2	6,180	2	6,600

SCHEDULE B-4

ANALYSIS OF TRANSPORTATION EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Rail line operation:			
Station service.....	\$3,130	\$3,640	\$4,500
Yard enginemen and motormen.....	7,306	13,108	19,750
Other yard employees.....	10,129	15,666	26,500
Yard switching fuel.....	3,442	5,462	7,500
Other yard expenses.....	1,723	2,449	3,500
Operating joint yards and terminals.....	5,200	5,350	5,500
Superintendence.....	5,267	6,381	7,500
Other.....	468	2,744	5,250
Total.....	36,665	54,800	80,000

SCHEDULE B-5

ANALYSIS OF REPAIRS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Maintenance of way and structures:			
Roadway and tracks.....	\$27,685	\$32,107	\$42,500
Structures.....	7,496	5,379	10,000
Superintendence.....	5,846	6,131	6,500
Other.....	3,915	4,380	5,000
Total.....	44,942	47,997	64,000
Maintenance of equipment:			
Locomotive repairs.....	11,290	9,922	14,000
Car repairs.....	7,383	10,561	14,000
Superintendence.....	928	959	1,000
Other.....	117	561	1,000
Total.....	19,718	22,003	30,000
Grand total.....	64,660	70,000	94,000

WARRIOR RIVER TERMINAL COMPANY

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SCHEDULE C-1
INVESTMENT IN PROPERTY AND EQUIPMENT

[As of June 30, 1945, 1946, and 1947]

	Road	Equipment	General	Total
Balance June 30, 1944.....	\$1,348,086	\$493,610	\$8,219	\$1,849,915
Additions through June 30, 1945.....	1,341			1,341
Retirements and transfers through June 30, 1945.....	38			38
Balance June 30, 1945.....	1,349,389	493,610	8,219	1,851,218
Additions through June 30, 1946.....	5,000			5,000
Balance June 30, 1946.....	1,354,389	493,610	8,219	1,856,218
Additions through June 30, 1947.....		100,000		100,000
Balance June 30, 1947.....	1,354,389	593,610	8,219	1,956,218

SCHEDULE C-2
ANALYSIS OF DEPRECIATION RESERVE

[As of June 30, 1945, 1946, and 1947]

	Road	Equipment	Total
Balance June 30, 1944.....	\$9,224	\$165,916	\$175,140
Additions through June 30, 1945.....	5,821	18,403	24,224
Balance June 30, 1945.....	15,045	184,319	199,364
Additions through June 30, 1946.....	5,821	18,579	24,400
Balance June 30, 1946.....	20,866	202,898	223,764
Additions through June 30, 1947.....	5,821	19,379	25,200
Balance June 30, 1947.....	26,687	222,277	248,964

† Excludes \$171 depreciation on tracks held under lease.

CARGOES, INCORPORATED ¹

Cargoes, Incorporated, was originally organized under the name of Ships, Incorporated, its preferred stock being purchased by the Reconstruction Finance Corporation with funds allocated by the Office of Lend-Lease Administration pursuant to legislation defining the authorities of these organizations (22 U. S. C. 411 et seq., and 15 U. S. C. 606b). The Corporation was taken over in June 1942 by the Office of Lend-Lease Administration, the Reconstruction Finance Corporation purchasing the common stock with funds allocated by that Office. Executive Order 9380 of September 25, 1943, transferred the Office of Lend-Lease Administration to the Foreign Economic Administration. The Reconstruction Finance Corporation held the common and preferred stock for the account of the Foreign Economic Administration as beneficial owner.

The purpose of the Corporation was to construct experimental cargo vessels and other craft and to conduct

¹ Under the terms of Executive Order 9630, approved Oct. 20, 1945, certain of the functions performed by the Foreign Economic Administration, including those formerly performed by this Corporation, were transferred to the Department of Commerce.

the research and testing necessary thereto during the shipping crisis in the forefront of the emergency war period. Liquidation of the Corporation has now been completed and dissolution consummated with final transfer of unexpended funds made to the Reconstruction Finance Corporation on March 31, 1945.

ADMINISTRATIVE EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By objects	1945, actual	1946, estimated	1947, estimated
PERSONAL SERVICES, DEPARTMENTAL			
Personal services (net).....	\$645		
Travel.....	446		
Transportation of things.....	17		
Other contractual services.....	341,316		
Total.....	342,424		
Transferred to Reconstruction Finance Corporation.....	+255,593		
1944 balance available in 1945.....	-598,017		