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COVERING NEW YORK
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STOCK EXCHANGES

MOODY'S®

INDUSTRIAL MANUAL

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Property, plt & equipment, net	326,709	300,885
Total assets	826,714	807,392
Liabilities:		
Short-term oblig	10,000	150,000
Payables & accrued exps	119,345	113,635
Income taxes	37,174	42,918
Total curr liabil	166,519	306,553
Long-term debt	100,000	100,000
Postretirement benefits other than pensions	73,868	70,209
Other liabilities	48,396	48,610
Total liabilities	388,783	525,372
Capital stock	103,307	102,077
Additional paid-in-capital	474,661	414,274
Retained earnings	528,518	388,505
Total	1,106,486	904,856
Less cost of shares in treas	668,555	622,836
Total stkhlders eq	437,931	282,020
Total liabilities & stkhlders eq	826,714	807,392

[1] LIFO; FIFO

Long Term Debt: Dec. 31, 1997, $100,000,000 comprised of:
(1) $100,000,000 long term debt.

Line of Credit: In 1996, the Company entered into two revolving credit agreements totaling $350 million with several banks. he terms of the agreements provide for a five-year revolving credit facility in the amount of $262.5 million, which expires in November 2001, and a 364-day revolving credit facility, renewed in November 1997 in the amount of $87.5 million, which expires in November 1998. The Company may borrow funds and elect to pay interest under the "Base Rate," "Competitive Bid" or "Eurodollar" interest rate provisions. Principal repayments are optional during the revolving credit periods. The agreements require facility fees which are not significant, as well as maintenance of certain financial ratios. There were no borrowings under these facilities in 1997 and 1996.

At December 31, 1997, the Company had $110 million outstanding under commercial paper borrowings, of which $100 million was classified as long-term debt. The Company's revolving credit agreements support these borrowings which are intended to be refinanced on a long-term basis, either through continued commercial paper borrowings or its revolving credit facilities. Commercial paper borrowings at December 31, 1997 have a weighted-average interest rate of 5.8 percent. At December 31, 1996, the Company had $250 million outstanding under commercial paper borrowings, of which $100 million was classified as long-term debt. Commercial paper borrowings at December 31, 1996, had a weighted-average interest rate of 5.7 percent.

Capital Stock: 1. UST, Inc. common
AUTH - 600,000,000 Shs.
OUTSTG - Dec. 31, 1997, 204,154,736 Shs.; par $ 0.5
TREASURY SHARES - 2,182,500 Shs.
STOCK SPLITS - Par changed from $100 to no par in Mar., 1922, by 4-for-1 split; no par shares split 4-for-1 in Mar., 1938; par changed from no par to $1 par May 1, 1968 by 2-for-1 split; par changed from $1 to $0.50 May 1, 1972 by 2-for-1 split.
VOTING RIGHTS - Entitled to one vote per share. No mortgage or encumbrance of any kind may be placed on property as a prior lien to the preferred, without assent of two- thirds of each class of stockholders.
DIVIDENDS PAID - Paid by United States Tobacco Co.:

($100 par shares)					
1912	$5.00	1913	$10.00	[1] 1914-15	$12.00
1916	26.00	1917	22.00	[1] 1918	5.00
[1] 1919-21	10.00	1922	5.50		
(No par shares after 4 for 1 split)					
1922	1.50	[1] 1923-28	3.00	[1] 1929	3.25
1930	4.00	1931	4.30	1932-33	4.40
1934	9.70	1935	7.25	1936	10.75
1937	8.25	1938	1.25		
(No par shares after 4 for 1 split)					
1938	1.35	1939	1.76	1940	1.96
1941	1.50	1942	1.32	1943	1.30
1944-47	1.20	1948-50	1.35	1951-58	1.20
1959-61	1.35	1962-63	1.40	1964-65	1.50
1966	1.60	1967	1.70	1968	0.45
($1 par shares)					
1968	0.72½	1969	1.02½	1970	1.12½
1971	1.20	1972	0.31		
($0.50 par shares)					
1972	0.46½	1973	0.70	1974	0.79
1975	0.90	1976	1.10	1977	1.40
1978	1.60	1979	1.84	1980	2.08
1981	2.40	1982	2.80	1983	[1]
($0.50 par shares after 200% stk. div.)					
1983	1.16	1984	1.44	1985	1.72
1986	1.96	1987	[1]		
($0.50 par shares after 100% stk. div.)					
1987	0.30				
Paid by UST Inc.:					
1987	0.90	1988	1.48	1989	[1]
($0.50 par shares after 100% stk. div.)					
1989	0.92	1990	1.10	1991	1.32
1992	[1]				
($0.50 par shares after 100% stk. div.)					
1992	0.80	1993	0.96	1994	1.12
1995	1.30	1996	1.48	1997	1.62
[2] 1998	.81				

[1] Also paid stock dividends: 1914, 20%; 1915, 10%; 1918, 20%; 1921, 20%; 1923, 20%; 1929, 20%; 1983, 200%; 1987, 100%; 1989, 100%; 1992, 100%.
[2] To Jun. 15

STOCK OPTION PLANS - A summary of stock option transactions is as follows:

Shares	1997
Outstg., beg of year	15,782,600
Options granted	1,861,600
Options exercised	(2,459,500)
Options forfeited	(297,900)
Outstg., end of year	14,886,800

TRANSFER AND DIVIDEND DISBURSING AGENT & REGISTRAR - The First National Bank of Boston, Boston, Mass.
SECONDARY EXCHANGES - Also listed on Pacific Stock Exchange.

PRICE RANGE -	1997	1996	1995	1994	1993
High	36 15/16	35⅞	36	31½	32¾
Low	25½	28¼	26½	23⅝	24⅜

[1] Adj. for 100% stk. div. in year.

USX CORP.

History: Incorporated in Delaware Sept. 13, 1965 as U.S. Steel Co., a subsidiary of United States Steel Corp. On Jan. 1, 1966 merged United States Steel Corp. and changed name to United States Steel Corp. Present name adopted on July 8, 1986. Predecessor company was incorporated in New Jersey Feb. 25, 1901.

For acquisitions, etc. prior to 1976 see Moody's 1976 Industrial Manual.

On Jan. 7, 1982, U.S. Steel acquired Marathon Oil Company for $5,935,000,000 in cash and notes.

In 1984, Marathon Oil Co. purchased all common shs. of Husky Oil Co. for $488,000,000 in cash.

On Feb. 11, 1986, a subsidiary of Co. merged with Texas Oil & Gas Corp. Co. issued 0.6333 com. sh. for each Texas Oil & Gas Corp. com. sh. issued 133,000,000 com. shs.

In 1986, sold Aristech Chemical Corp., U.S. Steel Supply division and a 50% interest in the Pittsburg, Ca. plant to form a joint venture, USS-POSCO Industries, Inc.

In 1987, Marathon sold Deutsche Marathon Petroleum; also sold Geneva Steel Works and Michigan Limestone Operations, and the American Bridge Division.

Also in 1987, Co. and ARMCO Inc. contributed assets to form the National-Oilwell Partnership for oil field supply and services operations.

In Dec. 1988, Co. and Blackstone Capital Partners L.P. and Blackstone Transportation Partners L.P. completed a transaction involving the formation of Transtar, Inc. followed by Transtar's purchase of the former domestic transportation businesses of Co. for net cash proceeds of $463,000,000 and a subordinated note with a face value of $125,000,000.

In March 1989, Marathon purchased the stock of Rock Island Refining Corp. Assets sold during 1989 primarily included Quebec Cartier Mining Company in Canada, the Lorain (Ohio) Works to a 50 percent-owned joint venture, USS/Kobe Steel Co., five oil tankers, the U.S. Agri- Chemicals phosphate fertilizer business and all of the Corp.'s equity interest in South Africa companies.

In 1990, Co. and Kobe Steel of Japan formed a joint venture, PRO-TEC Coating Co., to produce hot-dipped galvanized sheet product in the U.S.

On Oct. 31, 1990, Texas Oil and Gas and its joint-interest partner sold their interests in the Acadian Group.

On Mar. 9, 1993, Marathon acquired 2.5 percent of Colonial Pipeline Company's common stock from BP Oil Company.

On June 7, 1993, Co. sold Cumberland Mine to Cyprus Coal Company.

On Oct. 5, 1993, USX-Delhi's affiliate, Tonkawa Gas Processing Company, acquired a a cryogenic gas processing plant and associated contracts from the Pettus Gas Plant, L.C. of Houston.

On March 21, 1995, Co. sold its Cyclone Fence operations to Cyclone Incorporated of Greenswich CT. Details of the transaction were not disclosed.

On Oct. 23, 1995, Co.'s subsidiary, Marathon Oil Company, formed a new business unit, Marathon Power Company, Ltd. to pursue electrical power projects in the rapidly growing global electrical power market.

The parties also noted that a final agreement is contingent on certain conditions, including financing and governmental approvals. Details of those conditions, and terms of the proposed sale, were not disclosed.

In Nov. 1997, Co. sold Delhi Gas Pipeline Corporation and the other subsidiaries of Co. that comprise all of the Delhi Group to an affiliate of Koch Industries Inc. Co. stated that the holders of Co. and Delhi Group common stock will be notified in approximately 30 days, but not later than Dec. 26, 1997, of the amount of the net proceeds resulting from the transaction distributable to the Delhi shareholders. Co. stated that the distribution would be made no later than Jan. 26, 1998. Co. also stated that it will use the net proceeds of such disposition to redeem all shares of Delhi stock.

On Jan. 1, 1998, Co. transferred certain refining, marketing and transportation (RM&T) to a new consolidated subsidiary, which was named Marathon Ashland Petroleum LLC (MAP).

Also on Jan. 1, 1998, Co. acquired certain RM&T net assets from Ashland in exchange for a 38% interest in MAP. The purchase price was determined to be $1.9 billion, based upon an external valuation of the fair value.

Restructuring: In Jan. 1991 the Board of Directors approved and on May 6, 1991, the stockholders approved, a plan to distribute to them shares of a new class of common stock, which is intended to reflect the performance of USX's steel and diversified businesses (Steel Stock). As part of this plan, stockholders retained their existing common stock, which is intended to reflect the performance of USX's energy business (Energy Stock). Under the plan, existing common shares were exchanged share-for-share, into USX-Marathon Group common stock and shareholders received 0.2 share USX-U.S. Steel Group common for each Co. common share held.

The conversion rights of USX's convertible debentures issues were appropriately adjusted in accordance with the terms of the respective indentures. In addition, appropriate adjustments were made to USX's stock plans, employee savings plans and Stockholder Rights Plan.

On Oct. 2, 1992, Co. sold 9,000,000 shares of a new class of common stock, USX-Delhi Group, which is intended to reflect the performance of the Delhi Group.

Reorganization Development: In 1990, Co. approved a reorganization of its energy segment. This included the sale of three regional exploration and production packages formerly owned by TXO; the combination of Marathon and the remaining TXO exploration and production activities; and a realignment of responsibility for TXO's Delhi Gas Pipeline Corporation and FWA Drilling Company subsidiaries.

Business: Co. is a diversified company which is principally engaged in the energy business through its Marathon Group and in the steel business through its U.S. Steel Group.

The Marathon Group is comprised of Marathon Oil Company ("Marathon") and certain other subsidiaries of USX which are engaged in worldwide exploration, production, transportation and marketing of crude oil and natural gas; domestic refining, marketing and transportation of petroleum products; and power generation. Marathon Group revenues as a percentage of total USX consolidated revenues were 69% in 1997, 71% in 1996 and 68% in 1995.

The U. S. Steel Group includes U. S. Steel, the largest steel producer in the United States , which is primarily engaged in the production and sale of steel mill products, coke, and taconite pellets. The U. S. Steel Group also includes the management of mineral resources, domestic coal mining, and engineering and consulting services (together with U. S. Steel, the "Steel and Related Businesses"). Steel & Related - Equity Affiliates is comprised of joint ventures and partially-owned companies, such as USS/Kobe, USS-POSCO Industries, PRO-TEC Coating Company, and Transtar, Inc. Other businesses that are part of the U. S. Steel Group include real estate development and management, and leasing and financing activities. U. S. Steel Group revenues as a percentage of total USX consolidated revenues were 31% in 1997, 29% in 1996 and 32% in 1995.

Property: Co. maintains its executive offices in Roswell, Georgia. Co. owns, leases and operates facilities in the United States and throughout the World.

Marathon is currently conducting exploration and development activities in 12 countries, including the United States. Principal exploration activities are in the United States, the United Kingdom, Egypt, Gabon, Ireland, Tunisia, Canada and the Netherlands. Principal development activities are in the United States, the United Kingdom, Egypt, Gabon and Russia.

USX and its wholly owned entity, U. S. Steel Mining, have domestic coal properties with demonstrated bituminous coal reserves of approximately 799 million net tons at year-end 1997 compared with approximately 860 million net tons at year- end 1996. The decrease in 1997 was due to a lease termination. The reserves are of metallurgical and steam quality in approximately equal proportions. They are located in Alabama, Pennsylvania, West Virginia, Illinois and Indiana. Approximately 96% of the reserves are owned, and the rest are leased. The leased properties are covered by a lease which expires in 2005. U. S. Steel Mining coal production was 7.5 million tons in 1997, compared with 7.3 million tons in 1996 and 7.5 million tons in 1995. Coal shipments were 7.8 million tons in 1997, compared with 7.1 million tons in 1996 and 7.5 million tons in 1995.

Subsidiaries

Carnegie Natural Gas Company
Carnegie Interstate Pipeline Company
Carnegie Production Company
Speedway SuperAmerica LLC
Marathon Guaranty Corporation
Marathon International Oil Company
Marathon International Petroleum Ireland Limited
Marathon Oil Company
Marathon Oil U.K., Ltd.
Marathon Petroleum Ashrafi, Ltd.
Marathon Petroleum Company (Norway)
Marathon Petroleum Egypt, Ltd.
Marathon Petroleum Investment, Ltd.
Marathon Petroleum Syria, Ltd.
Marathon Ashland Pipe Line LLC
Marathon Sakhalin Limited
United States Steel International, Inc.
U. S. Steel Mining Company, LLC
USX Capital LLC
USX Engineers and Consultants, Inc.
USX Portfolio Delaware, Inc.

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UNITED STATES STEEL CORPORATION

CAPITAL STRUCTURE

[3]LONG TERM DEBT

Issue	Rating	[3]Amount Outstanding	Times Charges Earned 1975	Times Charges Earned 1974	Interest Dates	Call Price	Price Range 1975	Price Range 1974
1. Debenture 4s, 1983	Aa	$87,600,000			J&J 15	[1]101	81¾- 73	78½- 70
2. Debenture 4½s, 1986	Aa	120,000,000			A&O 15	[1]101¼	76½- 71⅜	77⅝- 58½
3. Debenture 7¾s, 2001	Aa	150,000,000			M&S 1	[1]106.20	93½- 83½	99 - 79½
4. Subord. debenture 4⅝s, 1996	A	562,800,000	10.93	11.04	J&J 1	[1]103	58⅛- 46	64¾- 54⅜
5. Ind. devel. & environ. impr. bonds	----	251,600,000			--------	-----	-------	-------
6. Other debt	----	14,700,000			--------	-----	-------	-------
7. Subsidiary debt	----	398,400,000			--------	-----	-------	-------

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1975	Earned per Sh. 1974	Divs. per Sh. 1975	Divs. per Sh. 1974	Call Price	Price Range 1975	Price Range 1974
1. Common	$1	[4]54,257,181 shs.	$10.31	$11.64	$2.80	$2.20	-----	71⅞- 38¼	48½- 35⅜

[1]Subject to change; see text; also callable for sinking fund. [3]Before unamortized discount. See "Note" under long-term debt below. [4]Year end shs. outstg.

HISTORY

Incorporated in Delaware Sept. 13, 1965 as U. S. Steel Co., a subsidiary of United States Steel Corp. On Jan. 1, 1966 merged United States Steel Corp. and adopted present name Predecessor company was incorporated in New Jersey Feb. 25, 1901.

Immediately following incorporation it acquired practically the entire issued capital stocks of the following corporations. The Carnegie Co., Federal Steel Co., National Tube Co., American Steel & Wire Co. (N. J.), National Steel Co., American Steel Hoop Co., American Sheet Steel Co., American Tin Plate Co., American Bridge Co., Lake Superior Consolidated Iron Mines, Shelby Steel Tube Co. There were also acquired the entire issue of bonds of The Carnegie Co. and a one-sixth interest in the capital stock of Oliver Iron Mining Co. and Pittsburgh Steamship Co.

Subsequent to the acquisition of these companies, the corporation formed through internal corporate adjustments, or acquired by purchase or lease, the following: In 1901, The Aragon Iron Mines; Dec. 1, 1902, the Union Steel Co.; Jan. 1, 1903, The Troy Steel Products Co.; April 1, 1903, The H. C. Frick Coke Co. (survivor in merger of several subsidiaries of same character); Sept. 1, 1903, the United States Steel Export Co. (name later changed to United States Steel International (N. Y.), Inc.—organized to conduct export business of subsidiaries); May 1, 1904, The Clairton Steel Co.; in 1906, organized the Indiana Steel Co., Gary Land Co., Gary Heat, Light & Water Co., and Oct. 1, 1906, the Universal Portland Cement Co. (acquired two cement plants); Jan. 2, 1907 leased the Great Northern Iron Ore Properties, which lease was cancelled by the corporation effective Jan. 1, 1915; in 1907, The National Steel & Wire Co.; Nov., 1907, The Tennessee Coal, Iron & Railroad Co.; in 1908, plant and equipment of The Schoen Steel Wheel Co.; in 1917, organized Federal Shipbuilding Co. (name later changed to Federal Shipbuilding & Dry Dock Co.); in 1924, acquired Cyclone Fence Co. In 1926, United States Steel Products Co., acquired control of Compania de Maestranzas y Galvanizacion of Chile.

In Jan., 1930, acquired the Atlas Portland Cement Co. properties—annual capacity 18,000,000 barrels —(see Moody's 1929 Industrial Manual), paying therefor 176,265 shares of its common stock; the Atlas properties were subsequently consolidated with the Universal Portland Cement Co., subsidiary, under the title Universal Atlas Cement Co. In Jan., 1930, acquired Columbia Steel Corp. properties (see Moody's 1930 Industrial Manual), paying therefor 251,771 shares of common stock. In 1930 acquired Washington Coal & Coke Co. properties, through the subsidiary H. C. Frick Coke Co. On Oct. 1, 1930, acquired Oil Well Supply Co. properties, manufacturers and distributors of oil well equipment (see Moody's 1930 Industrial Manual), paying therefor 108,402 common shares.

In Apr., 1931, acquired the outstanding minority interest in Edgar Zinc Co., through the subsidiary American Steel & Wire Co. In Apr., 1931, made arrangements with Fried. Krupp, A.-G., Germany, whereby subsidiaries of United States Steel were licensed by Krupp under various patents it owned to manufacture corrosion, heat resisting and other alloy steels.

In Jan., 1936, acquired Virginia Bridge & Iron Co. property, through Virginia Bridge Co., a subsidiary of Tennessee Coal, Iron & Railroad Co., subsidiary. In Jan., 1937, acquired The Gerrard Co., Inc.—through American Steel & Wire Co., subsidiary—manufacturer of machines for tying containers with wire.

In Mar., 1933, the Tennessee Coal, Iron & Railroad Co. purchased from The American Steel & Wire Co. of New Jersey all of its real estate in Jefferson County, Ala., which included the real estate and plant known as the Fairfield Plant of The American Steel & Wire Co. and which was the former American Steel & Wire Co. of Alabama.

As of Sept. 1, 1937, company sold to Dominion Steel & Coal Corp., Ltd. the following subsidiaries, having properties located in Canada: Canadian Bridge Co., Ltd., Canadian Steel Corp., Ltd., Canadian Steel Lands, Ltd., Canadian Steel & Wire Co., Ltd., Essex Terminal Railway Co. Consideration received was in part cash and part mortgage bonds and collateral debentures issued by Canadian Bridge Co., Ltd.

On July 1, 1939, acquired properties of Boyle Manufacturing Co., Inc., of California, manufacturer of sheet metal products such as barrels, tanks, etc., and organized Boyle Manufacturing Co. (Del.) (name later changed to U. S. Steel Products Co.) to operate such properties.

In April, 1948, Federal Shipbuilding & Dry Dock Co., a wholly-owned subsidiary sold shipyard at Kearny, N. J. to U. S. Navy for $2,375,000.

On Aug. 31, 1948, company's wholly-owned subsidiary, Consolidated Western Steel Corp. purchased fabricating assets and business of Consolidated Steel Corp. for approximately $8,300,000.

Early in 1951 the former wholly-owned subsidiaries Carnegie-Illinois Steel Corp., H. C. Frick Coke Co. and U. S. Coal & Coke Co. were merged into U. S. Steel Co., N. J.

As of Dec. 31, 1951, U. S. Steel Co., N. J., merged the following wholly-owned subsidiaries: American Bridge Co., American Steel & Wire Co., Bradley Transportation Co., Columbia Steel Co., Consolidated Western Steel Corp., Geneva Steel Co., Gerrard Steel Strapping Co., Illinois Steel Co., Michigan Limestone & Chemical Co., National Tube Co., Oil Well Supply Co., Oliver Iron Mining Co., Pittsburgh Steamship Co., Tennessee Coal, Iron & Railroad Co., United States Steel Products Co., United States Steel Supply Co., Universal Exploration Co., Virginia Bridge Co.

As of Jan. 1, 1953, U. S. Steel Co. was merged with U. S. Steel Corp. and 1958 merged Universal Atlas Cement Co.

On Mar. 31, 1956, company sold all of vessels and foreign trade routes and business of Isthmian Steamship Co.

In 1961 completed agreement with Terni Industrials Electrical Co. (See Moody's Public Utility Manual) to form Terninoss Acciai Inossidabili, S.p.A., a company in Italy for production and sale of stainless steel mill products. Plant began operations in 1964.

During 1962, completed arrangements with Societa Finanziaria Siderurgica Finsider, S.p.A., an Italian company, for equal participation in a steel fabricating business. The fabricating company, known as C.M.F.—Costruzioni Metalliche Finsider, S.p.A. began operating a new plant at Sabbio in early 1964 and another new plant at Livorno in 1965. In 1967 disposed of its one-half interest in C.M.F. to co-partner, Finsider.

Acquired in early 1963 17,000 shares (25%) of Pittsburgh Chemical Co., subsidiary of Pittsburgh Coke & Chemical Co., for about $2,600,000. Company also guaranteed in part $10,400,000 bank loan to Pittsburgh Chemical, permitting latter to pay off loans and advances to its parent company and reduce direct bank obligations.

In Apr. 1964, Company and National Distillers & Chemical Corp. acquired equal interests in Reactive Metals Inc., a reorganized and recapitalized company. This company acquired the existing facilities of National Distillers for production of titanium and other metals and for fabrication of finished mill products.

In July 1964, purchased assets of Industrial Chemicals and Protective Coatings Divisions of Pittsburgh Chemical Co. These divisions were formed into a single new division of U. S. Steel, under name of Pittsburgh Chemical Co. This division produces basic materials for the plastics industry, tar-based enamels for pipelines, tar and asphalt-based coatings, and other industrial chemicals.

Also in 1964, a 50% ownership was acquired in Societa Italiana Derivati Vergella-Deriver, S.p.A., an Italian company reorganized in 1964. This company produces wire and wire products to serve in growing markets in Italy and nearby countries. The other 50% is owned by parent member of Finsider Group of companies in Italy.

In 1964, arrangements were completed for a partial ownership of Altos Hornos de Vizcaya (AHV), an integrated steel company in Spain. This participation includes a subscription to 25% of the outstanding stock, a loan arrangement, and the furnishing of broad technical and managerial assistance.

In 1965 acquired remaining 50% interest in Oxo Chemicals Co., Haverhill, O. Original 50% interest was acquired as part of purchase of certain assets of Pittsburgh Chemical Co. (see above.)

In 1966 formed a new division known as USS Chemicals to consolidate coal chemical sales activities of U. S. Steel and of Pittsburgh Chemical Co., which was previously operated as a separate division.

In Jan. 1967, Oxo Chemicals Co., which had been a wholly owned subsidiary of U. S. Steel was merged, with business conducted as part of USS Chemicals.

In 1968, U. S. business of Armour Agricultural Chemical Co. was acquired by USS Agri-Chemicals, Inc., a wholly-owned subsidiary.

In Mar. 1968, purchased assets of plastics division of General American Transportation Corp.

In Dec., 1968, acquired over 90% of Alside, Inc. (Ohio) for $39,000,000 cash. Also, in 1968, organized U. S. Steel Finance Corp., acquired controlling interest in Metasa, a Nicaraguan manufacturer, and jointly with U. S. Plywood-Champion Papers, Inc., formed equally-owned Birmingham (Ala.), Forest Products, Inc.

SUBSIDIARIES

At Dec. 31, 1975, 100% of the voting power was owned in the following subsidiaries:

Name, place of incorporation and business:

Consolidated

Alside, Inc. (Del.)
Apollo Gas Co. (Pa.)
Bahama Cement Co., Liberia—operates cement plant on Grand Bahama Island.
Bessemer & Lake Erie Railroad Co.—see Moody's Transportation Manual.
Birmingham Southern R.R. Co. (Ala.)—operates railroad line.
Carbon County Ry. Co. (Utah)
Carnegie Natural Gas Co. (Pa.)
Companhia Meridional de Mineracao (Brazil)
Quebec Cartier Mining Co. (Canada)—Developing iron ore mines. 100 miles north of Shelter Bay on St. Lawrence River in Quebec.
Island Cement Co. Ltd. (Bahamas)
Lake Terminal R.R. Co. (Ohio)—See Moody's Transportation Manual.
McKeesport Connecting R.R. Co. (Pa.)—See Moody's Transportation Manual.
Newburgh & South Shore Ry. Co. (Ohio)—See Moody's Transportation Manual.
Northhampton & Bath R.R. Co. (Pa.)—See Moody's Transportation Manual.
Pittsburgh & Conneaut Dock Co. (W. Va.).
Navigen Company, (Liberia)
Navios Corp., (Liberia)
Ohio Barge Line, Inc., Pennsylvania
Warrior and Gulf Navigation Co. (Ala.)
Duluth, Missabe & Iron Range Railway Co.—see Moody's Transportation Manual.
Elgin, Joliet & Eastern Railway Co.—see Moody's Transportation Manual.
Orinoco Mining Co. (Del.)—Organized in 1949 to develop Venezuela iron ore deposits.
Union Railroad Co.—See Moody's Transportation Manual.
United States Steel International, Inc. (N. J.)
U. S. Steel Western Hemisphere, Inc. (Del.)
USS Engineers & Consultants, Inc. (Del.)
U. S. Steel Overseas Capital Corp. (Del.)
Youngstown & Northern R.R. Co. (Ohio)

Not Consolidated

Percy Wilson Mortgage & Finance Corp. (Del.)
U. S. Steel Credit Corp. (Del.)

In addition to above subsidiaries, company controls other companies which are not significant.

BUSINESS

U. S. Steel's major lines of business are Steel Manufacturing, Fabricating & Engineering, Chemicals and Transportation Subsidiaries. Tables below indicate products and services sold and income before estimated U. S. and foreign taxes on income for each of U. S. Steel's lines of business during the past three years.

Sales and Revenues (Millions of Dollars): Products & services sold by lines of business:

	1975	1974	1973
Steel Mfg.	$6,630	$7,724	$5,830
Fab. & eng.	934	756	668
Chemicals	656	733	408
Transp. Subs.	534	638	434

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each in Buenos Aires, Havana, Honolulu, Ponce (Porto), Rio de Janeiro and Shanghai, and through its Canadian idiary, Combustion Engineering Corp., Ltd., maintains 4 in ada.

ontrol: Superheater Co. (see preceding statement) ac-ed financial control by purchase from the underwriters, den, Stone & Co., and from others, of the securities of the company offered under the plan of reorganization to itors and stockholders of the old company and not taken such creditors and stockholders. As of Dec. 31, 1938, Superter Co. owned $3,812,000 first mortgage income 5s, 1957, and ,968 shares of common stock, which is approximately 75% the outstanding stock. On Mar. 23, 1939, company issued 00,000 series B bonds to Superheater Co. in liquidation of rent obligations to latter.

anagement: Officers: G. L. Bourne, Chairman; F. A. aff, Pres.; J. V. Santry, R. M. Gates, M. H. Isenberg, John n Brunt, F. H. Rosencrants, C. H. True, J. S. Skelly, Vice-es.; H. H. Berry, Vice-Pres. and Treas.; G. W. Grove, Sec. d Asst. Treas.; G. D. Ellis, Compt.; T. F. Morris, Asst. Sec. **ectors:** G. L. Bourne, G. T. Ladd, S. L. Probasco, F. A. Schaff, R. Wood, J. E. Dixon, O. L. Gubelman, F. A. Poor, J. V. ntry. **Annual Meeting:** Second Tuesday in April. **Office:** Madison Ave., New York City.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

	1938	1937	1936
ross profit bef. deprec....	$422,524	$456,790	(d)$1,275
epreciation	266,413	236,924	225,689
et operating profit	156,111	219,866	(d)226,964
her income (net)	85,417	65,821	47,399
tal income	241,528	285,687	(d)179,565
ond interest	95,442	190,600	118,890
ther interest	49,340	39,686	9,443
mes interest earned	1.67	1.24	....
come tax	32,511	11,022	16,715
rtax	....	12,386	....
et income	64,236	31,994	(d)324,612

Earned per share common (in $) years to Dec. 31:

1938	1937	1936	1935	1934
0.41	0.21	(d)2.15	(d)2.20	(d)4.67

Number of common shares: 1938, 154,830; 1937, 152,066; 1936, 151,055; 1935, 150,613; 1934, 150,517.

‡ After selling, general and administrative expenses and provision for bad debts and allowances.

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31
(Including U. S. and Canadian subsidiaries)

Assets:	1938	1937	1936
*Property, plant, etc.	$3,511,392	$3,310,108	$2,810,279
Cash & sec. held by rec.	....	....	15,385
Goodwill, etc.	1	1	1
Invest. in European cos.	1	1	1
Cash	*1,272,364*	*511,257*	*750,659*
Marketable securities	....	*3,018*	*3,019*
Accts. & notes rec. (net)	*2,239,276*	*2,874,825*	*2,174,518*
‡*Inventories*	*2,390,849*	*3,508,027*	*2,559,972*
Due from employees	13,042	12,042	6,070
Closed banks (net)	3,889	80	80
Deferred charges	118,900	114,666	133,575
Total	$9,549,715	$10,334,025	$8,453,557
Liabilities:			
Capital stock (par $1)	$154,830	$152,066	$151,055
Minority interest	89,501	89,501	89,501
First income 5s	3,744,000	3,812,000	3,812,000
¶Series B bonds	1,700,000	....	....
Res. for contingencies	121,012	121,012	80,423
Notes pay. (non-current)	....	2,000,000	....
Due parent company	*188,957*	†*1,135,246*	*1,560,092*
Other accounts payable	*375,493*	*657,864*	*566,767*
Accruals	*262,673*	*367,668*	*290,025*
Provision for income tax	*165,139*	*41,465*	*16,192*
Advance payments	*228,942*	*111,562*	*83,993*
Res. for contract losses	*11,311*	*31,821*	*21,684*
Capital surplus	(a)3,879,892	3,250,079	3,250,079
Operating deficit	1,372,025	1,436,260	1,468,254
Total	$9,549,715	$10,334,025	$8,453,557

	1938	1937	1936
Current assets	*$5,902,489*	*$6,897,128*	*$5,488,168*
Current liabilities	*1,232,504*	*2,345,626*	*2,538,753*
Net current assets	*4,669,985*	*4,551,502*	*2,949,415*

† Consists of: 2¼% notes payable, $300,000; accounts payable, $712,759; accrued interest, $122,487; total, $1,135,246.

* After depreciation: 1938, $3,689,059; 1937, $3,461,939; 1936, $3,290,020; 1935, $3,147,147.

‡ At cost or market whichever is lower. Includes unbilled installation work in progress: 1938 and 1937, not stated; 1936, $384,149.

¶ Issued on March 23, 1939, due Oct. 1, 1948.

(a) Includes $725,468 received from companies in Europe and England for exchange of technical information and patents relating to combustion engineering, etc.

Notes: (1) A sinking fund installment of $187,200 for the redemption of the 5% income first mortgage bonds is payable to the trustee on or before Sept. 28, 1939. No provision was made for interest on these bonds for six months ended Dec. 31, 1938, as there were no consolidated net earnings for interest for such period as defined in indenture.

(2) Dividends are in arrears to the extent of $72,048 at Dec. 31, 1938 on cumulative preferred stock of a subsidiary held by minority interest.

(3) Accounts certified by Arthur Andersen & Co.

Funded Debt: 1. Combustion Engineering Co., Inc. first 5s (income) series of 1937, due 1957:

Authorized (both series)—$8,000,000; outstanding, $3,744,000; all owned by Superheater Co.

Dated—Jan. 1, 1937; due Apr. 1, 1957.

Interest Payable—A&O 1 only pro rata out of and to the extent of the company's consolidated net earnings available for interest. Interest paid at rate of 5% per annum to Oct. 1, 1938, incl. No interest was paid on Apr. 1, 1939.

Callable—On any interest date at principal amount and accrued interest.

Sinking Fund—Beginning in 1938 and payable annually thereafter in an amount equal to consolidated net earnings available for interest or 5% of the aggregate principal amount outstanding whichever is less.

Secured—By a mortgage of all the fixed assets, including the plants, formerly owned by the Hedges-Walsh-Weidner Co., at Chattanooga, Tenn.; Coshocton Iron Co. at Monongahela Pa., and Raymond Bros. Impact Pulverizer Co., at Chicago, and by the fixed assets of Heine Boiler Co., at St. Louis, and Green Engineering Co., a non-operating subsidiary at East Chicago, Ill.

Issued—In Dec., 1936, to Superheater Co., proceeds used to retired the first 6s A and B and deb. 5s.

2. Combustion Engineering Co., Inc. first mortgage 3s, series B, due 1948:

Authorized (both series)—$8,000,000; outstanding $1,700,000. All owned by Superheater Co.

Due—Oct. 1, 1948.

Interest Payable—A&O 1 at fixed rate of 3% per annum, with additional interest, if earned, of 1% per annum from Jan. 1, 1940, to Dec. 31, 1942, and of 2% per annum from Jan. 1, 1943, to Dec. 31, 1947.

Callable—On any interest date at principal amount plus accrued interest.

Secured—Equally with No. 1, see above.

Issued—On Mar. 23, 1939, to Superheater Co. in liquidation of $1,700,000 current obligations to latter.

Capital Stock: Combustion Engineering Co., Inc. common: Authorized, 250,000 shares; outstanding, 154,830 shares (including 100 shares in treasury donated); par $1. No dividends will be paid thereon unless full interest and sinking fund payments due on bonds for such year have been provided for. As of Dec. 31, 1938, Superheater Co. owned approximately 75% of the outstanding shares.

Transfer Agent: Guaranty Trust Co., New York. Number of stockholders, Dec. 31, 1938, 374.

UNITED STATES STEEL CORPORATION

History: Incorporated under New Jersey laws, Feb. 25, 1901 (certificate amended on April 1, 1901). Since its organization the corporation has acted solely as a holding company.

At time of its organization company acquired practically all of the capital stock of the Federal Steel Co., National Tube Co., American Steel & Wire Co., National Steel Co., American Tin Plate Co., American Steel Hoop Co., American Sheet Steel Co., American Bridge Co., Lake Superior Consolidated Iron Mines, Shelby Steel Tube Co., and Carnegie Co.; also the entire issue of bonds of the Carnegie Co., and a one-sixth interest in the capital stock of Oliver Mining Co. and Pittsburgh Steamship Co.

Subsequent to the acquisition of these companies, the corporation acquired through its subsidiaries and by organization, purchase or lease, the following: In 1901, The Aragon Iron Mines; Dec. 1, 1902, the Union Steel Co.; Jan. 1, 1903, The Troy Steel Products Co.; April 1, 1903, The H. C. Frick Coke Co.; Sept. 1, 1903, the U. S. Steel Products Co.; May 1, 1904, The Clairton Steel Co.; in 1906, organized the Indiana Steel Co., Gary Land Co., Gary Heat, Light & Water Co., and Oct. 1, 1906, the Universal Portland Cement Co.; Jan. 2, 1907, leased the Great Northern Iron Ore properties, which lease was cancelled by the corporation in 1915; in Oct., 1907, The National Wire Corp.; Nov., 1907, The Tennessee Coal, Iron & R. R. Co.; in July, 1908, The Schoen Steel Wheel Co.; in 1917, organized the Federal Shipbuilding Co.; in 1924, acquired the Cyclone Fence Co. In 1926, United States Steel Products Co., a subsidiary, acquired control of Compania de Maestranzas y Galvanizacion of Chile.

In Jan., 1930, acquired the Atlas Portland Cement Co. (see Moody's 1929 Industrial Manual), paying therefor 176,265 common shares. The Atlas properties were subsequently consolidated with those of the Universal Portland Cement Co. under the title Universal Atlas Cement Co. Also purchased the properties of Columbia Steel Corp. (see Moody's 1930 Industrial Manual) in Jan., 1930, paying therefor 251,771 shares of common stock. The properties of Columbia Steel Corp. In 1930 H. C. Frick Coke Co., a subsidiary, acquired the Washington Coal & Coke Co. Acquired the properties and business were transferred to a subsidiary of United States Steel Corp. of Oil Well Supply Co., manufacturers and distributors of oil field equipment (see Moody's 1930 Industrial Manual), as of Oct. 1, 1930, paying therefor 108,402 shares of common stock.

In April, 1931, the American Steel & Wire Co., a subsidiary, acquired the business and smelting plant of Edgar Zinc Co. In April, 1931, United States Steel Corp. made arrangements with Fried. Krupp, A.-G. of Essen, Germany (see general index), covering American rights for use of various patents of the German concern. In June, 1931, the Sharon Coal & Limestone Co., a subsidiary, acquired the property of the Pittsburgh & Erie Coal Company.

In Jan., 1936, acquired the properties of Virginia Bridge & Iron Co., through the Tennessee Coal, Iron & R.R. Co.; the acquired properties were transferred to Virginia Bridge Co., which was organized for that purpose as a subsidiary of the latter company.

In January, 1937 company acquired, through its subsidiary American Steel & Wire Co., 89% of preferred and 96% of common stock of the Gerrard Co., engaged in the manufacture of machines for tying with wire, boxes and other containers for citrus fruits, dried fruits, apples, fibre materials, newspaper bundling, etc., which machines are leased to users.

As of Sept. 1, 1937, the United States Steel Corp. sold to Dominion Steel & Coal Corp., Ltd., the following subsidiaries having properties located in Canada, namely, Canadian Bridge Co., Ltd., Canadian Steel Corp., Ltd., Canadian Steel Lands, Ltd., Canadian Steel & Wire Co., Ltd., and the Essex Terminal Ry. Co. Consideration received was in part cash and in part mortgage bonds and collateral debentures, issued by Canadian Bridge Co., Ltd., both issues carrying the privilege of conversion into Dominion Steel & Coal Corp. common class B stock. The aggregate consideration received was reported to be $4,000,000.

In Dec., 1937, Federal Coke Corp. was organized as successor to Sharon Coke Co., a subsidiary. The Morgan Park Co. (formerly a subsidiary) also was merged in Dec., 1937.

Business: Corporation is a holding company owning a controlling stock interest in various subsidiaries, which as a group principally conduct integrated operations for the production and sale of a wide variety of finished and semi-finished steel products. Subsidiaries produce and sell pig iron, and also miscellaneous products which are by-products of, or closely related to, the iron and steel manufacturing activities. Subsidiaries engage in the fabrication and erection of various steel structures, such as bridges and buildings, and in the construction of railroad freight cars, ships and barges. A subsidiary is engaged in the manufacture and sale of cement.

The integrated operations include the production of substantially all of the iron ore and limestone, most of the coal, and a part of the dolomite, zinc ore, fluorspar and manganese ore (from a mine owned in Brazil) used by the subsidiaries; the operation of coke ovens which supply substantially all of the coke, coke oven gas and tar used by the subsidiaries; the generation of a major part of the electric power required by the subsidiaries; and the operation of steamships, barges and docks on the Great Lakes, and steamers, tugs and barges on various rivers for the transportation of raw materials and finished and semi-finished products.

The more important materials used directly by the subsidiaries for which they look for their requirements to sources of supply outside of the United States are manganese ore, chrome ore, nickel, palm oil, and pig tin.

The corporation, through its subsidiaries, constitutes the dominant factor in the domestic steel industry and is also the largest concern in the cement field. Ingot capacity of the corporation's subsidiaries amounts to approximately 37% of the total for the United States.

Steel Ingot Capacity and Production Compared to Total United States Capacity and Production

	*Capacity at Jan. 1	*Production Year to Dec. 31		*Capacity at Jan. 1	*Production Year to Dec. 31
1928.....	40.1%	40.1%	1934.....	39.6%	33.6%
1929.....	39.4	40.1	1935.....	39.4	33.1
1930.....	40.1	42.4	1936.....	38.7	35.9
1931.....	39.2	39.8	1937.....	37.5	37.2
1932.....	41.0	36.8	1938.....	36.6	....
1933.....	40.3	35.4			

* Percent of U. S. Steel subsidiaries capacity and production, respectively, to total in United States.

Note: Percentages relate to open hearth and bessemer steel ingots; figures do not include castings or ingot capacity and production of electric furnaces and crucibles or of steel foundries, for all of which complete data for the entire United States is not available.

Customers and Sales: Sales of the products of the manufacturing subsidiaries are made by them primarily to a wide field of customers throughout the United States, such customers including manufacturers, converters and processors, can producers, automotive companies, railroads, public utilities, mining and oil producing companies, fabricators, contractors and builders, supply houses, jobbers and dealers, as well as industrial and other consumers. In 1937, sales to fifty customers amounted to approximately 38% of gross sales. Carnegie-Illinois Steel Corp., a subsidiary of the corporation, in 1937 sold under the contract described below, approximately $57,000,000 of tin mill products to American Can Co., the largest single customer of the corporation and its subsidiaries. Certain subsidiaries sell, to a limited extent, articles manufactured by non-affiliated companies, which articles generally are complementary to the products manufactured and sold by such subsidiaries.

American Can Co. Steel Purchase Contract: The following are the terms of a steel purchase agreement dated Sept. 22, 1936, between Carnegie-Illinois Steel Corp. (the seller) and American Can Co. (the buyer):

Seller agrees to sell and deliver and buyer agrees to buy and receive, from June 19, 1936 to Dec. 31, 1941, both inclusive, tin mill products, as therein defined, in the following quantities:

(1) From June 19, 1936 to Dec. 31, 1936, either that quantity by which 65% of buyer's requirements (including buyer's subsidiaries) of tin mill products, during the full year 1936, for use in manufacturing in the United States and its possessions, shall exceed the quantity shipped from Jan. 1, 1936 to June 18, 1936, or, that quantity by which 10,500,000 units exceed the quantity shipped during the last named period, whichever is greater.

(2) During each of the years 1937 to 1941, inclusive, 65% of buyer's (and subsidiaries) requirements of tin mill products during such year, or 10,500,000 units, whichever shall be greater.

Buyer may coat all or any part of its tin plate requirements and in so far as it shall do so, the black plate so used shall constitute part of buyer's requirements, but six months' notice of changes in such practice shall be given to seller.

If in any year shipments ordered are less than shipments required under the agreement by not more than 250,000 units, buyer may cure such default by ordering and accepting during the ensuing year the quantity of such deficiency in addition to the quantities otherwise required to be purchased during such ensuing year.

Prices of specified tin mill products to other customers of seller, computed as under the agreement, shall at no time be lower than current prices to buyer. Provision is made for adjustment of prices to buyer in case seller shall knowingly charge any other customer lower prices than those specified in the agreement.

Export allowances to seller are provided for such tin plate as shall be used by buyer in the manufacture of cans exported from the United States (including the Hawaiian Islands).

For seller's operating convenience, the buyer agrees to accept delivery during Nov. and Dec. of amounts in excess of current requirements. Payments for certain coated products shipped during Nov. to June, inclusive, are permitted to be postponed for the periods and to the extent specified in the agreement.

In 1937 sales to American Can Co. amounted to approximately $57,000,000.

Subsidiaries: Principal manufacturing and fabricating subsidiaries are Carnegie-Illinois Steel Corp. (see below), Tennessee Coal, Iron & R.R. Co. (see appended statement), and Columbia Steel Co. (see below), these three companies being manufacturers in different parts of the United States of a wide variety of iron and steel products. Other important subsidiaries are: National Tube Co., which manufactures steel tubing and pipe; American Steel & Wire Co. of N. J., which manufactures wire rods, wire, wire products and cold rolled strip; American Bridge Co. and Virginia Bridge Co., which fabricate and erect bridges and various other steel structures; and Universal Atlas Cement Co., which manufactures cement. Oil Well Supply Co. manufactures and sells oil field equipment. Federal Shipbuilding & Dry Dock Co. operates a shipyard and dry dock for construction and repair of steel vessels. Cyclone Fence Co. manufactures various kinds of fence and miscellaneous wire products.

Corporation and certain subsidiaries also own all the capital stock of 15 common carrier railroads, and a subsidiary common carrier steamship company, Isthmian Steamship Co. (see below), operates a line of steamships in intercoastal and foreign service carrying products purchased or sold by subsidiaries as well as products for outside shippers (see Railroad and Marine Properties, below).

Subsidiaries of United States Steel Corporation
(As reported in SEC registration statement dated May 10, 1938)
(Percent of voting power held by parent company indicated in brackets)

Adams Mining Co. [100% (b)]
Agawam Iron Mining Co. [100% (b)]
Alpha Ore Co. [100% (b)]
Ambridge Iron Mining Co. [100% (b)]
†American Bridge Co. [100%]
American Improvement Co. [100%]
§Etna and Montrose R.R. Co. [100%]
Wissahickon Bridge Co. [100%]
†American Steel & Wire Co. of N. J. [*99.820%] (Balance of shares owned by Minnesota Steel Co.)
Carnegie-Illinois Steel Corp. [*.208%] (Balance of shares owned by U. S. Steel Corp.)
Carnegie Land Corp. [*38.140%] (Balance of shares owned by U. S. Steel Corp. and Carnegie-Illinois Steel Corp.)
H. C. Frick Coke Co. [*11.172%] (Balance of shares owned by U. S. Steel Corp. and National Tube Co.)
Gerrard Co., Inc. [99.917%]
Gerrard Pan-American Ltd. [100%]
Jackson Fence Co. [100% (f)]
Newburgh & South Shore Ry. Co. [100%]
Angus Land Co. [100% (c)]
Athens Land Co. [100% (c)]
§Bessemer & Lake Erie R.R. Co. [100%]
Bessemer-Union Improvement Co. [*50%] (Balance of shares owned by Union R.R. Co.)
§Meadville, Conneaut Lake & Linesville Railroad Co. [50% (a) (b)]
Beta Ore Co. [100% (b)]
Bishop Iron Co. [100% (b)]
Blue Earth Land Co. [100% (c)]
Bradley Transportation Co. [100%]
Central Radio Telegraph Co.
Cambridge Iron Mining Co. [100% (b)]
†Carnegie-Illinois Steel Corp. [*99.792%] (Balance of shares owned by American Steel & Wire Co. of N. J.)
Apollo Gas Co. [100%]
Bessemer Electric Power Co. [100% (b)]
Carnegie Land Corp. [*23.760%] (Balance of shares owned by U. S. Steel Corp. and American Steel & Wire Co. of N. J.)
The Conneaut Land Co. [100%]
Carnegie Land Corp. [*38.100%] (Balance of shares owned by American Steel & Wire Co. of N. J. and Carnegie-Illinois Steel Corp.)
Carnegie Natural Gas Co. [100%]
Chapin Mining Co. [100% (b)]
Chippewa Iron Co. [100% (b)]
Clarion Iron Mining Co. [100% (b)]
Cloquet Iron Mining Co. [100% (b)]
†Columbia Steel Co. [100%]
§Carbon County Railway Co. [100%]
Columbia Iron Mining Co. [100%]
Companhia Meridional de Mineracao [100%]
Crawford Iron Mining Co. [100% (b)]
Cumberland Iron Mining Co. [100% (b)]
†Cyclone Fence Co. [100%]
§Donora Southern Railroad Co. [100%]
Waukegan Fence & Gate Co. [100% (d)]
§Duluth, Missabe and Iron Range Ry. Co. [100%]
Duquesne Iron Mining Co. [100% (b)]
§Elgin, Joliet & Eastern Ry. Co. [100%]
Essex Iron Co. [100% (b)]
Federal Coke Corp. [100% (b)]
†Federal Shipbuilding & Dry Dock Co. [100%]
H. C. Frick Coke Co. [*87.857%] (Balance of shares owned by American Steel & Wire Co. of N. J. and National Tube Co.)
Cumberland Coal Co. [100% (c)]
Franklin Township Water Co. [100%]
Hostetter Connellsville Coke Co. [100% (c)]
§Johnstown & Stony Creek Railroad Co. [100%]
Sewickley Water Co. [100%]
Standard Water Co. [100%]
Gary Land Co. [100%]
Genoa Iron Co. [100% (b)]
Great Northern Mining Co. [99.37% (b)]
Hemlock Land Co. [100% (c)]
Hugo Iron Co. [100% (b)]
‡Illinois Steel Co. [100% (b)]
†Isthmian Steamship Co. [100%]
Jena Mining Co. [100% (c)]
Kentucky Fire Brick Co. [100%]
Lake Superior Consolidated Iron Mines [100% (b)]
§Lake Terminal Railroad Co. [100%]
Lancaster Iron Mining Co. [100% (b)]

Lebanon Iron Mining Co. [100% (b)]
Ligonier Iron Mining Co. [100% (b)]
Michigan Limestone & Chemical Co. [100%]
Mingo Coal Co. [100% (b)]
Mingo Iron Mining Co. [100% (b)]
Minnesota Iron Co. [100% (b)]
Minnesota Steel Co. [100% (h)]
American Steel & Wire Co. of N. J. [*.175%] (Balance of shares owned by U. S. Steel Corp.)
Monessen Iron Mining Co. [100% (b)]
Moneta Improvement Co. [100% (c)]
Monongahela Iron Mining Co. [100% (b)]
Morewood Iron Mining Co. [100% (b)]
Mountain Iron Co. [100% (b)]
Munhall Iron Mining Co. [100% (b)]
National Mining Co. [100%]
†National Tube Co. [100%]
Connoquenessing Bridge Co. [100%]
H. C. Frick Coke Co. [*.970%] (Balance of shares owned by American Steel & Wire Co. of N. J. and U. S. Steel Corp.)
§McKeesport Connecting Railroad Co. [100%]
Shelby Land Co. [100%]
National Tube Co. (Ohio) [100% (d)]
Neville Iron Mining Co. [100% (b)]
Northern Development Co. [100% (b)]
†Oil Well Supply Co. [100%]
Compania Consolidada "Oilwell" Sociedad Anonima [100%]
Oil Well Supply Co., Ltd. [99.981% (d)]
Oil Well Supply Co. of California [100% (a) (f)]
Wilson-Snyder Manufacturing Corp. [100%]
Erie Ball Engine Co. [100% (d)]
Wilson-Snyder Centrifugal Pump Co. [100% (d)]
Oliver Iron Mining Co. [100%]
Cartier Mining Co., Ltd. [100% (a) (d)]
Stephenson Iron Mining Co. [53.875% (a) (d)]
Pencoyd Iron Mining Co. [100% (b)]
Pennsylvania & Lake Erie Dock Co. [77.896%]
Piloto Mining Co. [85% (c)]
§Pittsburg, Bessemer & Lake Erie R.R. Co. [57.295% (b)]
Pittsburgh & Conneaut Dock Co. [100%]
Pittsburgh Limestone Corp. [100%]
§Youngstown & Northern R.R. Co. [100%]
†Pittsburgh Steamship Co. [100%]
Pittsburgh Supply Co. [100%]
Proctor Water & Light Co. [100%]
Rathbun Iron Mining Co. [100% (b)]
Saranac Iron Mining Co. [100% (b)]
†Scully Steel Products Co. [100%]
Seventy-one Broadway Corp. [100%]
Sharon Coal & Limestone Co. [100%]
Shaw Iron Co. [99.946% (b)]
Somerset Iron Mining Co. [100% (b)]
Spruce Mining Co. [100% (b)]
†Standard Fence Co. [100%]
Northwest Fence & Wire Works [100% (d)]
‡Tennessee Coal, Iron & Railroad Co. [99.998%]
§Birmingham Southern Railroad Co. [100%]
Chickasaw Shipbuilding & Car Co. [100% (g)]
Fairfield Steel Co. [100% (b)]
Tennessee Land Co. [100%]
Virginia Bridge Co. [100%]
Trotter Water Co. [100%]
§Union Railroad Co. [100%]
Bessemer-Union Improvement Co. [*50%] (Balance of shares owned by Bessemer & Lake Erie R.R. Co.)
Union Supply Co. [100%]
United States Coal & Coke Co. [100%]
United States Fuel Co. [100%]
†United States Steel Corp. (Del.) [100%]
†United States Steel Products Co. [100%]
Compania de Maestranzas y Galvanizacion [99.889% (a) (c)]
Isthmian Steamship Co., Ltd. [100% (a)]
United Supply Co. [100%]
†Universal Atlas Cement Co. [100%]
Atlas Lumnite Cement Co. [86.667%]
§Hannibal Connecting Railroad Co. [100%]
§Northampton and Bath Railroad Co. [100%]
Universal Exploration Co. [100%]
§Connellsville & Monongahela Ry. Co. [100% (e)]
Westmoreland Iron Mining Co. [100% (b)]
§Youghiogheny Northern Railway Co. [100% (e)]

* These companies are wholly owned subsidiaries but ownership is divided as indicated.
† See description below.
‡ See appended statement.
§ For statement, see Moody's Railroad Manual.
(a) Not consolidated in the corporation's consolidated balance sheet; the aggregate investments in these companies are not significant in respect of (1) the assets they represent, and (2) the sales of operating revenues of such companies.
(b) Conducts no business other than the ownership of property leased to, or subject to operation under agreement by, subsidiaries of the Corporation.
(c) Conducts no business; owns property not presently operated.
(d) Conducts no business; owns assets of no material significance.
(e) Conducts no business other than the ownership of property leased to a non-affiliated company.
(f) Conducts no business; owns no property.
(g) Conducts no business other than the ownership of property leased to its parent and to non-affiliated companies.
(h) Conducts no business; assets consist chiefly of indebtedness from another subsidiary.

Note: Corporation or some one of its subsidiaries also owns a substantial percentage, but not exceeding 50% in any case, of the voting stock of each of 12 other corporations, 5 of which own or operate iron ore properties. The corporation and a subsidiary also own a controlling stock interest in 4 inactive corporations, no one of which is of material significance in relation to the total enterprise represented by the corporation and its subsidiaries

American Bridge Co.: Operates eight fabricating plants located as follows: Ambridge, Pittsburgh and Pencoyd, Pa.; Gary, Ind.; Elmira Heights, N. Y.; Trenton, N. J.; Toledo, O., and Minneapolis, Minn. Fabricators and erectors of steel structures of all classes, particularly bridges, buildings, railroad turntables, radio towers, transmission towers, substations and component parts; also manufacturers of barges, electric (Heroult) furnaces, roadway guards and spelter and lead pans.

American Steel & Wire Co. of N. J.: Manufacturers of wire and wire products of all kinds—wire fences, steel posts, netting, barbed wire, wire rope, electrical wires and cables, rail bonds, nails, tacks, bale ties, hoops, manufacturing wires, cold rolled strip steel, springs, concrete reinforcement, welding wire, aerial tramways, USS stainless and heat-resisting alloy steels.

Principal plants located at Cleveland, O.; Donora, Pa.; Joliet, Ill.; Worcester, Mass.; Waukegan, Ill., and Duluth, Minn.

In Nov., 1937, company made a $500,000 loan to Reynolds Spring Co. (details in statement of latter company, see general index).

Carnegie-Illinois Steel Corp.: Organized in Oct., 1935, as successor to Carnegie Steel Co. and acquired by purchase or lease substantially all the properties of Illinois Steel Co. (see appended statement for further details). In addition Clairton By-Products Co. and Lorain Steel Co. also were merged at time of organization of Carnegie-Illinois Steel Corp. As of June 1, 1936, American Sheet & Tin Plate Co. (U. S. Steel Corp. subsidiary) was merged.

The plants of Carnegie-Illinois Steel Corp. have approximately 75% of the total rated annual pig iron capacity and approximately 77% of the total rated annual steel ingot capacity of all the U. S. Steel Corp. subsidiaries. The more important manufacturing plants of Carnegie-Illinois Steel Corp. are located at Gary, Ind.; South Chicago, Ill.; in an area near Pittsburgh, Pa., and in the Mahoning Valley in Ohio.

Columbia Steel Co.: Distributors in Pacific Coast territory for products of all the manufacturing subsidiaries of the United States Steel Corp. Works located as follows: Ironton works, Ironton, Utah; Pittsburg works, Pittsburg, Cal.; Torrance works, Los Angeles, Cal.; Pacific works, San Francisco, Cal.

Manufacturers of rolled steel products in various forms including shapes, bars, tin plate, black and galvanized sheets, automobile, enameling and cold rolled sheets; wire products, including wire fence, barbed wire, manufacturing wires, spring wire, wire rope and wire strand, wire springs and nails; also steel castings.

Cyclone Fence Co. and Standard Fence Co.: These subsidiaries have works in Waukegan and De Kalb, Ill.; Cleveland, O.; Greensburg, Ind.; Tecumseh, Mich.; Oakland, Cal., and Portland, Ore., and manufacture various kinds of fence and miscellaneous wire products.

Federal Shipbuilding & Dry Dock Co.: Builders and repairers of merchant ships—barges, dredges, lighters; also miscellaneous heavy machine work and steel fabrication.

Owns and operates shipyard property comprising 159 acres at Kearny, N. J.

Isthmian Steamship Co.: Owners and operators of steamship lines with regular and special services for finished products and raw materials of the manufacturing subsidiaries of the United States Steel Corp., and for general miscellaneous cargo between principal Atlantic, Gulf and Pacific Coast ports of the United States, and between United States ports and the principal countries of the world.

Owns and operates 27 ocean-going steamships with a total deadweight tonnage of 257,978 tons and frequently charters additional vessels to meet its requirements. Piers at Brooklyn and Staten Island, N. Y., and Baltimore, Md., leased or used under other arrangements.

National Tube Co.: Operates plants located in the Pittsburgh district, and at Lorain, Ohio, and Gary, Ind. Manufacturers of butt and lap welded pipe, direct seamless, rotary rolled seamless, electric welded and hammer welded steel tubular products, standard pipe, copper-steel pipe, line pipe casing, oil well tubing, drive pipe, rotary drill pipe, galvanized and special dipped and coated pipe, Duroline (cement lined) pipe, line poles, trolley poles, couplings, cylinders, boiler tubes, seamless mechanical tubing, aircraft tubing, seamless alloy tubing and USS stainless and heat-resisting pipe and tubes.

Oil Well Supply Co.: Operates 5 plants in Pennsylvania, New York and Oklahoma for the manufacture of certain oil field machinery and equipment. Also operates 6 field shops and 87 field stores, located in 16 states and one in Canada for servicing customers and distributing products, including products of affiliated and non-affiliated companies.

Pittsburgh Steamship Co.: This is the principal subsidiary engaged in transporting the products of mining subsidiaries on the Great Lakes. Company carries iron ore and limestone southbound, and at times coal northbound, between the upper Lake Superior ports and the lower Lake Michigan and Lake Erie ports. Owns 69 cargo steamships (426,138 gross tons); 4 additional steamships with an aggregate tonnage of 32,900 gross tons were expected to be in operation in 1938. Also owns 6 barges (25,717 gross tons).

Scully Steel Products Co.: Operates group of extensive warehouses located in strategic manufacturing and shipping centers to facilitate prompt service. Sellers and distributors of steel products direct from warehouse stocks.

United States Steel Products Co.: Distributors for export of all products of the manufacturing subsidiaries of the United States Steel Corp. Maintains branch offices, representatives and correspondents in many foreign countries.

United States Steel Corp. (Del.): On June 14, 1933, the United States Steel Corp. (of Delaware) was incorporated under Delaware laws as a subsidiary of the New Jersey corporation for the purpose of consolidating non-operating real estate properties owned by latter's subsidiaries in various States.

Effective Jan. 1, 1938, an arrangement was made for the purpose of effecting closer coordination of the operations of the principal iron and steel manufacturing and raw material producing subsidiaries of United States Steel Corp. (N. J.) by means of supervisory contracts entered into between such subsidiaries and United States Steel Corp. (Del.). This corporation has its headquarters in Pittsburgh.

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Subsidiaries of United States Steel Corporation

(As reported in SEC registration statement dated May 10, 1938)
(Percent of voting power held by parent company indicated in brackets)

Adams Mining Co. [100% (b)]
Agawam Iron Mining Co. [100% (b)]
Alpha Ore Co. [100% (b)]
Ambridge Iron Mining Co. [100% (b)]
†American Bridge Co. [100%]
  American Improvement Co. [100%]
  §Etna and Montrose R.R. Co. [100%]
  Wissahickon Bridge Co. [100%]
  †American Steel & Wire Co. of N. J. [*99.820%] (Balance of shares owned by Minnesota Steel Co.)
  Carnegie-Illinois Steel Corp. [*.208%] (Balance of shares owned by U. S. Steel Corp.)
  Carnegie Land Corp. [*38.140%] (Balance of shares owned by U. S. Steel Corp. and Carnegie-Illinois Steel Corp.)
  H. C. Frick Coke Co. [*11.172%] (Balance of shares owned by U. S. Steel Corp. and National Tube Co.)
  Gerrard Co., Inc. [99.917%]
  Gerrard Pan-American Ltd. [100%]
  Jackson Fence Co. [100% (f)]
  Newburgh & South Shore Ry. Co. [100%]
Angus Land Co. [100% (c)]
Athens Land Co. [100% (c)]
§Bessemer & Lake Erie R.R. Co. [100%]
  Bessemer-Union Improvement Co. [*50%]
    (Balance of shares owned by Union R.R. Co.)
  §Meadville, Conneaut Lake & Linesville Railroad Co. [50% (a) (b)]
Beta Ore Co. [100% (b)]
Bishop Iron Co. [100% (b)]
Blue Earth Land Co. [100% (c)]
Bradley Transportation Co. [100%]
Central Radio Telegraph Co.
Cambridge Iron Mining Co. [100% (b)]
†Carnegie-Illinois Steel Corp. [*99.792%]
    (Balance of shares owned by American Steel & Wire Co. of N. J.)
  Apollo Gas Co. [100%]
  Bessemer Electric Power Co. [100% (b)]
  Carnegie Land Corp. [*23.760%]
    (Balance of shares owned by U. S. Steel Corp. and American Steel & Wire Co. of N. J.)
  The Conneaut Land Co. [100%]
Carnegie Land Corp. [*38.100%]
    (Balance of shares owned by American Steel & Wire Co. of N. J. and Carnegie-Illinois Steel Corp.)
Carnegie Natural Gas Co. [100%]
Chapin Mining Co. [100% (b)]
Chippewa Iron Co. [100% (b)]
Clarion Iron Mining Co. [100% (b)]
Cloquet Iron Mining Co. [100% (b)]
†Columbia Steel Co. [100%]
  §Carbon County Railway Co. [100%]
  Columbia Iron Mining Co. [100%]
Companhia Meridional de Mineracao [100%]
Crawford Iron Mining Co. [100% (b)]
Cumberland Iron Mining Co. [100% (b)]
†Cyclone Fence Co. [100%]
  §Donora Southern Railroad Co. [100%]
  Waukegan Fence & Gate Co. [100% (d)]
§Duluth, Missabe and Iron Range Ry. Co. [100%]
Duquesne Iron Mining Co. [100% (b)]
§Elgin, Joliet & Eastern Ry. Co. [100%]
Essex Iron Co. [100% (b)]
Federal Coke Corp. [100% (b)]
†Federal Shipbuilding & Dry Dock Co. [100%]
H. C. Frick Coke Co. [*87.857%] (Balance of shares owned by American Steel & Wire Co. of N. J. and National Tube Co.)
  Cumberland Coal Co. [100% (c)]
  Franklin Township Water Co. [100%]
  Hostetter Connellsville Coke Co. [100% (c)]
  §Johnstown & Stony Creek Railroad Co. [100%]
  Sewickley Water Co. [100%]
  Standard Water Co. [100%]
Gary Land Co. [100%]
Genoa Iron Co. [100% (b)]
Great Northern Mining Co. [99.37% (b)]
Hemlock Land Co. [100% (c)]
Hugo Iron Co. [100% (b)]
‡Illinois Steel Co. [100% (b)]
†Isthmian Steamship Co. [100%]
Jena Mining Co. [100% (c)]
Kentucky Fire Brick Co. [100%]
Lake Superior Consolidated Iron Mines [100% (b)]
§Lake Terminal Railroad Co. [100%]

Lebanon Iron Mining Co. [100% (b)]
Ligonier Iron Mining Co. [100% (b)]
Michigan Limestone & Chemical Co. [100%]
Mingo Coal Co. [100% (b)]
Mingo Iron Mining Co. [100% (b)]
Minnesota Iron Co. [100% (b)]
Minnesota Steel Co. [100% (h)]
American Steel & Wire Co. of N. J. [*.175%] (Balance of shares owned by U. S. Steel Corp.)
Monessen Iron Mining Co. [100% (b)]
Moneta Improvement Co. [100% (c)]
Monongahela Iron Mining Co. [100% (b)]
Morewood Iron Mining Co. [100% (b)]
Mountain Iron Co. [100% (b)]
Munhall Iron Mining Co. [100% (b)]
National Mining Co. [100%]
†National Tube Co. [100%]
Connoquenessing Bridge Co. [100%]
H. C. Frick Coke Co. [*.970%] (Balance of shares owned by American Steel & Wire Co. of N. J. and U. S. Steel Corp.)
§McKeesport Connecting Railroad Co. [100%]
Shelby Land Co. [100%]
National Tube Co. (Ohio) [100% (d)]
Neville Iron Mining Co. [100% (b)]
Northern Development Co. [100% (b)]
†Oil Well Supply Co. [100%]
Compania Consolidada "Oilwell" Sociedad Anonima [100%]
Oil Well Supply Co., Ltd. [99.981% (d)]
Oil Well Supply Co. of California [100% (a) (f)]
Wilson-Snyder Manufacturing Corp. [100%]
Erie Ball Engine Co. [100% (d)]
Wilson-Snyder Centrifugal Pump Co. [100% (d)]
Oliver Iron Mining Co. [100%]
Cartier Mining Co., Ltd. [100% (a) (d)]
Stephenson Iron Mining Co. [53.875% (a) (d)]
Pencoyd Iron Mining Co. [100% (b)]
Pennsylvania & Lake Erie Dock Co. [77.896%]
Piloto Mining Co. [85% (c)]
§Pittsburg, Bessemer & Lake Erie R.R. Co. [57.295% (b)]
Pittsburgh & Conneaut Dock Co. [100%]
Pittsburgh Limestone Corp. [100%]
§Youngstown & Northern R.R. Co. [100%]
†Pittsburgh Steamship Co. [100%]
Pittsburgh Supply Co. [100%]
Proctor Water & Light Co. [100%]
Rathbun Iron Mining Co. [100% (b)]
Saranac Iron Mining Co. [100% (b)]
†Scully Steel Products Co. [100%]
Seventy-one Broadway Corp. [100%]
Sharon Coal & Limestone Co. [100%]
Shaw Iron Co. [99.946% (b)]
Somerset Iron Mining Co. [100% (b)]
Spruce Mining Co. [100% (b)]
†Standard Fence Co. [100%]
Northwest Fence & Wire Works [100% (d)]
†Tennessee Coal, Iron & Railroad Co. [99.998%]
§Birmingham Southern Railroad Co. [100%]
Chickasaw Shipbuilding & Car Co. [100% (g)]
Fairfield Steel Co. [100% (b)]
Tennessee Land Co. [100%]
Virginia Bridge Co. [100%]
Trotter Water Co. [100%]
§Union Railroad Co. [100%]
Bessemer-Union Improvement Co. [*50%] (Balance of shares owned by Bessemer & Lake Erie R.R. Co.)
Union Supply Co. [100%]
United States Coal & Coke Co. [100%]
United States Fuel Co. [100%]
†United States Steel Corp. (Del.) [100%]
†United States Steel Products Co. [100%]
Compania de Maestranzas y Galvanizacion [99.889% (a) (c)]
Isthmian Steamship Co., Ltd. [100% (a)]
United Supply Co. [100%]
†Universal Atlas Cement Co. [100%]
Atlas Lumnite Cement Co. [86.667%]
§Hannibal Connecting Railroad Co. [100%]
§Northampton and Bath Railroad Co. [100%]
Universal Exploration Co. [100%]
§Connellsville & Monongahela Ry. Co. [100% (e)]
Westmoreland Iron Mining Co. [100% (b)]
§Youghiogheny Northern Railway Co. [100% (e)]

* These companies are wholly owned subsidiaries but ownership is divided as indicated.

† See description below.

road turntables, radio t tions and component pa electric (Heroult) furnac lead pans.

American Steel & Wire and wire products of all ting, barbed wire, wire r bonds, nails, tacks, bal cold rolled strip steel, sp ing wire, aerial tramwa alloy steels.

Principal plants locat Joliet, Ill.; Worcester, Minn.

In Nov., 1937, compan Spring Co. (details in st eral index).

Carnegie-Illinois Steel successor to Carnegie St lease substantially all th appended statement for f By-Products Co. and Lo time of organization of June 1, 1936, American Sh subsidiary) was merged.

The plants of Carnegi mately 75% of the total approximately 77% of t capacity of all the U. S. important manufacturing Corp. are located at Gar area near Pittsburgh, Pa Ohio.

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Isthmian Steamship Co. ship lines with regular an ucts and raw materials of the United States Steel C cargo between principal A of the United States, and t principal countries of the

Owns and operates 27 o deadweight tonnage of 25 additional vessels to meet and Staten Island, N. Y., under other arrangements.

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Oil Well Supply Co.: O New York and Oklahoma field machinery and equip and 87 field stores, located servicing customers and dis

MOODY'S ANALYSES OF INVESTMENTS
AND
SECURITY RATING BOOKS

JOHN MOODY

RAILROAD SECURITIES

MAURICE N. BLAKEMORE, - *Managing Editor*

Editorial Board:

JOHN SHERMAN PORTER — PAUL CLAY
DR. MAX WINKLER — WINTHROP C. SWAIN
W. BARRETT BROWN

FIFTEENTH YEAR

1924

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London: FREDC. C. MATHIESON & SONS, 16 Copthall Ave., E. C. 2.

Zurich: A. BRUECHER, Tuggenerstrasse 14.

Comparative Balance Sheet, as of December 31

ASSETS	1923	1922	1921	1920	1919	1918
Investments:						
Road and equipment....	$2,225,244	$2,216,155	$2,209,492	$2,217,193	$2,027,642	$1,999,192
Investments in affil. cos..	37,000	37,000	37,000	37,000		
Current Assets:						
Cash	19,209	29,449	15,275	16,766		
Loans and bills rec......	225	890	875	1,150		
Accounts and bal. rec....	57,891	45,167	50,492	49,459	215,626	151,743
Other current assets....	110	51	179	55		
Materials and supplies..	113,517	107,420	128,782	130,865		
Unadjusted Debits:						
Discount on capital stock	251,245	251,245	251,245	251,245	259,213	259,996
Other unadjusted debits..	59,079	56,561	39,065	39,000		
Total assets	$2,763,520	$2,743,938	$2,732,405	$2,742,733	$2,502,481	$2,410,931
LIABILITIES						
Capital stock	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000
Non-neg. debt to affil. cos...	258,317	263,512	....	....	....	....
Current Liabilities:						
Loans and bills payable..	....	3,186	250,750	....		
Accts. and wages payable	36,627	26,754	26,266	70,976	53,063	44,340
Other current liabilities..	23	66	19	216		
Unadjusted Credits:						
Operating reserves	6,320	4,400	....	....	....	....
Accrued depreciation	135,513	134,272	122,510	132,683	37,007	23,483
Other unadjusted credits.	25,358	24,655	24,212	22,155		
Corporate Surplus:						
Profit and loss—balance	51,362	37,093	58,648	266,703	162,411	93,108
Total liabilities	$2,763,520	$2,743,938	$2,732,405	$2,742,733	$2,502,481	$2,410,931

Capital Stock: Uintah Ry. Co. stock: Authorized and outstanding, $2,250,000; par $100. No bonded debt. Practically entire issue is controlled by Barber Asphalt Co., a subsidiary of the General Asphalt Co. Dividends paid as follows: 1908, 7½%; 1909, 7%; 1910, 3½%; none in 1911; 1912, 3½%; 1913, 7½%; 1914, 1¼%; 1915, 3%; 1916, 6%; 1917, 6½%; 1918, 6¾%; none thereafter to Dec. 31, 1923.

UNION RAILROAD COMPANY

History: Incorporated under Pennsylvania laws, July 2, 1894, and first opened in 1896. **Owns entire capital** stock of Monongahela Southern R.R. A majority of the stock is owned by the United States Steel Corporation. Line extends from North Bessemer, Pa., to East Pittsburgh, 8.04 miles (leased from Bessemer & Lake Erie R.R.); East Pittsburgh to Streets Run, Pa., and Duquesne Junction to Duquesne, Pa., 20.60 miles; Monongahela Junction to Mifflin Junction, Pa., and Clairton Jct. to Wilson, Pa. (leased from Monongahela Southern Railroad), 11.56 miles; at Clairton, Pa., leased from St. Clair Terminal R.R., 5.59 miles; total mileage, including yards, sidings and second track, 286.14 miles. Equipment owned: Locomotives, 139; freight cars, 5,593; passenger cars, 6; service cars, 68. Equipment leased: St. Clair Terminal R.R. Co.; locomotives, 9; freight cars, 27; Monongahela Southern R.R., locomotives, 8.

Management: OFFICERS: **J. H. Reed, Pres.; R. T. Rossell, Vice-Pres.; G. W. Kepler, Sec. and Treas.; Geo. E.** Campbell, Aud., Pittsburgh, Pa.; F. R. McFeatters, General Supt., East Pittsburgh, Pa. DIRECTORS: R. T. Rossell, Geo. E. Campbell, J. G. Frazer, G. W. Kepler, W. A. Seifert, Pittsburgh, Pa.; F. R. McFeatters, East Pittsburgh, Pa. ANNUAL MEETING: Second Monday in January. OFFICE: Pittsburgh, Pa.

Comparative Statement of Income and Profit and Loss, Years Ended December 31

	1923	1922
Operating revenues	$12,645,303	$11,184,564
Operating expenses	9,848,536	7,912,805
Net rev. from oper......	2,796,767	3,271,759
Operating ratio	77.88%	70.75%
Railway tax accruals, etc..	468,852	268,368
Ry. oper income	2,327,915	3,003,391
Miscellaneous oper. income.	17,064	14,468
Total oper. income	2,344,979	3,017,859
Non-operating income	1,274,643	1,004,313
Gross income	3,619,622	4,022,172
Income deductions	153,369	100,655
Bal. before fixed chgs.	3,466,253	3,921,517
Fixed charges	1,037,770	1,053,958
NET INCOME	2,428,483	2,867,559
Disposition of Net Inc.:		
Appropriations	62,412	145,220
Balance to profit and loss..	2,366,071	2,722,339
Bal. at begin. of period.	4,968,510	2,958,565
Add: Credits to p. & l.	7,572	787
Deduct: Debits to p. & l	165,811	Cr 36,819
Dividends	1,000,000	750,000
Profit and loss—balance...	$6,176,342	$4,968,510

Comparative Balance Sheet, as of December 31

Assets	1923	1922	Liabilities	1923	1922
Investments:			Capital stock	$5,000,000	$5,000,000
Road and equipment	$18,768,072	$18,556,002	Funded debt	10,240,000	10,595,000
Impr. on leased ry. prop.	1,688,692	1,626,611	Current Liabilities:		
Investments in affil. cos.	3,023,154	3,023,154	Accts. and wages payable	1,058,328	651,025
Misc. physical property	266,405	265,928	Misc. accounts payable	1,360	1,776
Current Assets:			Accrued items	149,646	154,825
Cash	2,342,999	3,394,038	Deferred liabilities	13,979	24,607
Special deposits	125	75	Unadjusted Credits:		
Accounts and bal. rec.	4,571,762	1,987,565	Accrued depreciation	3,336,701	2,994,970
Materials and supplies	742,563	656,507	Premium on funded debt	7,738	8,788
Deferred assets	83,110	96,560	Other unadjusted credits	855,063	765,898
Unadjusted debits	19,467	19,817	Corporate Surplus:		
			Appropriated surplus	4,667,192	4,460,858
			Profit and loss—balance	6,176,342	4,968,510
Total assets	$31,506,349	$29,626,257	Total liabilities	$31,506,349	$29,626,257

Equipment Trusts: 1. Union R.R. Co.—Mifflin equipment 1st gold 5s: Authorized, $1,200,000; outstanding, $720,000. Dated Aug. 1, 1910; due $120,000 annually each Aug. 1, to 1930, inclusive. Interest paid F&A 1, at Home Trust Co., Hoboken, N. J., Trustee. Coupon, $1,000; registerable as to principal. Secured by a first lien on 15 locomotives and 1,000 steel gondola cars. Legal for S. B. in Ohio; for T. F. in Ky. Company pays normal income tax of 2%. Rating, Aaa

2. Union R.R. Co.—Munhall equipment 1st gold 5s: Authorized and issued, $900,000; outstanding, $750,000. Dated June 1, 1912; due $75,000 annually each June 1, to 1934, inclusive. Interest J&D 1, at Home Trust Co., Hoboken, N. J., Trustee. Coupon, $1,000; registerable as to principal. Secured by a first lien on 1,000 steel gondola cars. Legal for S. B. in Ohio; for T. F. in Ky. Company pays normal income tax of 2%. Rating, Aaa

3. Union R.R. Co.—Rankin equipment gold 5s: Authorized, $900,000; outstanding, $630,000. Dated May 1, 1917; due $45,000 annually to May 1, 1937. Interest paid M&N 1, at the Union Trust Co., Pittsburgh, Pa., Trustee. Secured on 750 steel hopper cars, costing $1,557,293. All held in treasury of the U. S. Steel Corp. Legal for S. B. in Ohio; for T. F. in Ky. Company pays normal income tax of 2%.

Bonded Debt: 1. Union R.R. Co. 1st gold 5s: Authorized and outstanding, $2,000,000. Dated Sept. 1, 1896; due Sept. 1, 1946. Interest paid M&S 1, at Fidelity Title & Trust Co., Pittsburgh, Pa., Trustee. Coupon, $1,000. Secured by a first lien on 30.57 miles of main track from East Pittsburgh to South Duquesne, Pa., and 76.88 miles of sidings. Legal for S. B. in Me.; for T. F. in Ill., Ky. Free of Pennsylvania State tax. Company pays normal income tax of 2%. Rating, Aaa

2. Union R.R. Co. gold debenture 6s: Authorized, $12,000,000; outstanding, $5,900,000. Dated June 15, 1920; due Sept. 1, 1946. Interest J&D 15, at United States Trust Co., New York, Trustee. Registered. All held in treasury of the U. S. Steel Corp. Not legal for S. B. in states with restrictions; legal for T. F. in Ky. Free of Pennsylvania State tax. Company does not pay normal income tax.

Capital Stock: Union R.R. Co. stock: Authorized and outstanding, 100,000 shares ($5,000,000), increased from 40,000 shares ($2,000,000) in 1920; par $50. A majority of the stock is owned by the United States Steel Corporation. Dividends paid as follows: 1904, 60%; 1905, none; 1906, 10%; 1907 to 1911, none; 1912, 20%; 1913, 20%; 1914, 50%; 1915, 20%; 1916, 30%; 1917, 10%; none in 1918, 1919, 1920; 1921, 10%; 1922, 15%; 1923, 20%.

MONONGAHELA SOUTHERN RAILROAD COMPANY

(Operated under lease by the Union Railroad Co.)

History: Incorporated Feb. 5, 1897, in Pennsylvania. Leased to and operated by the Union R.R. Co., lease dated June 1, 1906, for 999 years, by the terms of which the Union R.R. Co. is to maintain line in good condition and pay interest on bonds, taxes, etc. Line of road: Monongahela Junction to Mifflin Junction, and Wilson, Pa., 11.56 miles. Second track, 11.28 miles. Sidings, 35.33 miles. Standard gauge. Rail, 100 to 130 lbs.

Management: Officers: J. H. Reed, Pres.; R. T. Rossell, Vice-Pres.; G. W. Kepler, Sec. and Treas.; G. E. Campbell, Aud., Pittsburgh, Pa. Directors: J. H. Reed, R. T. Rossell, G. E. Campbell, J. G. Frazer, W. A. Seifert, G. W. Kepler, Pittsburgh, Pa.; F. R. McFeatters, East Pittsburgh, Pa. Annual Meeting: Second Monday in January, at Pittsburgh, Pa. General Office: 1418 Carnegie Bldg., Pittsburgh, Pa.

Income Account, year ended December 31, 1923: Non-operating income, $300,000; fixed charges, $300,000; net income, see terms of lease above.

Comparative Balance Sheet, as of December 31

Assets	1923	1922	Liabilities	1923	1922
Investments:			Capital stock	$3,000,000	$3,000,000
Road and equipment	$8,644,483	$8,639,243	Funded debt	5,500,000	5,500,000
Misc. physical property	12,371	12,421	Non-neg. debt to affil. cos.	168,913	153,913
Current Assets:			Current Liabilities:		
Cash	15,012	3,618	Accts. and wages payable	2,953	1,346
Other current assets	75,125	75,075	Interest matured	125	75
			Accrued items	75,000	75,000
			Corporate Surplus:		
			Appropriated surplus	3,439	3,125,218
			Profit and loss—balance	D 3,439	D 3,125,195
Total assets	$8,746,991	$8,730,357	Total liabilities	$8,746,991	$8,730,357

MOODY'S MANUAL OF INVESTMENTS

AMERICAN AND FOREIGN

RAILROAD SECURITIES

JOHN SHERMAN PORTER, *Editor-in-Chief*

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	*1934	1933	1932	1931	1930	1929
Appropriations	4,551	7,333	1,007	3,177	10,938	2,549
Balance to profit and loss	19,513	D 1,121	1,611	12,060	D 11,583	11,679
Balance at begin. of period	D 30,886	D 31,375	D 32,313	D 25,829	D 12,304	D 19,329
Add: Credits to p. & l.	20,203	3,192	....	607	13	248
Deduct: Debits to p. & l.	75,595	1,582	673	19,151	1,955	4,902
Profit and loss—balance	D $86,278	D $30,886	D $31,375	D $32,313	D $25,829	D $12,304

* As reported.

Comparative Balance Sheet, as of Dec. 31

Assets:	1934	1933
Invest. in road, equip., etc.	$1,882,634	$1,907,521
Current Assets:		
Cash	16,171	33,312
Materials and supplies	56,103	30,592
Other current assets	32,779	76,408
Unadjusted debits	41,892	31,981
Total	$2,029,579	$2,079,814

Liabilities:	1934	1933
Capital stock	$775,000	$775,000
Funded debt	721,860	673,500
Construction grants	1,764	1,764
Current and Accrued Liabilities:		
Current liabilities	28,504	82,545
Unadjusted credits	209,674	203,386
Appropriated surplus	379,055	374,505
Profit and loss	D 86,278	D 30,886
Total	$2,029,579	$2,079,814

Working Capital: 1934, current assets, $105,053; current and accrued liabilities, $28,504; net current assets, $76,549.
1933, current assets, $140,312; current and accrued liabilities, $82,545; net current assets, $57,767.

R.F.C. Loans: On Dec. 31, 1934, there were authorized and outstanding, $91,360 loans from R.F.C.

Bonded Debt: Sumpter Valley Ry. Co. first gold 6s, due serially to 1942:

Authorized—$650,000; outstanding, Jan. 2, 1935, $544,500; retired, $105,500.

Dated—Jan. 1, 1927; due each Jan. 1, as follows: $15,000, 1936 to 1940, incl.; $20,000, 1941, and $450,000, 1942.

Interest—J&J 1 at office of Trustee.

Coupons due Jan. and July 1, 1933 and Jan. 1, 1934 paid May 29, 1934. Subsequent coupons paid when due.

Trustee—Portland Trust & Savings Bank, Portland, Ore., Successor Trustee.

Denomination—Coupon, $500 and $1,000; registerable as to principal.

Callable—At 103 on any interest date on 30 days' notice; if called in part, calls shall be by lot, latest maturity first.

Sinking Fund—No provision for sinking fund.

Guaranty—Unconditionally guaranteed as to principal and interest by David Eccles Co., Ogden, Utah.

Security—First closed mortgage and charge on all fixed assets and certain personal property, now owned or hereafter acquired, including rights-of-way, real estate, buildings, plants and equipment, franchises, etc. Company agrees to expend not less than 15% of entire gross income for maintenance of railroad, equipment and rolling stock.

Purpose—Issued to refund first 6s, due Jan. 1, 1927.

Tax Status—Company pays normal income tax up to 2%.

Offered—($650,000) in Feb., 1927 by Lumbermen's Trust Co., Portland, Ore., to yield 6.15% to maturity.

Note: There was outstanding, Dec. 31, 1934, a promissory note for $71,000 in favor of Oregon Lumber Co.; dated Jan. 1, 1927; due Jan. 1, 1943; interest 7% payable semi-annually.

Capital Stock: 1. Sumpter Valley Ry. Co. stock: Authorized, $1,000,000; outstanding, $775,000; in treasury, $35,000; par $100. No dividends paid from 1921 to 1923, inclusive; 1924, 3%; none thereafter. Of the outstanding stock approximately 82% owned by David Eccles Co. Number of stockholders, Dec. 31, 1934, 16. Stock transferred and registered at company's office.

UNION RAILROAD COMPANY

History: Incorporated under Pennsylvania laws, July 2, 1894, and first opened in 1896. Owns entire capital stock of Monongahela Southern R.R. Line extends from North Bessemer, Pa., to East Pittsburgh, 8.04 miles (leased from Bessemer & Lake Erie R.R.); East Pittsburgh to Streets Run, Pa., and Duquesne Junction to Duquesne, Pa., 19.70 miles; Monongahela Junction to Mifflin Junction, Pa., and Clairton Jct. to Wilson, Pa. (leased from Monongahela Southern Railroad), 11.51 miles; at Clairton, Pa., leased from St. Clair Terminal R.R., 5.50 miles; total mileage, including yards, sidings and second track, 298.63 miles. Standard gauge; rail, 80 to 130 lbs. Equipment owned: Locomotives, 129; freight cars, 5,347; service cars, 73. Equipment leased: St. Clair Terminal R.R. Co., locomotives, 7; Monogahela Southern R.R., locomotives, 8. Average number of employees, year 1934, 1,491.

Control: Controlled by United States Steel Corp. through stock ownership.

Management: Officers: R. T. Rossell, Pres., Pittsburgh, Pa.; W. S. McAbee, Vice-Pres. and Gen. Supt., East Pittsburgh, Pa.; G. W. Kepler, Sec. and Treas.; Geo. E. Campbell, Aud. and Gen. Frt. Agent, Pittsburgh, Pa.; F. E. Gorby, Supt., East Pittsburgh, Pa.; C. S. Leet, Land Agent, Pittsburgh, Pa. Directors: R. T. Rossell, Geo. E. Campbell, J. G. Frazer, G. W. Kepler, W. A. Seifert, E. C. McHugh, Pittsburgh, Pa.; W. S. McAbee, East Pittsburgh, Pa. Annual Meeting: Second Monday in January, at Pittsburgh. Office: 1663 Frick Bldg. Annex, Pittsburgh, Pa.

Comparative Statement of Income and Profit and Loss, Years Ended Dec. 31

	1934	1933	1932	1931	1930	1929
Operating revenues	$3,861,542	$3,690,135	$1,948,951	$4,860,713	$8,844,037	$11,031,307
Operating expenses	4,230,898	3,340,899	3,040,172	4,931,252	7,281,591	7,557,812
Net oper. revenues	D 369,356	349,236	D 1,091,221	D 70,539	1,562,446	3,473,495
Operating ratio	**109.56%**	**90.54%**	**155.99%**	**101.45%**	**82.33%**	**68.51%**
Railway tax accruals, etc.	104,852	95,861	79,547	Cr 335,646	191,531	373,956
Ry. oper. income	D 474,208	253,375	D 1,170,768	265,107	1,370,915	3,099,539
Misc. operating income	....	....	....	....	2,766	14,098
Ry. oper. income	D 474,208	253,375	D 1,170,768	265,107	1,373,681	3,113,637
Net eq. & jt. fac. rents	334,311	337,793	264,916	586,705	734,841	841,031
Net ry. oper. inc.	D 139,897	591,168	D 905,852	851,812	2,108,522	3,954,668
Other income	35,594	44,918	89,043	114,689	143,012	163,525
Gross income	D 104,303	636,086	D 816,809	966,501	2,251,534	4,118,193
Rents for leased roads	479,018	472,576	463,753	461,769	461,693	461,608
Interest on funded debt	465,312	471,313	477,313	483,313	489,313	495,313
Miscellaneous charges	112,976	114,984	107,318	384,889	167,197	197,025
Net income	D 1,161,609	D 422,787	D 1,865,193	D 363,470	1,133,331	2,964,247
Appropriations	....	6,700	3,500	....	....	Cr 2,175
Balance to profit and loss	D 1,161,609	D 429,487	D 1,868,693	D 363,470	1,133,331	2,966,421
Bal. at begin. of period	8,426,902	8,883,777	10,808,186	11,445,652	11,080,218	9,377,798
Add: Credits to p. & l.	1,118	3,090	6,020	5,018	38,577	47,946
Deduct: Debits to p. & l.	32,490	30,478	61,736	29,014	56,474	61,947
Dividends	250,000	....	....	250,000	750,000	1,250,000
Profit and loss—balance	$6,983,921	$8,426,902	$8,883,777	$10,808,186	$11,445,652	$11,080,218
Earned per share	D $11.62	D $4.23	D $18.65	D $3.63	$11.33	$29.64
Number of shares	100,000	100,000	100,000	100,000	100,000	100,000

Comparative Balance Sheet, as of Dec. 31

Assets:	1934	1933	Liabilities:	1934	1933
Road and equipment	$24,305,647	$24,281,803	Capital stock	$5,000,000	$5,000,000
Improv. on leased railway prop.	3,568,951	3,565,015	Government grants	14,966	14,966
Investments in affiliated cos.	3,023,404	3,023,404	Funded debt	8,080,000	8,200,000
Miscellaneous physical property	231,140	232,440	Non-neg. debt to affiliated cos.	425,126	425,126
Current Assets:			Current and Accrued Liabilities:		
Cash	758,663	1,045,000	Accounts and wages payable	231,705	162,633
Demand loans and deposits	337,471	895,976	Accrued items	124,882	125,563
Special deposits	20,198	75	Other current liabilities	25	75
Accounts & balance receivable	234,400	298,808	Accrued depreciation	7,341,809	6,727,236
Materials and supplies	582,833	479,605	Other unadjusted credits	660,598	662,544
Deferred assets	20,471	143,853	Appropriated surplus	4,238,023	4,238,735
Unadjusted debits	17,877	17,800	Profit and loss—balance	6,983,921	8,426,902
Total assets	$33,101,055	$33,983,780	Total liabilities	$33,101,055	$33,983,780

Working Capital: 1934, current assets, $1,933,565; current and accrued liabilities, $356,612; net current assets, $1,576,953. 1933, current assets, $2,719,462; current and accrued liabilities, $288,271; net current assets, $2,431,191.

Equipment Trusts: 1. Union R.R. Co.—Rankin equipment gold 5s, due serially to 1938:

Original Issue—$900,000; outstanding, May 1, 1935, $135,000.

Dated—May 1, 1917; due $45,000 annually to May 1, 1938.

Interest Paid—M&N 1, at office of Trustee.

Trustee—Union Trust Co., Pittsburgh, Pa.

Callable—Not subject to call.

Security—750 steel hopper cars, costing $1,557,293.

Tax Status—Company pays normal income tax up to 2%. Rating, **Aaa**

Bonded Debt: 1. Union R.R. Co. first gold 5s, due 1946:

Authorized—$2,000,000; outstanding, $2,000,000.

Dated—Sept. 1, 1896; due Sept. 1, 1946.

Interest Paid—M&S 1, at office of Trustee.

Trustee—Fidelity Trust Co., Pittsburgh, Pa.

Callable—Not subject to call.

Denomination—Coupon, $1,000.

Security—First lien on 29.50 miles of main track from East Pittsburgh to Streets Run and Duquesne Junction to Duquesne, Pa., and 78.13 miles of sidings.

Tax Status—Company pays Pennsylvania taxes (unlimited) without deduction from interest. Company pays normal income tax up to 2%. Rating, **Aaa**

2. Union R.R. Co. gold debenture 6s, due 1946:

Authorized—$12,000,000; outstanding, $5,900,000.

Dated—June 15, 1920; due Sept. 1, 1946.

Interest Paid—J&D 15, at office of Trustee.

Trustee—United States Trust Co., New York.

Callable—Not subject to call.

Guaranteed—By the United States Steel Corp.

Denomination—Registered.

Tax Status—Company pays Pennsylvania taxes (unlimited) without deduction from interest. Company does not pay normal income tax. Rating, **Aaa**

Capital Stock: Union R.R. Co. stock: Authorized and outstanding, $5,000,000 (increased from $2,000,000 in 1920); par $50. A majority of the stock is owned by the United States Steel Corp. Dividends paid as follows: 1904, 60%; 1905, none; 1906, 10%; 1907 to 1911, none; 1912, 20%; 1913, 20%; 1914, 50%; 1915, 20%; 1916, 30%; 1917, 10%; none in 1918, 1919, 1920; 1921, 10%; 1922, 15%; 1923, 20%; 1924, 10%; 1925, 15%; 1926 and 1927, 20%; 1928 and 1929, 25%; 1930, 15%; 1931, 5%; 1932 and 1933, none; 1934, 5%. Number of stockholders, Dec. 31, 1934, 8.

TRANSFER AGENT AND REGISTRAR: G. W. Kepler, Sec. and Treas., Pittsburgh, Pa.

MONONGAHELA SOUTHERN RAILROAD COMPANY

(Operated under lease by the Union Railroad Co.)

History: Incorporated Feb. 5, 1897, in Pennsylvania. Leased to and operated by the Union R.R. Co., lease dated June 1, 1906, for 999 years, by the terms of which the Union R.R. Co. is to maintain line in good condition and pay interest on bonds, taxes, etc. Line of road: Monongahela Jct. to Mifflin Jct., and Wilson, Pa., 11.51 miles. Second track, 11.22 miles; third track, 1.76 miles. Sidings, 39.02 miles. Standard gauge. Rail, 100 to 130 lbs.

Control: Controlled through stock ownership by Union R.R. Co., a U. S. Steel Corp. subsidiary.

Management: OFFICERS: R. T. Rossell, Pres., Pittsburgh, Pa.; W. S. McAbee, Vice-Pres., East Pittsburgh, Pa.; G. W. Kepler, Sec. and Treas.; Geo. E. Campbell, Aud., Pittsburgh, Pa. DIRECTORS: R. T. Rossell, Geo. E. Campbell, J. G. Frazer, W. A. Seifert, G. W. Kepler, E. C. McHugh, Pittsburgh, Pa.; W. S. McAbee, East Pittsburgh, Pa. ANNUAL MEETING: Second Monday in January, at Pittsburgh, Pa. GENERAL OFFICE: 1663 Frick Bldg. Annex, Pittsburgh, Pa.

Income Account, year ended Dec. 31, 1934: Rental income, $300,386; fixed charges, $300,000; corporate expense, $386.

Comparative Balance Sheet, as of Dec. 31

Assets:	1934	1933	Liabilities:	1934	1933
Road and equipment	$7,982,285	$7,982,285	Capital stock	$3,000,000	$3,000,000
Miscellaneous physical property	12,875	12,875	Funded debt	5,500,000	5,500,000
Other current assets	75,323	75,367	Interest matured	25	75
Investments in affiliated cos.	425,127	425,127	Accrued items	75,000	75,000
Unadjusted debits	79,713	79,713	Unadjusted credits	298	292
Total assets	$8,575,323	$8,575,367	Total liabilities	$8,575,323	$8,575,367

Bonded Debt: 1. Monongahela Southern R.R. Co. first gold 5s, due 1955:

Authorized—$3,000,000; outstanding, $3,000,000.

Dated—Oct. 2, 1905; due Oct. 1, 1955.

Interest Paid—A&O 1, at office of Trustee.

Trustee—Federal Steel Co., 71 Broadway, New York.

Denomination—Coupon, $1,000; registerable as to principal.

Callable—Not subject to call.

Guaranteed—Jointly as to principal and interest by Union R.R. and U. S. Steel Corp. by endorsement.

Security—Frist lien on 24.49 miles of main tracks, 39.02 miles of yard and side tracks, and 8 locomotives.

Underlie—$2,500,000 Monongahela Southern R.R. gen. 6s of 1955 (No. 2), which provides for retirement.

Quoted—In New York.

Tax Status—Company pays Pennsylvania taxes (unlimited) without deduction from interest. Company pays normal income tax up to 2%. Rating, **Aaa**

2. Monongahela Southern R.R. Co. general gold 6s, due 1955:

Authorized—$7,000,000; outstanding, $2,500,000.

Dated—April 1, 1920; due Oct. 1, 1955.

Interest Paid—A&O 1, at office of Trustee.

Trustee—Federal Steel Co., 71 Broadway, New York.

Denomination—Registered.

Callable—Not subject to call.

Guaranteed—Principal and interest guaranteed by the U. S. Steel Corp.

Security—Lien on 24.49 miles main tracks, 39.02 miles yard tracks and sidings and 8 locomotives. Issued to discharge floating indebtedness.

Additional Bonds—May be issued to retire Monongahela Southern R.R. 1st gold 5s of 1955 (No. 1) or for improvements, etc., at 80% of cost.

Tax Status—Company pays Pennsylvania Taxes (unlimited) without deduction from interest. Company does not pay normal income tax. Rating, **Aaa**