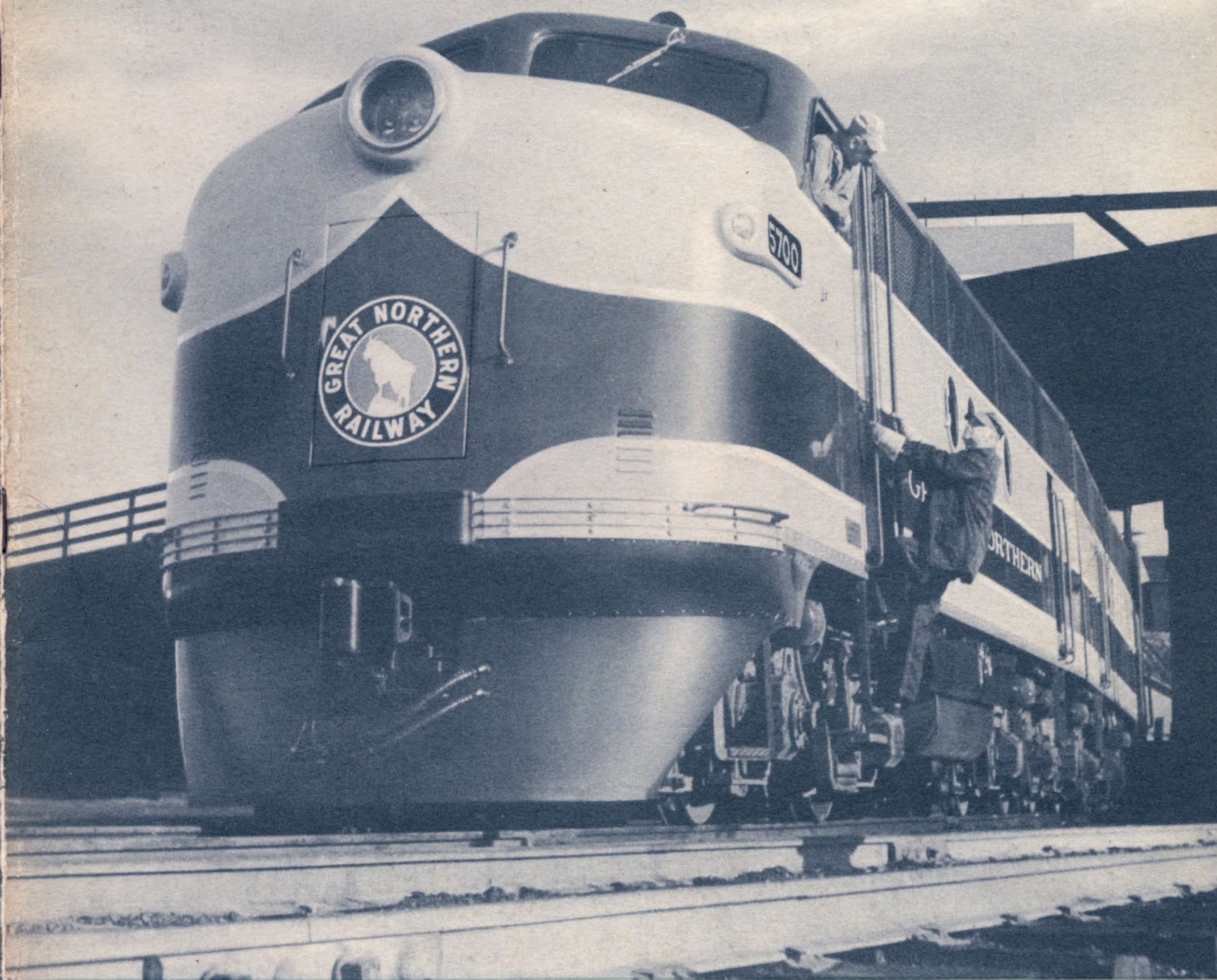


# GREAT NORTHERN RAILWAY CO.



**53<sup>rd</sup> ANNUAL REPORT 1941**



The picture on the cover shows one of the Great Northern's new Diesel Electric locomotives leaving the roundhouse at Superior, Wisconsin. Locomotives of this type handle freight and fast passenger trains between St. Paul-Minneapolis and Superior-Duluth.

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53rd Annual Report

# Great Northern Railway Company

1 9 4 1



General Office—St. Paul, Minn.



# GREAT NORTHERN RAILWAY COMPANY

## DIRECTORS

Term Expires May 14, 1942

STEPHEN BAKER . . . . . New York  
FRANK J. GAVIN . . . . . St. Paul  
LOUIS W. HILL . . . . . St. Paul  
FREDERICK E. WEYERHAEUSER . St. Paul

Term Expires May 13, 1943

SHREVE M. ARCHER . . . . . Minneapolis  
#VINCENT ASTOR . . . . . New York  
FRANK F. HENRY . . . . . Buffalo  
WILLIAM L. McKNIGHT . . . . St. Paul

Term Expires May 11, 1944

F. PEAVEY HEFFELFINGER . Minneapolis  
RICHARD C. LILLY . . . . . St. Paul  
ALEXANDER C. NAGLE . . . . . New York  
WALTER G. SEEGER . . . . . St. Paul

#Resigned December 31, 1941, having entered active service with the United States Navy.

## EXECUTIVE COMMITTEE

SHREVE M. ARCHER                      STEPHEN BAKER  
FRANK J. GAVIN                        LOUIS W. HILL  
FREDERICK E. WEYERHAEUSER

## OFFICERS

F. J. GAVIN, President . . . . . St. Paul  
T. BALMER, Vice President . . . . . Seattle  
C. O. JENKS, Vice President, Operating Department . . . . . St. Paul  
F. R. NEWMAN, Vice President, Traffic Department . . . . . St. Paul  
F. G. DORETY, Vice President and General Counsel . . . . . St. Paul  
F. L. PAETZOLD, Secretary and Treasurer . . . . . St. Paul  
G. H. HESS, JR., Comptroller . . . . . St. Paul  
V. P. TURNBURKE, General Auditor . . . . . St. Paul  
C. McDONOUGH, General Manager, Lines East of Williston . . . . . Duluth  
R. A. McCANDLESS, General Manager, Lines West of Williston . . . . . Seattle  
J. B. SMITH, General Superintendent Transportation . . . . . St. Paul  
H. YOERG, General Superintendent Motive Power . . . . . St. Paul  
C. M. NYE, Chief Engineer . . . . . St. Paul  
A. H. LILLEGREN, Purchasing Agent . . . . . St. Paul  
W. L. SCHOETTLER, Right of Way, Land and Tax Commissioner . . . . . St. Paul  
N. STOCKHAMMER, Assistant Secretary and Assistant Treasurer . . . . . New York  
H. F. SMITH, Assistant Secretary and Assistant Treasurer . . . . . New York  
C. C. THORNE, Assistant Secretary . . . . . St. Paul

Principal Office: Great Northern Building, St. Paul, Minn.

Financial and Transfer Office: 2 Wall Street, New York, N. Y.

Annual Meeting of Stockholders, St. Paul, Minnesota, May 14, 1942



FIFTY-THIRD  
ANNUAL REPORT  
FOR CALENDAR YEAR 1941

*To the Stockholders:*

The Board of Directors submits the following report for the year ended December 31, 1941:

Your railroad, in the eventful year covered by this report, met every requirement made of it as the Nation hurriedly prepared for war. This necessitated the handling of the largest volume of traffic in its history—the performance of 30 percent more freight service than ever before in a single year.

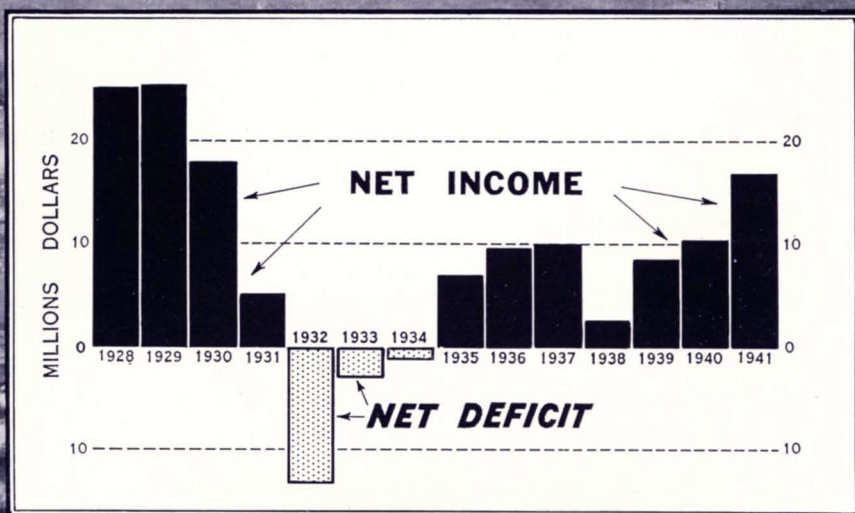
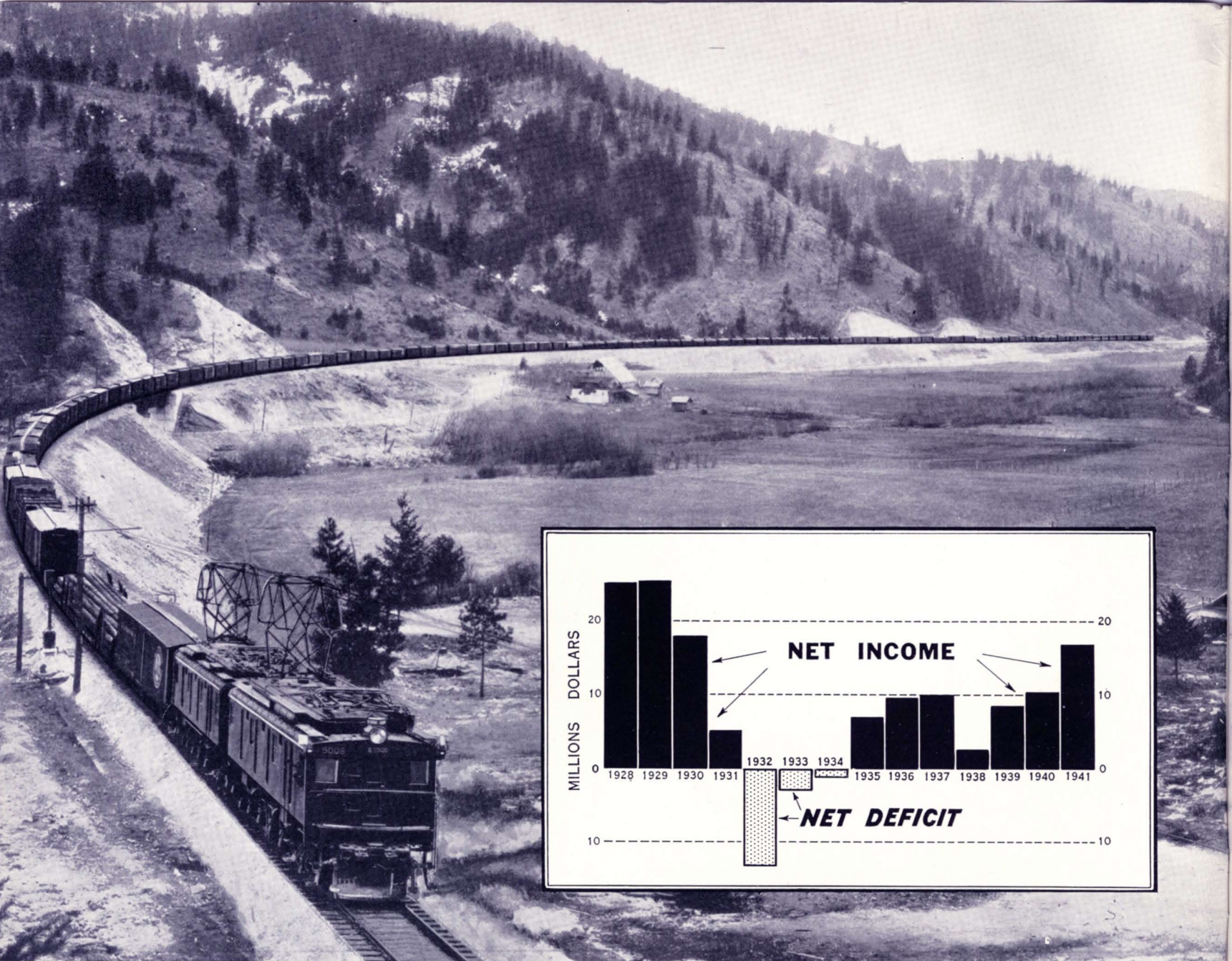
The upsurge of traffic created by the national emergency was handled smoothly and efficiently, without interference with normal traffic.

Highlights of 1941 operations compared with 1940 are shown in the following tabulation, together with similar items for 1929 and 1928 when operating revenues were approximately the same as for 1941:

HIGHLIGHTS OF 1941

ITEM	1941	1940	1929	1928
Operating revenues.....	\$125,044,883	\$101,743,146	\$125,932,808	\$126,737,091
Net income.....	\$ 16,785,159	\$ 10,208,194	\$ 25,668,551	\$ 25,168,230
Net income per share.....	\$6.72	\$4.09	\$10.31	\$10.11
Rate of return on investment.....	4.53%	3.58%	5.39%	5.39%
Taxes.....	\$ 16,867,023	\$ 12,273,206	\$ 9,201,154	\$ 10,297,997
Taxes per share.....	\$6.75	\$4.91	\$3.70	\$4.14
Dividends.....	\$ 4,997,790	\$ 1,249,448	\$ 12,450,225	\$ 12,449,205
Dividends per share.....	\$2.00	\$0.50	\$5.00	\$5.00
Revenue net ton miles (Thousands).....	13,215,682	10,116,482	10,150,719	10,127,254
Revenue per net ton mile (Cents).....	.835	.880	.997	1.027
Passengers carried one mile (Thousands).....	304,050	253,849	367,978	368,239
Revenue per passenger mile (Cents).....	1.601	1.664	3.070	3.124
Percent of operating revenue carried to net income.....	13.4%	10.0%	20.4%	19.9%
Number of times fixed charges earned.....	2.21	1.72	2.39	2.33
Ratio current assets to current liabilities at end of year.....	2.04	1.99	1.73	1.74





HEAVY TONNAGE TRAIN IN THE CASCADE MOUNTAINS

YEAR	RAILWAY OPERATING REVENUES	NET INCOME OR NET DEFICIT	YEAR	RAILWAY OPERATING REVENUES	NET INCOME OR NET DEFICIT
1941	\$125,044,883	\$16,785,159	1934	\$ 70,752,877	\$ 1,074,480 D
1940	101,743,146	10,208,194	1933	61,923,891	3,187,760 D
1939	91,783,373	8,686,425	1932	55,549,246	13,405,439 D
1938	79,215,531	2,712,560	1931	77,087,455	5,325,907
1937	94,942,292	10,089,920	1930	104,996,076	18,036,748
1936	89,625,105	9,903,986	1929	125,932,808	25,668,551
1935	81,188,858	7,139,860	1928	126,737,091	25,168,230

D—Deficit.



# ANNUAL REPORT FOR 1941

## Net Income

1941 — \$16,785,159

1940 — \$10,208,194

While railway operating revenues in 1941 were the largest since 1929, and closely approach the best years ever experienced by the railroad, the net income in 1941 was less than for each of the eight years from 1923 to 1930. This is accounted for partly by increased taxes. The rate of return on investment in 1941 was 4.53%, less than the 1923-1929 results which range up to 5.65%. This was due not only to the

greater net in most of those earlier years but also to the smaller investment at that time. All Class I railroads (those with annual revenues over \$1,000,000) earned on an average a return of 3.79% in 1941, while Class I railroads in the Western District realized an average return of 3.41% return on their investment.

A condensed summary of financial results shows:

### INCOME AND HOW IT WAS USED

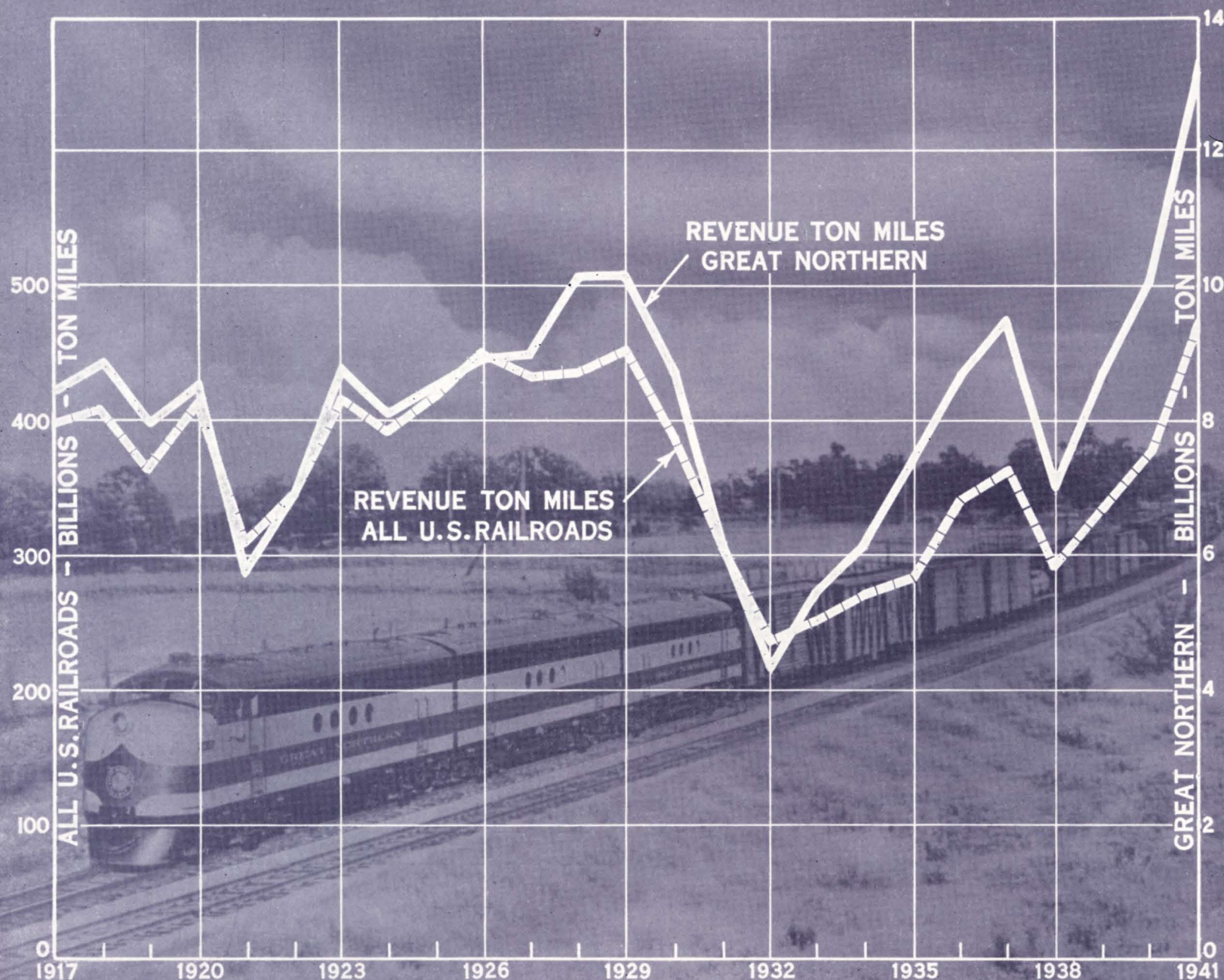
	1941	1940	1929	1928
<b>INCOME</b>				
Received from shippers for transportation of property, from passengers and for other transportation and incidental services.	\$125,044,883	\$101,743,146	\$125,932,808	\$126,737,091
Received as dividends and interest on stock and bonds owned, property rentals and other income.....	3,626,250	3,218,139	12,026,227	13,032,123
Making total income available of.....	\$128,671,133	\$104,961,285	\$137,959,035	\$139,769,214
<b>HOW INCOME WAS USED</b>				
Wages and salaries paid employees.....	\$ 45,605,443	\$ 37,776,867	\$ 49,133,907	\$ 47,893,732
Tax collectors required.....	16,867,023	12,273,206	9,201,154	10,297,997
Locomotive fuel cost.....	7,156,615	6,173,454	9,694,164	10,392,731
Depreciation charged on locomotives, cars and ore docks.....	* 6,670,768	4,163,275	4,863,578	4,677,553
Miscellaneous materials, supplies, and rental of equipment and facilities, etc., cost.....	21,670,205	20,154,161	20,882,386	22,439,500
Leaving for fixed charges.....	\$ 30,701,079	\$ 24,420,322	\$ 44,183,846	\$ 44,067,701
Paid for interest on mortgage and collateral trust bonds, conditional sale contracts, interest and other fixed charges.....	\$ 13,915,920	\$ 14,212,128	\$ 18,515,295	\$ 18,899,471
RESULTING IN NET INCOME OF.....	\$ 16,785,159	\$ 10,208,194	\$ 25,668,551	\$ 25,168,230
Dividends paid to stockholders.....	\$ 4,997,790	\$ 1,249,448	\$ 12,450,225	\$ 12,449,205
Balance available for additional working capital, additions and betterments to property, contingencies, etc. ....	\$ 11,787,369	\$ 8,958,746	\$ 13,218,326	\$ 12,719,025

\*Includes \$2,691,376 for amortization of defense projects, explained on page 9.



# GREAT NORTHERN 1941 REVENUE TON MILES AN ALL TIME HIGH

30% ABOVE PREVIOUS PEAK-1929 ~ 49% ABOVE WORLD WAR I PEAK - 1918 ~ 206% ABOVE 1932 LOW



NEW 4050 H. P. DIESEL ELECTRIC LOCOMOTIVE IN FREIGHT SERVICE

YEAR	#REVENUE NET TON MILES		YEAR	#REVENUE NET TON MILES	
	GREAT NORTHERN (THOUSANDS)	ALL U. S. RAILROADS (THOUSANDS)		GREAT NORTHERN (THOUSANDS)	ALL U. S. RAILROADS (THOUSANDS)
1941	13,212,937	477,836,346	1929	10,150,710	450,189,394
1940	10,113,942	375,411,275	1928	10,127,254	436,086,747
1939	8,701,383	335,375,486	1927	8,958,350	432,013,979
1938	7,017,296	291,866,410	1926	8,902,970	447,443,627
1937	9,477,756	362,815,382	1925	8,517,914	417,418,464
1936	8,664,572	341,181,596	1924	8,093,136	391,945,037
1935	7,372,079	283,637,058	1923	8,754,273	416,255,550
1934	6,137,694	270,291,541	1922	6,882,465	342,187,536
1933	5,431,603	250,651,190	1921	5,740,921	309,533,365
1932	4,324,700	235,308,521	1920	8,518,841	413,698,749
1931	6,151,063	311,072,637	1919	7,973,569	367,161,371
1930	8,720,584	385,815,376	1918	8,844,787	408,778,061
			1917	8,399,349	398,263,062

#Excludes motor vehicle operations.

Figures for "All U. S. Railroads" 1917 to 1939 from Interstate Commerce Commission's "Statistics of Railways in the United States, 1939," and for 1940 and 1941 from its "Revenue Traffic Statistics of Class I Steam Railways" with estimate for Class II and III railroads, those with gross annual revenues less than \$1,000,000.



# ANNUAL REPORT FOR 1941

## Operating Revenues

1941—\$125,044,883      1940—\$101,743,146      INCR. \$23,301,737—22.9%

The 1941 revenues of \$125,044,883 closely approached the record of \$126,737,091 in 1928, and the freight revenue in 1941, \$110,505,561, was the largest in the history of the railroad. Over 13,200,000,000 revenue net ton miles were produced in 1941, this being 30% more than for the previous record year of 1928. Due to the decrease in receipts per ton mile, the 1941 freight revenue exceeded that of 1928 by only 6%. The freight revenue per ton mile has been steadily decreasing in recent years and the 8.35 mills received for each ton transported one mile in 1941 was lower than at any time since 1917, and at that time wages, taxes and fixed charges were much less than now.

Preparations for war and the furnishing of foodstuffs and munitions to other nations under the lend-lease program were responsible for the large increase in traffic in 1941. New plants were constructed in the Northwest for manufacturing of ordnance, ships, airplanes and for the

reduction of aluminum ore. Large tank farms were established at pipe line terminals on the east end of your railroad. Nearly \$1,000,000,000 of construction contracts have been let to various shipbuilding and aircraft companies in North Pacific Coast territory. New plane bases were built in the State of Washington. The movement of lumber to camps, air bases and arms plants was very heavy. The withdrawal of many ships from intercoastal trade also increased the railroad's transcontinental traffic.

Iron ore shipments at the railroad's Allouez Docks reached an all-time high of approximately 25,500,000 long tons, an increase of 30% over 1940. Eighteen percent of operating revenues came from this source. Your railroad handles about one-third of all the iron ore used in the United States in producing steel. This heavy movement is expected to continue in 1942. Freight revenue by commodity groups was as follows:

COMMODITY	1941 FREIGHT REVENUE	1940 FREIGHT REVENUE	INCREASE	
			AMOUNT	PERCENT
Products of agriculture.....	\$ 27,289,228	\$22,816,308	\$ 4,472,920	19.6
Animals and products.....	3,403,679	2,992,283	411,396	13.7
Products of mines.....	27,191,221	22,712,020	4,479,201	19.7
Products of forests.....	18,412,642	13,241,037	5,171,605	39.1
Manufactures and miscellaneous.....	30,522,090	24,102,949	6,419,141	26.6
Merchandise—All L. C. L. freight.....	3,686,701	3,300,033	386,668	11.7
Total.....	\$110,505,561	\$89,164,630	\$21,340,931	23.9



## GREAT NORTHERN RAILWAY COMPANY

The grain movement totaled 152,000,000 bushels, or 30% more than for either 1939 or 1940. Beginning in mid-summer there was a heavy movement of grain which, during the two previous years, had been held back in storage on farms and in country elevators, mostly under government loans. Faced with an acute shortage in storage space, large quantities of the stored wheat were moved to make way for the maturing crop.

The oil fields in north central Montana increased their output of crude oil from 5,863,292 barrels in 1940 to 6,527,256 barrels in 1941, an increase of 11%.

The movement of apples from the Wenatchee Valley in the State of Washington was 17% larger than in 1940, and most other commodities showed substantial increases.

Passenger revenues in 1941 were \$4,866,328, a 15.2% increase over 1940. Revenue per passenger mile decreased from 1.664 cents in 1940 to a record low of 1.601 cents in 1941, due largely to the movement of military and naval personnel at reduced rates. There were 9,110 rail passengers arriving at Glacier National Park, an increase of 10% over 1940. Hotels, chalets and camps in Glacier National Park and adjacent Waterton Lakes Park in Canada had the largest volume of business in any year since 1929.

### Operating Expenses

1941—\$78,323,366

1940—\$65,901,723

INCR. \$12,421,643—18.8%

Operating expenses increased \$12,421,643, or 18.8% as compared with the increase in revenue of \$23,301,737, or 22.9%. The percentage of revenue consumed by operating expenses dropped from 64.8% in 1940 to 62.6% in 1941.

Wage increases which became effective September 1, 1941, increased operating expenses by \$1,890,603 for the last four-month period.

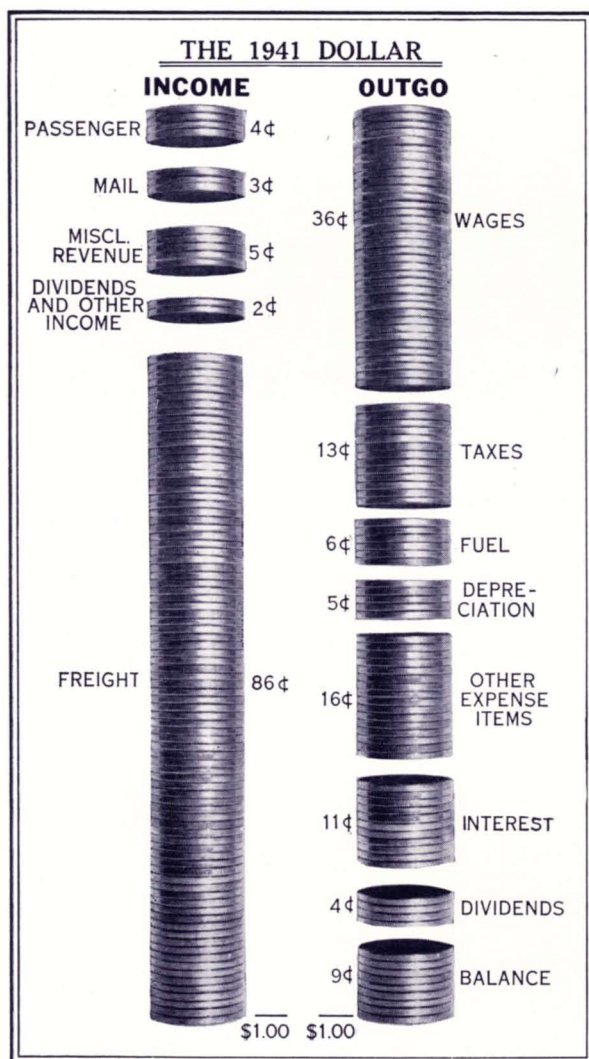
With better motive power and more efficient utilization of freight cars, the railroad produced 30% more net ton miles of transportation than in the previous record period of 1928-1929 when 300 more loco-

motives and 7,200 more freight cars were owned.

Transportation costs, which include wages of trainmen and enginemen, switching crews, station forces, dispatchers, locomotive fuel, etc., increased 16% over 1940, while net ton miles increased 31%, and notwithstanding the increased cost of fuel, materials and supplies, and the wage increases in effect during the last four months of 1941, the cost of producing freight transportation per net ton mile was the lowest in 25 years. A number of factors contributed to this result, among them being the increased volume of traffic, modernization of power, and various operating economies.



# ANNUAL REPORT FOR 1941



Due primarily to modernization of power, there was a further increase in efficiency with respect to fuel consumption. The gross ton miles of transportation produced in 1941 per ton of fuel consumed was 18,437 as compared with 17,769 gross ton miles in 1940, the previous record.

Because certain capital expenditures for equipment and tracks were necessary to the Nation's war preparations, the Com-

pany is permitted to charge these expenditures to operating expenses over a five-year period, thus amortizing this capital outlay (which amounted to \$14,179,138 at the end of 1941) at the rate of 20% per year instead of approximately 3%. There were included in the accounts for 1941 for this item \$43,400 under Maintenance of Way and Structures, and \$2,647,976 under Maintenance of Equipment.

Road and equipment have been maintained at standards required by the heavy traffic. Disregarding the charges to maintenance referred to in the preceding paragraph, there was an increase of \$3,354,358 in Maintenance of Way and Structures and \$1,152,076 in Maintenance of Equipment. Part of this is accounted for by the advance in cost of materials and increase in wages effective September 1, and a part was in anticipation of future shortages of men and materials. Over twenty-five thousand tons of rail were purchased and 142 miles of main track were relayed with rail weighing 112 and 131 pounds per yard. The program of rebuilding the roadbed in territory where the subgrade is soft was continued; 1,000,000 cubic yards of material were moved in bankwidening, and 850,000 cubic yards of ballast were applied. Structures were well maintained with materially increased expenditures on bridges, shops and enginehouses, station and office buildings, telegraph and telephone lines, signals and interlockers, etc. Repairs on cars and locomotives have been expedited, and fewer cars were out of service awaiting repairs than ever before.



# GREAT NORTHERN RAILWAY COMPANY

## Taxes

1941 — \$16,867,023      1940 — \$12,273,206      INCR. \$4,593,817 — 37.4%

Railway tax accruals in 1941 again reached an all-time high, the \$16,867,023 accrued being 37.4% greater than for 1940, and 63.8% above any year prior to 1940. In 1928 and 1929, when revenues were approximately the same as for 1941, approximately 8% of operating revenues were consumed by taxes. In 1941 nearly 14% of operating revenues were needed to meet tax accruals.

Next to wages, the tax bill is the largest single item of expense. The 1941 taxes

were equivalent to \$6.75 per share of capital stock, \$723 per employe, and slightly more than the entire earned net income.

As net earnings were less than the allowable exemption, provision for excess profits taxes was unnecessary.

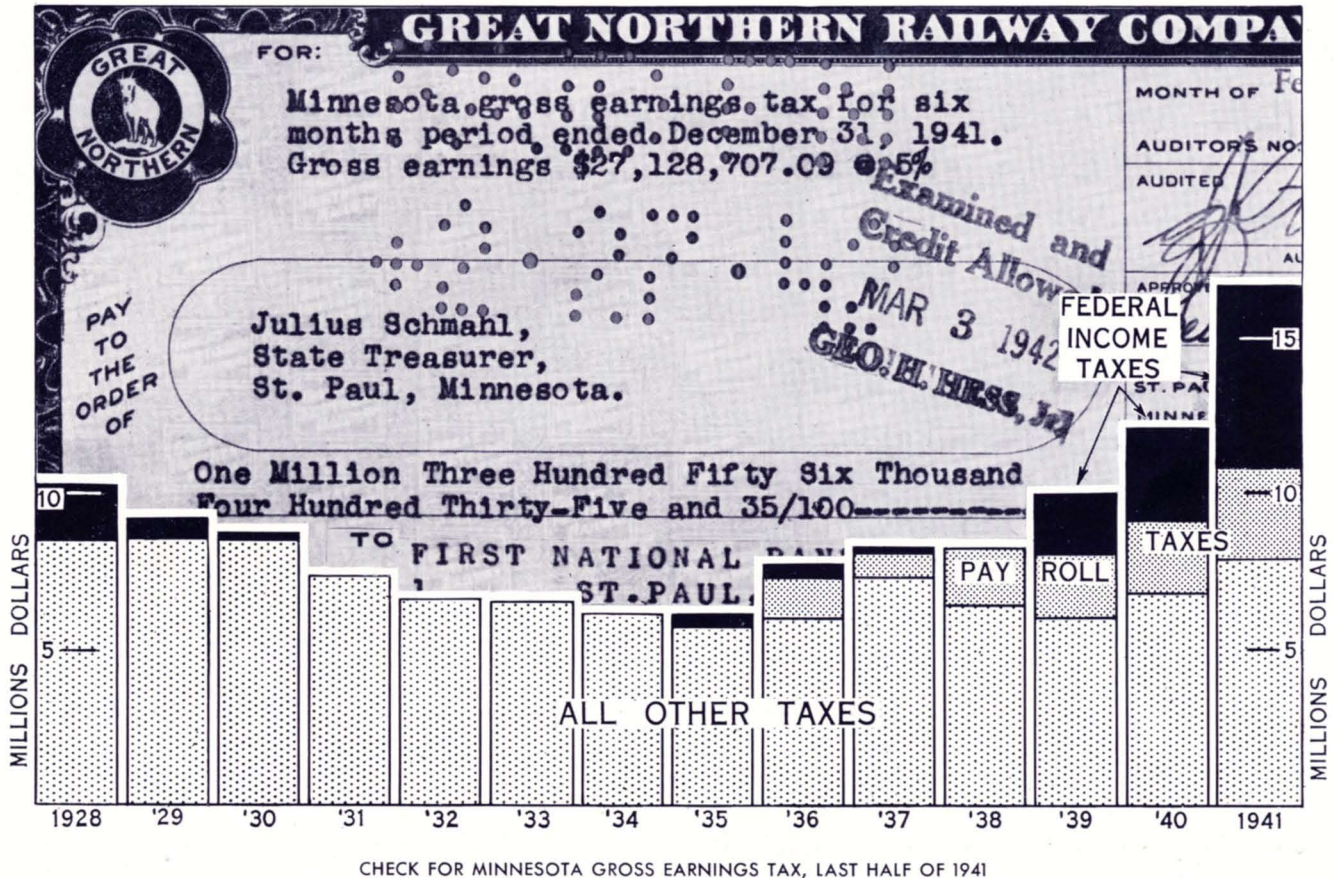
Federal income tax returns have been checked by the Government and final settlement of all outstanding items has been made up to and including 1939.

COMPARISON OF TAXES WITH OPERATING REVENUES

YEAR	RAILWAY OPERATING REVENUES	TOTAL RAIL- WAY TAX ACCRUALS	FEDERAL INCOME TAXES	CAPITAL STOCK AND OTHER FED- ERAL TAXES	PAYROLL TAXES			ALL OTHER TAXES
					UNEMPLOY- MENT INSURANCE	RAILROAD RETIREMENT	TOTAL	
1941	\$125,044,883	\$16,867,023	\$6,052,829	\$536,352	\$1,422,723	\$1,422,506	\$2,845,229	\$7,432,613
1940	101,743,146	12,273,206	2,953,761	143,383	1,164,967	1,166,016	2,330,983	6,845,079
1939	91,783,373	10,121,469	1,869,999	84,763	1,085,187	993,557	2,078,744	6,087,963
1938	79,215,531	8,364,234	68,672	47,924	984,287	887,993	1,872,280	6,375,358
1937	94,942,292	8,425,163	206,462	113,774	735,578	36,905	772,483	7,332,444
1936	89,625,105	7,842,526	430,862	74,320	335,016	960,871	1,295,887	6,041,457
1935	81,188,858	6,216,821	350,000	158,577	.....	.....	.....	5,708,244
1934	70,752,877	6,181,111	Cr. 411,946	144,223	.....	.....	.....	6,448,834
1933	61,923,891	6,660,944	.....	73,228	.....	.....	.....	6,587,716
1932	55,549,246	6,697,424	.....	674	.....	.....	.....	6,696,750
1931	77,087,455	7,179,028	Cr. 234,270	248	.....	.....	.....	7,413,050
1930	104,996,076	8,712,598	161,477	337	.....	.....	.....	8,550,784
1929	125,932,808	9,201,154	623,267	425	.....	.....	.....	8,577,462
1928	126,737,091	10,297,997	1,780,034	36,388	.....	.....	.....	8,481,575



## TAXES HAVE DOUBLED IN THREE YEARS



## Conditional Sale Contracts

During 1941 there were purchased on conditional sale contracts 2,000—50 ton box cars at a cost of \$5,931,145, and 18 Diesel locomotives (13 for switching service, 1 for combination road and switching service, and 4 for road service) costing \$2,147,366. All contracts were at 2% interest on deferred payments, to be completed in 9 years for the box cars and in 5 years for the Diesel locomotives.

As reduction in principal is being made monthly under the conditional sale contract plan, the total interest paid on a 2% contract is no more than would be paid under 1.61% or 1.77% equipment trusts with equal annual payments on principal and running 5 or 9 years respectively.

During the year \$2,786,297 was paid on the principal of conditional sale contracts and \$48,009 additional was paid on equipment at time of delivery.

Negotiations were completed as of June 1, 1941, reducing the interest rate on all outstanding conditional sale contracts to a 2% basis except for one contract covering 1,000 box cars whose interest rate was reduced from 3% to 2½%. Saving in interest to maturity amounted to \$280,611. To secure these reductions, payments on principal of \$324,977 were anticipated and paid as of June 1, 1941, and included in the \$2,786,297 payment on principal for the year mentioned above.



# GREAT NORTHERN RAILWAY COMPANY

## Fixed Property Improvements

	Year 1941	Year 1940
Cash expenditures for new property .....	\$8,129,135	\$4,196,421
Less cost of property retired .....	3,623,794	2,529,737
Net increase in investment account .....	<u>\$4,505,341</u>	<u>\$1,666,684</u>

Terminal yards were enlarged and improved at Minot, North Dakota; Hillyard and Seattle, Washington; and Klamath Falls, Oregon. Mine spurs were built to serve iron ore mines on the Mesabi Range

in Minnesota. Facilities to thaw cars of frozen ore were provided at the Allouez docks to assure a maximum movement of ore. Various other improvements were made to the property.

## New Equipment

	Year 1941	Year 1940
Cash expenditures for new equipment .....	\$10,811,380	\$12,059,661
Less cost of equipment retired .....	4,732,806	6,660,009
Net increase in investment account .....	<u>\$6,078,574</u>	<u>\$5,399,652</u>

Additional motive power and cars have been required to handle the swelling volume of traffic. Fifteen heavy freight mallet locomotives were rebuilt and modernized at Company shops at a cost of approximately \$110,000 each, paid for out of Company funds. One additional locomotive is still to be rebuilt to complete the program, begun in 1940, of reconstructing 25 of these locomotives. They are giving excellent service, hauling substantially more tonnage with a reduction in unit fuel consumption. Twenty-one steel underframed cabooses with steel wheels were also constructed.

Sixteen additional Diesel units were ordered and delivered in 1941, making a total of 49 units in service at the end of the year. These new locomotives consisted of one 4050-horsepower Diesel for helper

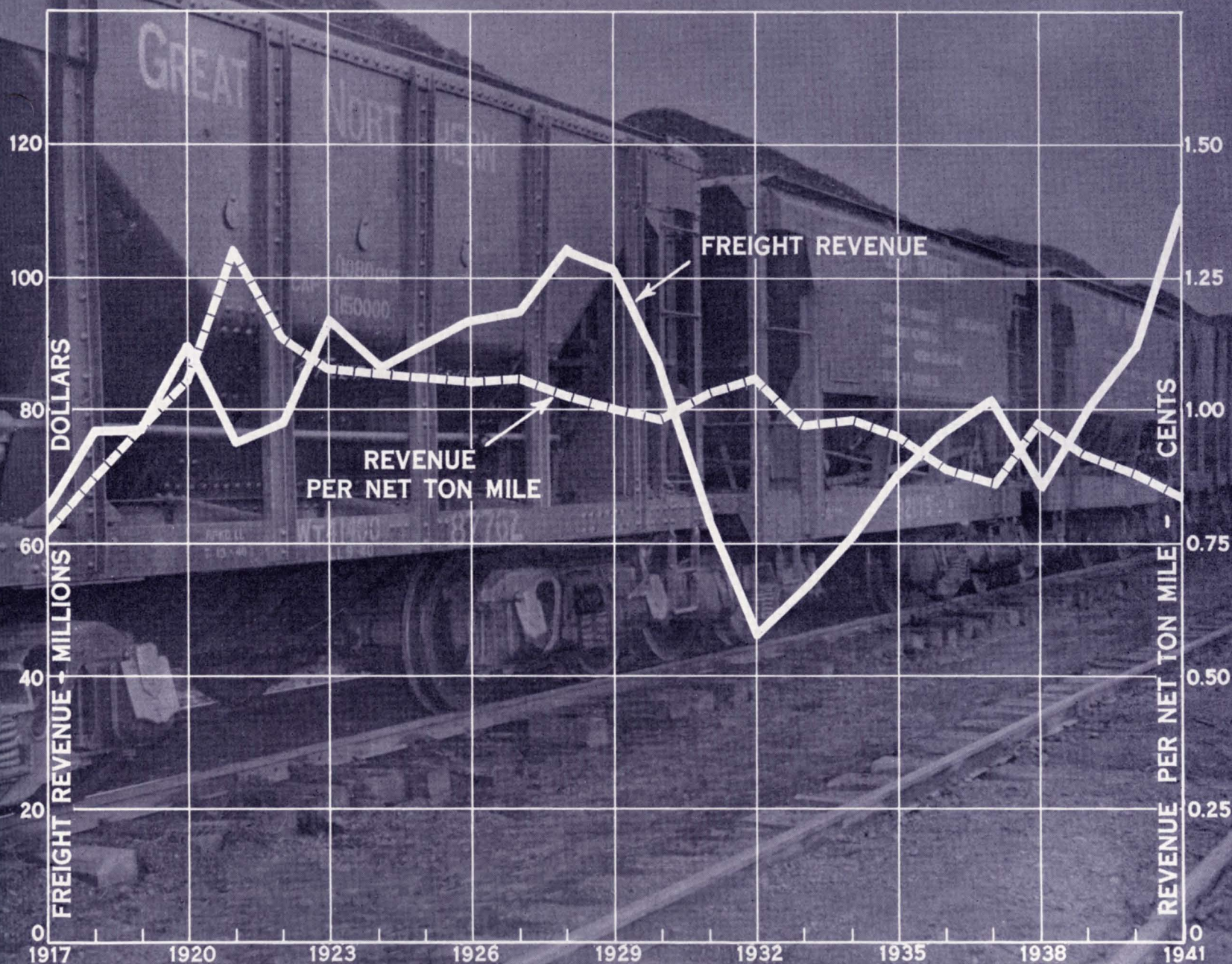
service in the Rocky Mountains; one 2700-horsepower Diesel road locomotive for freight service between Butte and Great Falls, Montana; one 1000-horsepower combination road and switching Diesel, ten 1000-horsepower switching Diesels; and three 600-horsepower switching Diesels.

The two 2700-horsepower Diesel road locomotives and 2000 50-ton box cars ordered in 1940 were received and placed in service in 1941.

Equipment ordered for future delivery included 1000 50-ton box cars to be built at Company shops, 2000 50-ton box cars and 1000 75-ton steel ore cars to be built at outside shops, and 20 Diesel locomotives, thirteen of which are of 5400-horsepower and seven of 1000-horsepower for switch service. The 5400-horsepower Diesel locomotives are for use in transcontinental freight service.



**1941 FREIGHT REVENUE LARGEST ON RECORD**  
**1941 REVENUE PER NET TON MILE SMALLEST SINCE 1917**



75 TON LOADS OF IRON ORE ENROUTE MINES TO DOCKS

YEAR	#FREIGHT REVENUE	#REVENUE PER NET TON MILE (CENTS)	YEAR	#FREIGHT REVENUE	#REVENUE PER NET TON MILE (CENTS)
1941	\$110,342,384	.835	1929	\$101,178,226	.997
1940	89,010,078	.880	1928	103,980,301	1.027
1939	79,853,655	.918	1927	94,405,030	1.054
1938	68,418,930	.975	1926	93,346,740	1.048
1937	81,451,161	.859	1925	90,098,763	1.058
1936	77,046,160	.889	1924	86,144,671	1.064
1935	70,132,152	.951	1923	93,672,147	1.070
1934	60,347,883	.983	1922	78,065,563	1.134
1933	52,672,751	.970	1921	74,700,241	1.301
1932	45,958,761	1.063	1920	89,760,845	1.054
1931	63,344,056	1.030	1919	77,351,472	.970
1930	85,797,268	.984	1918	76,937,445	.870
			1917	64,300,666	.766

#Excludes motor vehicle operations.



# GREAT NORTHERN RAILWAY COMPANY

## FINANCIAL POSITION AT THE END OF YEAR

ITEM	December 31, 1941	December 31, 1940	INCREASE—I DECREASE—D
<b>GREAT NORTHERN RAILWAY COMPANY OWNS</b>			
Cash and special deposits .....	\$ 37,075,998	\$ 25,165,308	I— \$11,910,690
Due from agents, conductors and others, including net traffic balances from other railroads .....	7,736,037	6,373,232	I— 1,362,805
Material and supplies on hand for maintenance and operation of the property ..	11,986,751	9,338,661	I— 2,648,090
<b>THE ABOVE ITEMS ARE CURRENT ASSETS AS THEY ARE READILY CONVERTIBLE INTO CASH. THEIR TOTAL IS.....</b>	<b>56,798,786</b>	<b>40,877,201</b>	<b>I— 15,921,585</b>
Deferred items .....	1,645,274	1,505,986	I— 139,288
Items that cannot be cleared until additional information is available, such as hire of equipment and bills anticipated, gravel pit operations, etc. ....	4,980,715	2,439,653	I— 2,541,062
The Company had invested in land, track, locomotives, cars and other property used for transportation purposes .....	579,978,386	569,394,471	I— 10,583,915
The Company had invested in stocks, bonds, notes and advances of:			
Chicago, Burlington & Quincy R. R. Co. ....	109,245,456	109,245,456	.....
Spokane, Portland and Seattle Ry. Co. ....	46,703,500	46,703,500	.....
Canadian subsidiaries forming part of system .....	28,140,538	28,140,538	.....
Other transportation affiliates and subsidiaries, terminal companies, etc. ...	13,712,722	13,958,702	D— 245,980
Other affiliates and subsidiaries, coal, lumber, townsite companies, etc. ....	6,672,125	12,712,768	D— 6,040,643
Non-affiliated companies .....	1,784,889	2,005,331	D— 220,442
The Company had invested in non-operating physical property, etc.....	10,767,584	9,055,765	I— 1,711,819
<b>MAKING TOTAL ASSETS OF .....</b>	<b>\$860,429,975</b>	<b>\$836,039,371</b>	<b>I— \$24,390,604</b>

## GREAT NORTHERN RAILWAY COMPANY OWES

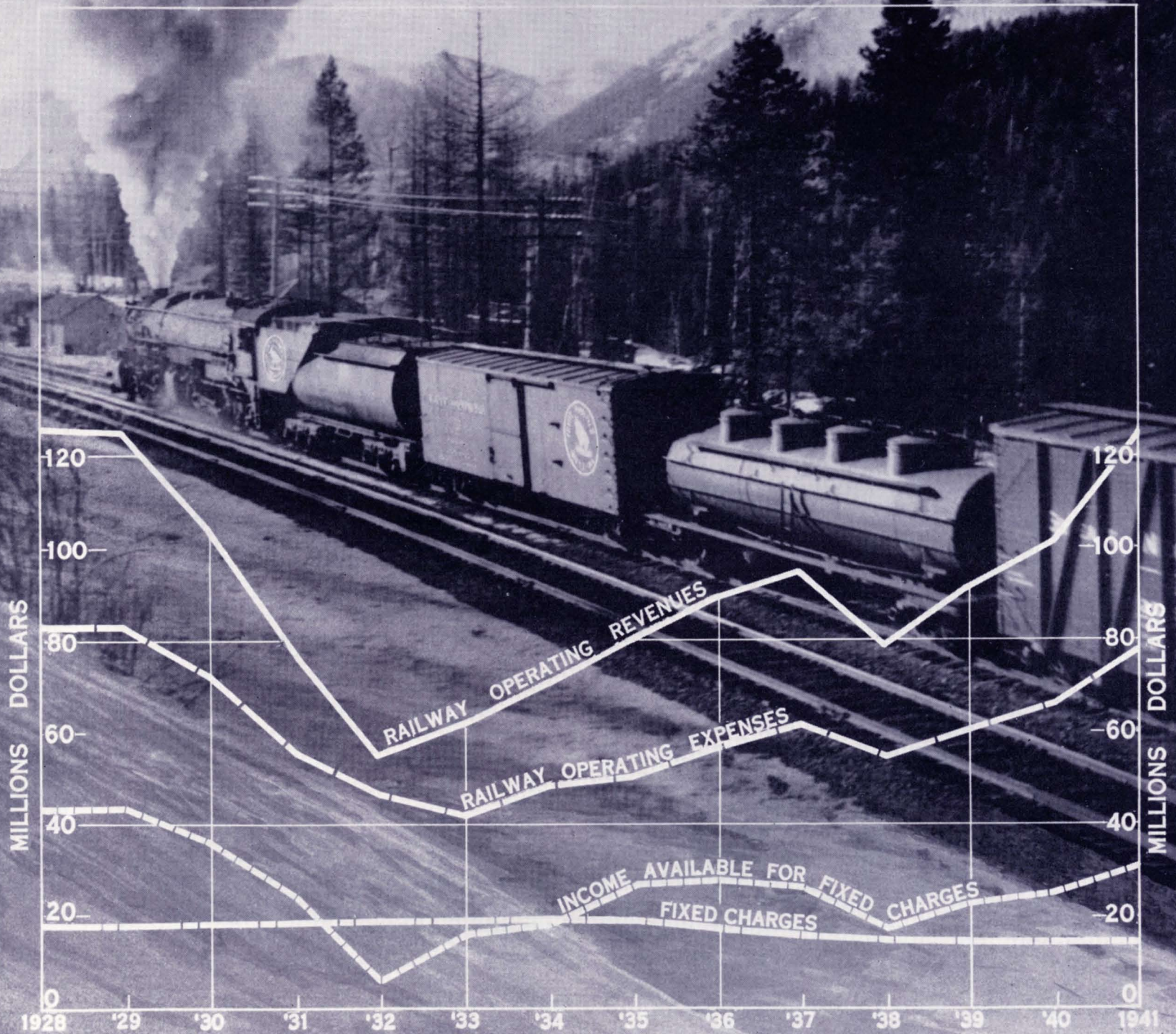
To employees for outstanding paychecks, including back paychecks in 1941 ....	\$ 4,083,056	\$ 1,943,313	I— \$ 2,139,743
To tax collectors for taxes not yet due .....	12,878,896	8,332,636	I— 4,546,260
To bondholders for interest maturing December 31, payable January 1 .....	6,456,240	6,492,100	D— 35,860
To others for materials, supplies, etc. ....	4,490,782	3,799,594	I— 691,188
<b>THE ABOVE ITEMS ARE CURRENT LIABILITIES DUE WITHIN TWO YEARS, AND TOTAL TO.....</b>	<b>27,908,974</b>	<b>20,567,643</b>	<b>I— 7,341,331</b>
To banks and trust companies for equipment purchased under conditional sale contracts .....	18,311,005	13,066,800	I— 5,244,205
Reserves for depreciation of road, equipment and other property .....	69,978,075	66,819,767	I— 3,158,308
Other reserves, vouchers anticipated, suspense accounts, etc. ....	2,105,924	1,703,269	I— 402,655
To investors for bonds outstanding, including mortgage, collateral trust, and equipment trust bonds .....	316,007,000	318,881,000	D— 2,874,000
To affiliated companies .....	422,545	509,665	D— 87,120
Grants in aid of construction .....	2,208,238	1,213,460	I— 994,778
<b>MAKING TOTAL LIABILITIES AND INDEBTEDNESS OF ....</b>	<b>\$436,941,761</b>	<b>\$422,761,604</b>	<b>I— \$14,180,157</b>

## NET WORTH AND SURPLUS

<b>DEDUCTING TOTAL LIABILITIES FROM TOTAL ASSETS, THERE REMAINED AVAILABLE FOR CAPITAL STOCK A NET WORTH OF.</b>			
Capital Stock—2,498,922.5 shares owned by 28,907 stockholders (November 21, 1941) .....	\$423,488,214	\$413,277,767	I— \$10,210,447
.....	249,092,150	249,092,150	.....
<b>DEDUCTING CAPITAL STOCK FROM NET WORTH, THERE REMAINED A CORPORATE SURPLUS (LARGELY INVESTED IN THE PROPERTY) OF .....</b>	<b>\$174,396,064</b>	<b>\$164,185,617</b>	<b>I— \$10,210,447</b>
<b>CURRENT ASSETS EXCEEDED CURRENT LIABILITIES BY .....</b>	<b>\$ 28,889,812</b>	<b>\$ 20,309,558</b>	<b>I— \$ 8,580,254</b>
<b>CASH EXCEEDED CURRENT LIABILITIES BY .....</b>	<b>9,167,024</b>	<b>4,597,665</b>	<b>I— 4,569,359</b>
<b>NET WORTH PER SHARE OF CAPITAL STOCK .....</b>	<b>\$169.47</b>	<b>\$165.38</b>	<b>I— \$4.09</b>
<b>RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES .....</b>	<b>2.04</b>	<b>1.99</b>	<b>I— .05</b>
<b>RATIO OF CASH TO CURRENT LIABILITIES .....</b>	<b>1.33</b>	<b>1.22</b>	<b>I— .11</b>



# FINANCIAL RESULTS



FAST FREIGHT NEARING GLACIER PARK

YEAR	RAILWAY OPERATING REVENUES	RAILWAY OPERATING EXPENSES	INCOME AVAILABLE FOR FIXED CHARGES	FIXED CHARGES
1941	\$125,044,883	\$78,323,366	\$30,701,079	\$13,915,920
1940	101,743,146	65,901,723	24,420,322	14,212,128
1939	91,783,373	60,462,670	22,902,195	14,215,770
1938	79,215,531	54,517,108	16,985,924	14,273,364
1937	94,942,292	61,377,723	26,112,884	16,022,964
1936	89,625,105	56,880,722	27,671,522	17,767,536
1935	81,188,858	50,061,214	26,468,087	19,328,227
1934	70,752,877	48,610,180	18,497,685	19,572,165
1933	61,923,891	41,545,224	16,273,500	19,461,260
1932	55,549,246	45,655,672	6,101,996	19,507,435
1931	77,087,455	55,285,954	24,481,023	19,155,116
1930	104,996,076	72,565,878	36,970,872	18,934,124
1929	125,932,808	82,862,910	44,183,846	18,515,295
1928	126,737,091	83,235,116	44,067,701	18,899,471



# GREAT NORTHERN RAILWAY COMPANY

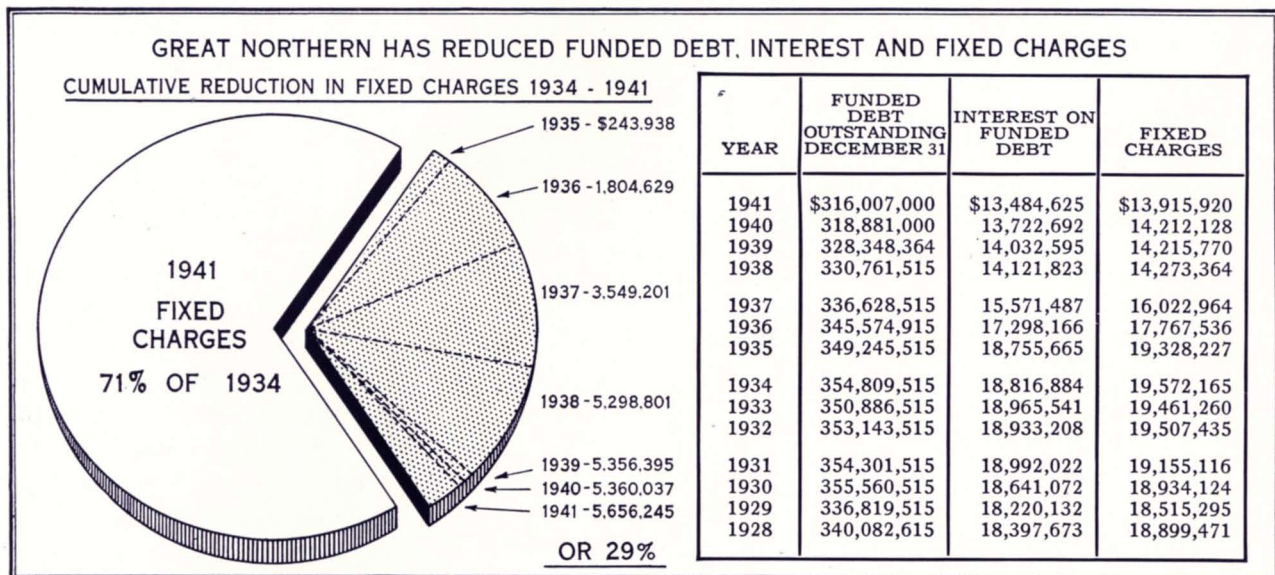
## Funded Debt

Dec. 31, 1941 — \$316,007,000      Dec. 31, 1940 — \$318,881,000      DECR. \$2,874,000

Funded debt outstanding on December 31, 1941, was \$316,007,000, the lowest since August, 1924. Interest on funded debt and fixed charges were less than for any year since 1920. During 1941 no new bonds were issued. General Mortgage Series "H" 4% Gold Bonds amounting to \$1,293,000 were purchased in the open market at a

cost of \$1,252,841. Reduction in funded debt during 1941 was:

General Mortgage Series "H"	
4% Gold Bonds.....	\$1,293,000
Collateral Trust Bonds—	
Secured 4% Serial Bonds..	616,000
4% Bonds of 1940.....	500,000
Equipment Trust, Series "E"	
2% Serial Trust Certificates	465,000
Total.....	<u>\$2,874,000</u>



## Agricultural Development

There was a substantial improvement in agricultural conditions in 1941 in the territory served by the Great Northern. Increased yields and higher prices were general.

Range conditions continued to improve and in many sections the ranges were approaching their carrying capacity of livestock. There was a substantial increase in the acreage of certified seed potatoes.

Anticipating that agriculture in future years will provide still greater tonnages for the railroad, the Agricultural Development Department takes an active part in the promotion of irrigation for those semi-arid areas where precipitation is not sufficiently certain to assure production. Irrigation projects involving almost a million and a half acres of fertile lands have been advanced to the survey stage.



## Wage Increase

During 1941 the railroad labor organization submitted demands for wage increases and paid vacations which for a full year, based on 1941 payrolls, would have amounted to approximately \$17,850,000, or more than \$7,500,000 over the entire net income for 1940. Negotiations were carried on without result, whereupon the President of the United States appointed a five-man Emergency Board to conduct hearings and make recommendations. The employees refused to accept the recommendations made by the President's Board and

a nation-wide strike was called to begin December 5th. The President then reconvened the Emergency Board which, acting as a Board of Mediation, effected a settlement, the terms of which were more liberal to the employees than the recommendations made earlier. The wage increases were made retroactive to September 1, 1941. As a result of this agreement, it is estimated that during a year with the same employment as in 1941, the increase in labor costs would amount to \$6,850,000, or 14.9% of the total payroll.

## Increase in Rates

On December 13, 1941, the railroads filed a petition with the Interstate Commerce Commission for permission to increase freight and passenger rates 10%. It was estimated that such an advance would yield sufficient revenue to meet the cost of the wage increases which had become effective September 1, 1941, the increases in prices of materials and supplies, and additional expenses incident to safeguarding railroad properties during the war.

An increase of 10% in passenger fares was authorized by the Commission to become effective February 10, 1942, and certain increases in freight rates, substantially below those sought, were authorized to become effective March 18th and to remain in effect for the period of the war and for six months thereafter.

The increase in freight rates is, in general, 6% upon all commodities except certain "basic or raw commodities" which are products of agriculture, live stock and products, and low grade products of mines,

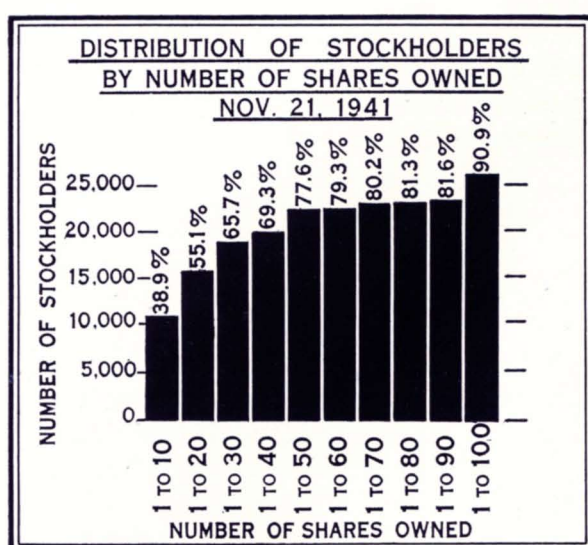
such as sand, gravel, broken rock, and slag. On these a 3% increase was approved. On anthracite and bituminous coal, coke of all kinds, and lignite, specific increases were approved, dependent upon the amount of the present rate: when \$1.00 or less, 3 cents per net ton increase; when over \$1.00, the increase approved was 5 cents per net ton. No increase was allowed on iron ore. Accessorial charges, so far as involved, may be increased 6%, except certain charges on coal and ore at lake docks. The net effect of this decision will be to increase freight revenue slightly more than 3%.

On the basis of 1941 traffic, increase in freight service revenue will approximate \$3,750,000 per year, and passenger revenue will approximate \$485,000 per year, a total of \$4,235,000. The Commission's decision, nevertheless, is disappointing in that the increases authorized fail by more than \$1,800,000 to provide for the increase in wages as applied to 1941 operations, and contribute nothing to the substantial increase in the cost of material and supplies.



## Stockholders and Employees

Thirty-nine percent of all stockholders owned 10 shares or less, more than half owned 20 shares or less, three-fourths owned 50 shares or less, and 91% owned 100 shares or less. Distribution of ownership was as follows:



The average number of employees increased from 19,858 in 1940 to 23,322 in 1941. These 23,322 employees were paid \$48,070,194 in 1941. Dividends paid to stockholders in 1941 totaled \$4,997,790 which is at the rate of 1.2% of the net worth of the Company. The investment in road, equipment and working capital—the “tools” of railroad transportation—averaged more than \$27,000 per employee.

These “tools” of transportation furnished by the stockholders afforded employment and a livelihood for thousands of men and women, while performing invaluable services to the Nation. Beyond the great national emergency, however, the fact remains that the security of the stockholders’ investment and the workers’ employment depend upon tools and labor producing the kind of transportation the public wants at a cost the public can afford and is willing to pay.

## Subsidiary and Affiliated Companies

Beginning in 1940 and continuing in 1941, in order to simplify the corporate structure, Somers Lumber Company, Canadian Rockies Hotel Company, Cottonwood Coal Company, and South Butte Mining Company, wholly owned subsidiaries, were eliminated, and their properties were taken over by your Company or a subsidiary. Property of Twin City Belt Railway Company, in which your Company owned a one-third interest, was sold and the Company dissolved.

A \$2.00 per share dividend was received from Chicago, Burlington & Quincy Railroad Company amounting to \$1,660,358, the same as for 1940. Spokane, Portland and Seattle Railway Company and its subsidiaries repaid \$850,000 on advances previously made compared with \$500,000 repaid in 1940. Income accounts, general balance sheets, and profit and loss accounts for these two companies follow the Comptroller’s report.



# Arthur Curtiss James

## 1867 - 1941

It is with profound sorrow that the Board of Directors of the Great Northern Railway Company record the death of Arthur Curtiss James, on June 4, 1941, in New York City.

Mr. James had been a director of the Company for seventeen years. His father, D. Willis James, was a close friend and business associate of the founder of the Company. All of his father's interest in its welfare and its service to the Northwest was continued through the son.

No man since the passing of James Jerome Hill has exercised a greater influence on the general course of the Company which, throughout the succeeding years, has been held unwaveringly to those principles which were responsible for its initial success and which have contributed so substantially to the development and welfare of agriculture and industry along the Company's rails.

At times the largest individual shareholder in the Company, Mr. James counseled modest dividends to shareholders and the investment of surpluses in improvements to the property to the end that it continuously become a more efficient instrument of service. He counseled the procurement of new capital for such noteworthy improvements as electrification of the railway in the Cascade mountains and the building of the great Cascade tunnel.

With his support, the Great Northern was extended southward through Oregon into northern California, and through his investments in the Western Pacific, a connection was effected in northern California which brought into existence a new rail route between the Northwest and San Francisco. Making an exception to his disinclination for public appearances, Mr. James drove the Golden Spike which marked the completion of this project on November 10, 1931.

A financier whose fortune and interest were largely devoted to the development of railway transportation, philanthropist, and friend—in his passing the Directors, the Company and the Northwest have suffered an irreparable loss.

Resolution adopted by Board of Directors, October 22, 1941.



## General

Improved earnings permitted the payment of \$2.00 per share in dividends during 1941. The amount of stock outstanding remained the same throughout the year.

Average receipts per ton mile and passenger mile have dropped to the lowest level since before the first World War, while wages and taxes have risen to the highest levels in the history of the Company, and material costs have advanced sharply. Every effort will be made to offset these factors with increased efficiency.

For the results achieved in 1941, a number of factors were responsible—increased volume of traffic; the substantial expenditure of capital in recent years for modernization of locomotives, rolling stock, and other facilities; improved operating methods; and the efficiency of the Company's employees.

President Roosevelt on December 18, 1941, issued an order establishing the Office of Defense Transportation, and later announced that Chairman Joseph B. Eastman of the Interstate Commerce Commission had been appointed its Director. Four divisions are created within the Office of Defense Transportation—Railway Transport, Motor Transport, Inland Waterway Transport, and Coastwise and Intercoastal Transport. Broad powers are assigned, among others, to coordinate transportation policies and activities of federal agencies and private groups; to keep abreast of war-time transport requirements; to coordinate and direct domestic traffic movements; to exercise emergency powers given the Presi-

dent in the Interstate Commerce Act; and to advise on emergency legislation affecting domestic transportation. The Director's responsibility is to assure that the transportation agencies work together to secure the best possible movement of war traffic. Your Company will give Mr. Eastman fullest cooperation in the administration of his new duties.

Crucial months lie ahead. That the present volume of traffic will continue, there seems no doubt. An increased volume is expected. How great an increase is problematical. Every effort will be made to keep the capacity of your railroad abreast of the demands that may be made upon it. Delivery of equipment, materials and supplies which have been ordered, has been reasonably prompt, considering the circumstances. All requirements are being anticipated as far in advance as possible, and if materials and supplies continue to be forthcoming, there should be no failure on the part of your railroad in performing the important tasks entrusted to it.

Road and equipment are in excellent condition. The Company's financial structure is sound. Its personnel is experienced, loyal and deeply conscious of its obligations.

Your Company pledges that during the uncertain days through which all must march, its first concern will be the rendering of the greatest possible service to the Nation.

Detailed reports of the Comptroller follow.

For the Board of Directors,



President.

April 1, 1942.



# ANNUAL REPORT FOR 1941

## Comptroller's Report

March 31, 1942.

MR. F. J. GAVIN,  
*President*

Dear Sir:

I submit herewith the following statements showing the result of operations of Great Northern Railway Company, Chicago, Burlington & Quincy Railroad Company, and Spokane, Portland and Seattle Railway System, for the year ended December 31, 1941.

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Respectfully submitted,



Comptroller.



# GREAT NORTHERN RAILWAY COMPANY

## INCOME ACCOUNT—1935 to 1941

	1941	1940	1939	1938	1937	1936	1935
Average mileage of road operated.....	8,071.53	8,068.72	8,071.68	8,071.54	8,087.49	8,188.15	8,278.28
<b>1. OPERATING INCOME.</b>							
RAILWAY OPERATING REVENUES.							
Freight.....	\$110,505,561	\$ 89,164,630	\$80,001,678	\$68,544,001	\$81,560,214	\$77,150,514	\$70,211,977
Passenger.....	4,866,328	4,225,019	4,350,621	4,544,458	5,081,691	4,977,601	4,416,108
Mail.....	3,298,849	2,862,642	2,783,864	2,734,684	2,797,474	2,719,087	2,592,247
Express.....	1,105,241	1,039,827	1,037,877	866,567	923,423	965,414	939,960
Switching.....	905,967	776,226	631,451	580,821	710,286	636,179	506,098
Other transportation.....	224,598	212,342	220,952	189,955	396,398	291,394	319,343
Incidental.....	4,267,612	3,460,498	2,767,503	1,963,103	3,450,360	2,862,617	2,206,630
Joint facility—net.....	Dr.—129,273	Cr.— 1,962	Dr.—10,573	Dr.—208,058	Cr.— 22,446	Cr.— 22,299	Dr.— 3,505
Total railway operating revenues.....	125,044,883	101,743,146	91,783,373	79,215,531	94,942,292	89,625,105	81,188,858
RAILWAY OPERATING EXPENSES.							
Maintenance of way and structures.....	16,628,547	13,230,789	11,259,128	8,652,584	10,247,812	8,660,007	6,994,058
Maintenance of equipment.....	21,236,550	17,436,498	15,431,415	13,257,006	14,927,846	13,623,780	12,630,006
Traffic.....	2,492,003	2,359,067	2,276,335	2,254,863	2,282,051	2,152,655	2,029,222
Transportation—rail line.....	34,862,432	30,034,420	28,501,753	27,296,664	30,709,734	29,098,139	25,801,313
Miscellaneous operations.....	1,001,720	836,991	859,003	867,528	921,402	844,366	753,248
General.....	2,317,214	2,161,732	2,284,773	2,246,750	2,380,052	2,556,346	1,908,037
Transportation for investment—Cr.....	215,100	157,774	149,737	58,287	91,174	54,571	54,670
Total railway operating expenses.....	78,323,366	65,901,723	60,462,670	54,517,108	61,377,723	56,880,722	50,061,214
Net revenue from railway operations..	46,721,517	35,841,423	31,320,703	24,698,423	33,564,569	32,744,383	31,127,644
Railway tax accruals.....	16,867,023	12,273,206	10,121,469	8,364,234	8,425,163	7,842,526	6,216,821
Uncollectible railway revenues.....							9,257
Railway operating income.....	29,854,494	23,568,217	21,199,234	16,334,189	25,139,406	24,901,857	24,901,566
Equipment rents—Net debit.....	1,223,884	1,361,148	1,314,181	1,479,331	965,016	889,029	997,612
Joint facility rent—Net debit.....	629,075	400,005	300,458	375,582	404,982	453,257	420,100
NET RAILWAY OPERATING INCOME.....	28,001,535	21,807,064	19,584,595	14,479,276	23,769,408	23,559,571	23,483,854
<b>2. OTHER INCOME.</b>							
Revenues from miscellaneous operations.....	345,718						
Income from lease of road and equipment.....	120,311	121,871	138,374	142,530	142,677	133,414	313
Miscellaneous rent income.....	420,101	361,958	333,822	324,081	327,800	401,134	388,691
Miscellaneous nonoperating physical property.....	229,785	225,183	215,477	209,488	168,097	176,668	177,606
Separately operated properties—Profit.....					45,875		48,316
Dividend income.....	2,308,934	2,318,489	2,645,934	2,205,150	1,982,889	3,882,151	1,954,999
Income from funded securities.....	65,951	95,653	637,272	534,637	396,348	238,755	958,176
Income from unfunded securities and accounts.....	49,190	10,568	65,020	3,841	11,231	5,716	12,373
Miscellaneous income.....	86,260	84,417	91,749	154,987	165,465	211,331	275,835
Total other income.....	3,626,250	3,218,139	4,127,648	3,574,714	3,240,382	5,049,169	3,816,309
Total income.....	31,627,785	25,025,203	23,712,243	18,053,990	27,009,790	28,608,740	27,300,163
<b>3. MISCELLANEOUS DEDUCTIONS FROM INCOME.</b>							
Expenses of miscellaneous operations.....	323,419						
Taxes on miscellaneous operating properties..	21,515						
Miscellaneous rents.....	74,801	77,301	74,731	75,331	75,050	75,172	77,304
Miscellaneous tax accruals.....	125,439	96,031	82,751	70,836	68,019	74,050	70,124
Separately operated properties—Loss.....	114,431	158,143	466,918	652,464	503,538	541,191	440,552
Miscellaneous income charges.....	267,101	273,406	185,648	269,435	250,299	246,805	244,096
Total miscellaneous deductions.....	926,706	604,881	810,048	1,068,066	896,906	937,218	832,076
Income available for fixed charges.....	30,701,079	24,420,322	22,902,195	16,985,924	26,112,884	27,671,522	26,468,087
<b>4. FIXED CHARGES.</b>							
Rent for leased roads and equipment.....	24,889	24,928	23,539	30,835	25,530	3,495	1,176
Interest on funded debt—fixed interest.....	13,484,625	13,722,692	14,032,595	14,121,823	15,571,487	17,298,166	18,755,665
Interest on unfunded debt.....	406,406	464,508	159,636	120,706	18,361	39,833	141,900
Amortization of discount on funded debt.....					407,586	426,042	429,486
Total fixed charges.....	13,915,920	14,212,128	14,215,770	14,273,364	16,022,964	17,767,536	19,328,227
NET INCOME.....	\$ 16,785,159	\$ 10,208,194	\$ 8,686,425	\$ 2,712,560	\$10,089,920	\$ 9,903,986	\$ 7,139,860
Number of times fixed charges earned.....	2.21	1.72	1.61	1.19	1.63	1.56	1.37
Ratio of expenses to revenues—percent.....	62.6	64.8	65.9	68.8	64.6	63.5	61.7
<b>5. DISPOSITION OF NET INCOME.</b>							
Income applied to sink. and other res. funds..	\$ 259,899	\$ 263,063	\$ 263,000	\$ 13,804	\$ 15,067	\$ 15,439	\$ 14,993
Dividend appropriations of income.....					4,997,788		
Income appropriated for invest. in phys. prop..	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Miscellaneous appropriations of income.....							
Total appropriations of income.....	274,899	278,063	278,000	28,804	5,027,855	30,439	29,993
Inc. bal. transferred to Profit and Loss.....	16,510,260	9,930,131	8,408,425	2,683,756	5,062,065	9,873,547	7,109,867
<b>6. PROFIT AND LOSS.</b>							
Profit and loss, January 1.....	105,857,099	106,281,950	98,853,566	90,835,358	106,586,171	102,731,957	102,202,449
Add: Credits to profit and loss.....	17,219,055	10,584,143	8,565,003	34,492,004	5,527,901	10,270,045	7,364,108
Deduct: Debits to profit and loss.....	7,674,486	11,008,994	1,136,619	26,473,796	21,278,714	6,415,831	6,834,600
Profit and loss, December 31.....	115,401,668	105,857,099	106,281,950	98,853,566	90,835,358	106,586,171	102,731,957
<b>7. DIVIDENDS DECLARED.....</b>	4,997,790	1,249,448			4,997,788		
Aggregate net income of subsidiaries in which the Company holds directly or indirectly a majority of the outstanding capital stock, not included above: Net Income (or Deficit)....	\$ 206,077	\$ 155,180	\$ 2,110	\$ 411,932	\$ 420,633	\$ 237,140	\$ 64,460



## ANNUAL REPORT FOR 1941

## INCOME ACCOUNT—1928 to 1934

	1934	1933	1932	1931	1930	1929	1928
Average mileage of road operated .....	8,344.39	8,445.12	8,408.70	8,357.32	8,366.63	8,387.88	8,276.64
<b>1. OPERATING INCOME.</b>							
RAILWAY OPERATING REVENUES.							
Freight .....	\$60,348,273	\$52,673,934	\$45,960,600	\$63,344,821	\$85,797,850	\$101,178,779	\$103,980,331
Passenger .....	4,220,571	3,759,187	3,941,659	6,042,610	9,000,087	11,298,352	11,505,351
Mail .....	2,612,588	2,626,891	2,824,801	3,143,556	3,356,243	4,770,053	3,084,976
Express .....	879,234	673,704	787,220	1,223,565	1,856,822	2,366,080	2,323,371
Switching .....	460,974	415,670	431,817	628,283	769,608	990,101	1,020,433
Other transportation .....	278,170	271,178	392,626	573,968	778,538	949,469	838,771
Incidental .....	1,950,567	1,543,912	1,261,738	2,140,800	3,422,311	4,348,227	3,877,193
Joint facility—net .....	Cr.— 2,500	Dr.—40,585	Dr.—51,215	Dr.—10,148	Cr.— 14,617	Cr.— 31,747	Cr.— 106,665
Total railway operating revenues .....	70,752,877	61,923,891	55,549,246	77,087,455	104,996,076	125,932,808	126,737,091
RAILWAY OPERATING EXPENSES.							
Maintenance of way and structures .....	8,368,883	5,335,607	7,771,028	9,413,813	13,598,876	17,073,972	18,319,757
Maintenance of equipment .....	11,846,694	10,961,690	12,428,089	14,538,454	18,544,614	20,278,352	18,991,651
Traffic .....	1,899,765	1,864,188	2,177,887	2,532,764	2,912,531	3,127,846	2,897,159
Transportation—rail line .....	23,032,746	20,434,097	20,592,335	25,846,075	33,908,017	38,351,284	39,374,519
Miscellaneous operations .....	740,835	563,524	627,974	960,680	1,444,685	1,723,623	1,588,363
General .....	2,778,343	2,429,557	2,284,343	2,660,972	2,801,602	2,784,428	2,807,921
Transportation for investment—Cr. ....	57,086	43,439	225,984	666,804	644,447	476,563	744,254
Total railway operating expenses .....	48,610,180	41,545,224	45,655,672	55,285,954	72,565,878	82,862,910	83,235,116
Net revenue from railway operations ..	22,142,697	20,378,667	9,893,574	21,801,501	32,430,198	43,069,898	43,501,975
Railway tax accruals .....	6,181,111	6,660,944	6,697,424	7,179,028	8,712,598	9,201,154	10,297,997
Uncollectible railway revenues .....	10,528	7,213	14,210	9,894	9,845	17,181	13,916
Railway operating income .....	15,951,058	13,710,510	3,181,940	14,612,579	23,707,755	33,851,563	33,190,062
Equipment rents—Net debit .....	1,381,666	1,301,953	1,513,915	1,454,238	1,347,804	991,449	1,517,997
Joint facility rent—Net debit .....	467,742	598,330	377,474	488,921	447,443	402,591	377,996
NET RAILWAY OPERATING INCOME .....	14,101,650	11,810,227	1,290,551	12,669,420	21,912,508	32,457,523	31,294,069
<b>2. OTHER INCOME.</b>							
Revenues from miscellaneous operations ..							
Income from lease of road and equipment ..	3,940	313	777	1,428	1,428	1,428	1,498
Miscellaneous rent income .....	477,269	574,603	650,235	667,283	672,612	687,720	658,962
Miscellaneous nonoperating physical property ..	174,425	159,323	165,315	166,934	190,531	149,317	163,913
Separately operated properties—Profit .....		4,178					
Dividend income .....	2,922,223	3,349,378	3,047,899	9,201,615	13,285,672	9,363,567	9,771,836
Income from funded securities .....	775,222	464,732	656,306	1,151,748	554,376	985,260	872,726
Income from unfunded securities and accounts ..	174,576	40,114	367,835	667,342	582,617	595,023	1,373,171
Miscellaneous income .....	310,523	294,531	207,725	254,287	241,081	243,912	190,017
Total other income .....	4,838,178	4,887,172	5,096,092	12,110,637	15,528,317	12,026,227	13,032,123
Total income .....	18,939,828	16,697,399	6,386,643	24,780,057	37,440,825	44,483,750	44,326,192
<b>3. MISCELLANEOUS DEDUCTIONS FROM INCOME.</b>							
Expenses of miscellaneous operations .....							
Taxes on miscellaneous operating properties ..							
Miscellaneous rents .....	79,978	58,898	7,972	8,021	5,975	5,572	8,957
Miscellaneous tax accruals .....	71,018	70,298	93,461	95,673	97,342	110,457	103,922
Separately operated properties—Loss .....	1,995	76,348	110,719	108,879	279,603	100,039	68,087
Miscellaneous income charges .....	289,152	218,355	72,495	86,461	87,033	83,836	77,525
Total miscellaneous deductions .....	442,143	423,899	284,647	299,034	469,953	299,904	258,491
Income available for fixed charges .....	18,497,685	16,273,500	6,101,996	24,481,023	36,970,872	44,183,846	44,067,701
<b>4. FIXED CHARGES.</b>							
Rent for leased roads and equipment .....	18,186	100	Cr.— 87	151	171	1,829	105,067
Interest on funded debt—fixed interest .....	18,816,884	18,965,541	18,933,208	18,992,022	18,641,072	18,220,132	18,397,673
Interest on unfunded debt .....	302,889	110,928	323,146	Cr.— 95,623	37,179	42,387	138,349
Amortization of discount on funded debt .....	434,206	384,691	251,168	258,566	255,702	250,947	258,382
Total fixed charges .....	19,572,165	19,461,260	19,507,435	19,155,116	18,934,124	18,515,295	18,899,471
NET INCOME (or Deficit) .....	\$ 1,074,480	\$ 3,187,760	\$13,405,439	\$ 5,325,907	\$18,036,748	\$ 25,668,551	\$ 25,168,230
Number of times fixed charges earned .....	.95	.84	.31	1.28	1.95	2.39	2.33
Ratio of expenses to revenues—percent .....	68.7	67.1	82.2	71.7	69.1	65.8	65.7
<b>5. DISPOSITION OF NET INCOME.</b>							
Income applied to sink and other res. funds ..	\$ 14,827	\$ 14,270	\$ 14,386	\$ 14,666	\$ 14,994	\$ 14,707	\$ 15,451
Dividend appropriations of income .....						12,450,225	12,449,205
Income appropriated for invest. in phys. prop. ..	15,000						
Miscellaneous appropriations of income .....		123,528	629,600				
Total appropriations of income .....	29,827	137,798	643,986	14,666	14,994	12,464,932	12,464,656
Inc. bal. transferred to Profit and Loss ..	1,104,307	3,325,558	14,049,425	5,311,241	18,021,754	13,203,619	12,703,574
<b>6. PROFIT AND LOSS.</b>							
Profit and loss, January 1 .....	104,655,903	109,307,501	120,551,319	125,744,603	126,861,795	123,880,368	115,886,889
Add: Credits to profit and loss .....	281,740	286,615	6,317,767	5,986,498	18,518,535	14,954,526	12,932,323
Deduct: Debits to profit and loss .....	2,735,194	4,938,213	17,561,585	11,179,782	19,635,727	11,973,099	4,938,844
Profit and loss, December 31 .....	102,202,449	104,655,903	109,307,501	120,551,319	125,744,603	126,861,795	123,880,368
<b>7. DIVIDENDS DECLARED.</b>							
Aggregate net income of subsidiaries in which the Company holds directly or indirectly a majority of the outstanding capital stock, not included above: Net Income (or Deficit) ..	\$ 561,618	\$ 16,911	\$ 603,566	\$ 91,916	\$ 719,631	\$ 352,846	\$ 440,745



# GREAT NORTHERN RAILWAY COMPANY

## GENERAL BALANCE SHEET DECEMBER 31, 1941 AND 1940

ASSET SIDE	December 31, 1941	December 31, 1940	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property (Page 26):				
Road.....	\$437,601,961	\$433,014,786	\$ 4,587,175	.....
Equipment.....	139,882,131	133,803,557	6,078,574	.....
General expenditures.....	1,968,436	2,049,830	.....	\$ 81,394
Total.....	579,452,528	568,868,173	10,584,355	.....
Improvements on leased property (Page 26).....	525,858	526,298	.....	440
Deposits in lieu of mortgaged property sold.....	8,528	61,354	.....	52,826
Miscellaneous physical property.....	10,759,056	8,994,411	1,764,645	.....
Investments in affiliated companies (Page 28):				
Stocks.....	167,377,347	168,457,347	.....	1,080,000
Bonds.....	26,508,601	26,508,601	.....	.....
Notes.....	855,500	954,400	.....	98,900
Advances.....	8,498,339	13,606,062	.....	5,107,723
Total.....	203,239,787	209,526,410	.....	6,286,623
Other investments (Page 28):				
Stocks.....	2,334,654	2,361,157	.....	26,503
Bonds.....	249,000	256,000	.....	7,000
Notes.....	181,705	256,549	.....	74,844
Miscellaneous.....	254,084	366,179	.....	112,095
Total.....	3,019,443	3,239,885	.....	220,442
Total investments.....	797,005,200	791,216,531	5,788,669	.....
<b>CURRENT ASSETS</b>				
Cash.....	30,967,878	25,148,518	5,819,360	.....
Temporary cash investments.....	6,005,400	5,000	6,000,400	.....
Special deposits.....	102,720	11,790	90,930	.....
Loans and bills receivable.....	20,921	20,944	.....	23
Traffic and car-service balances—Dr. ....	840,360	645,807	194,553	.....
Net balance receivable from agents and conductors.....	2,243,237	1,014,288	1,228,949	.....
Miscellaneous accounts receivable.....	4,322,032	4,602,913	.....	280,881
Material and supplies.....	11,986,751	9,338,661	2,648,090	.....
Interest and dividends receivable.....	38,653	16,952	21,701	.....
Rents receivable.....	40,990	40,973	17	.....
Other current assets.....	229,844	31,355	198,489	.....
Total current assets.....	56,798,786	40,877,201	15,921,585	.....
<b>DEFERRED ASSETS</b>				
Working fund advances.....	24,436	21,626	2,810	.....
Other deferred assets.....	1,620,838	1,484,360	136,478	.....
Total deferred assets.....	1,645,274	1,505,986	139,288	.....
<b>UNADJUSTED DEBITS</b>				
Rents and insurance premiums paid in advance.....	53,689	58,893	.....	5,204
Other unadjusted debits.....	4,927,026	2,380,760	2,546,266	.....
Total unadjusted debits.....	4,980,715	2,439,653	2,541,062	.....
Grand total.....	\$860,429,975	\$836,039,371	\$24,390,604	.....



## ANNUAL REPORT FOR 1941

GENERAL BALANCE SHEET  
DECEMBER 31, 1941 AND 1940

LIABILITY SIDE	December 31, 1941	December 31, 1940	INCREASE	DECREASE
<b>STOCK</b>				
Capital stock—Book liability.....	\$250,281,750	\$250,281,750		
Less—Held by or for the Company.....	1,189,600	1,189,600		
Total stock (2,498,922½ shares, without par value).....	249,092,150	249,092,150		
<b>GOVERNMENTAL GRANTS</b>				
Grants in aid of construction.....	2,208,238	1,213,460	\$ 994,778	
	December 31, 1941	December 31, 1940		
<b>LONG-TERM DEBT</b>				
Funded debt unmatured.....	\$405,637,000	\$407,472,000		
Less—Held by or for the Company.....	89,630,000	88,591,000		
Actually outstanding.....	\$316,007,000	\$318,881,000		
Great Northern Railway Company—				
First and Refunding Gold Bonds				
Series "A," 4¼%, July 1, 1961.....	35,668,000	35,668,000		
General Mortgage				
Series "B," 5½% Gold Bonds, Jan. 1, 1952.....	29,861,000	29,861,000		
Series "C," 5% Gold Bonds, Jan. 1, 1973.....	14,675,000	14,675,000		
Series "D," 4½% Gold Bonds, July 1, 1976.....	14,873,000	14,873,000		
Series "E," 4½% Gold Bonds, July 1, 1977.....	40,000,000	40,000,000		
Series "G," 4% Conv. Bonds, July 1, 1946.....	49,177,800	49,177,800		
Series "H," 4% Conv. Bonds, July 1, 1946.....	48,227,200	49,520,200		\$1,293,000
Series "I," 3¾% Gold Bonds, Jan. 1, 1967.....	50,000,000	50,000,000		
Collateral Trust				
Secured 4% Serial Bonds, serially to April 1, 1944.....	1,540,000	2,156,000		616,000
Collateral Trust 4% Bonds				
Serial Bonds, serially to July 1, 1951.....	6,500,000	7,000,000		500,000
Term Bonds, Jan. 1, 1952.....	13,000,000	13,000,000		
Equipment Trust—Series "E," 2%, serially to March 1, 1947.....	2,790,000	3,255,000		465,000
Eastern Ry. Co. of Minnesota Gold Bonds—				
Northern Division, First Mortgage, 4%, April 1, 1948.....	9,695,000	9,695,000		
Total funded debt outstanding.....	316,007,000	318,881,000		2,874,000
Nonnegotiable debt to affiliated companies.....	422,545	509,665		87,120
Total long-term debt.....	316,429,545	319,390,665		2,961,120
Total capital liabilities.....	567,729,933	569,696,275		1,966,342
<b>CURRENT LIABILITIES</b>				
Audited accounts and wages payable.....	7,117,567	4,695,297	2,422,270	
Miscellaneous accounts payable.....	855,383	578,347	277,036	
Interest matured unpaid.....	6,546,611	6,579,345		32,734
Unmatured interest accrued.....	139,038	151,805		12,767
Accrued tax liability.....	12,878,896	8,332,636	4,546,260	
Other current liabilities.....	371,479	230,213	141,266	
Total current liabilities.....	27,908,974	20,567,643	7,341,331	
<b>DEFERRED LIABILITIES</b>				
Conditional sale contracts (Page 29).....	18,311,005	13,066,800	5,244,205	
Other deferred liabilities.....	380,154	86,802	293,352	
Total deferred liabilities.....	18,691,159	13,153,602	5,537,557	
<b>UNADJUSTED CREDITS</b>				
Insurance and casualty reserves.....	8,953	442,652		433,699
Accrued depreciation—Road.....	5,746,150	5,583,487	162,663	
Accrued depreciation—Equipment.....	63,909,498	61,133,533	2,775,965	
Accrued depreciation—Miscellaneous physical property.....	322,427	102,747	219,680	
Other unadjusted credits.....	1,716,817	1,173,815	543,002	
Total unadjusted credits.....	71,703,845	68,436,234	3,267,611	
<b>CORPORATE SURPLUS</b>				
Additions to property through income and surplus.....	3,673,628	3,674,176		548
Funded debt retired through income and surplus.....	36,444,149	35,699,283	744,866	
Sinking fund reserves.....	250,000	250,000		
Miscellaneous fund reserves.....	152,013	194,490		42,477
Appropriated surplus not specifically invested.....	18,474,606	18,510,569		35,963
Total appropriated surplus.....	58,994,396	58,328,518	665,878	
*Profit and loss credit balance (Page 26).....	115,401,668	105,857,099	9,544,569	
Total corporate surplus.....	174,396,064	164,185,617	10,210,447	
Grand total.....	\$860,429,975	\$836,039,371	\$24,390,604	

\*Does not include aggregate net profit and loss deficits to December 31, 1941, amounting to \$10,980,768, of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

## CONTINGENT LIABILITY

The St. Paul Union Depot Company Guaranteed Notes of 1941, 1%, due serially to October 1, 1944.....	\$ 900,000
The St. Paul Union Depot Company First and Refunding Mortgage Gold Bonds, Series B, 3½% bonds due Oct. 1, 1971..	14,737,000
Western Fruit Express Company Equipment Trusts, 4¼% and 4½%, due serially to November 1, 1945.....	378,000
Spokane, Portland and Seattle Railway Company Equipment Trust, Series A, 2¾%, due serially to July 1, 1947.....	720,000



# GREAT NORTHERN RAILWAY COMPANY

## PROFIT AND LOSS ACCOUNT—DECEMBER 31, 1941

CREDITS		
Credit balance December 31, 1940.....		\$105,857,099
Credit balance transferred from income.....	\$16,510,260	
Credits from retired road and equipment.....	2,937	
Donations.....	13,231	
Miscellaneous credits.....	692,627	\$17,219,055
DEBITS		
Dividend appropriations of surplus.....	\$ 4,997,790	
Surplus appropriated for investment in physical property.....	13,231	
Debt discount extinguished through surplus.....	1,039	
Miscellaneous appropriations of surplus.....	502,195	
Debits from retired road and equipment.....	673,988	
Miscellaneous debits.....	1,486,243	7,674,486
*Net credit for year 1941.....		9,544,569
Credit balance, December 31, 1941, carried to balance sheet.....		\$115,401,668

\*Does not include net profit and loss credit for the year 1941 amounting to \$1,307,266 of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

## ROAD AND EQUIPMENT PROPERTY—1941 (Including Improvements on Leased Property)

ACCOUNT	CASH EXPENDITURES FOR NEW PROPERTY	NET INCREASE IN INVEST- MENT ACCOUNT (AFTER DEDUCTING COST OF PROPERTY RETIRED)
Engineering.....	\$ 145,921	\$ 34,332
Land for transportation purposes.....	95,391	58,007
Other right-of-way expenditures.....	3,700	3,613
Grading.....	1,686,744	560,125
Tunnels and subways.....	27,051	22,438
Bridges, trestles and culverts.....	1,697,664	841,033
Ties.....	341,982	224,385
Rails.....	677,383	539,426
Other track material.....	880,303	809,007
Ballast.....	387,262	341,098
Track laying and surfacing.....	322,808	224,466
Fences, snow sheds, and signs.....	166,817	148,754
Crossings and signs.....		Cr.— 43,174
Station and office buildings.....	329,876	109,929
Roadway buildings.....	23,047	13,922
Water stations.....	221,163	60,373
Fuel stations.....	82,279	59,493
Shops and engine houses.....	222,964	84,698
Grain elevators.....	25,694	19,639
Wharves and docks.....	101	21
Coal and ore wharves.....	37,614	33,924
Telegraph and telephone lines.....	94,222	39,555
Signals and interlockers.....	166,811	123,279
Power plants.....	21,501	21,262
Power transmission systems.....	35,925	26,532
Miscellaneous structures.....	11,030	10,457
Roadway machines.....	103,935	69,927
Roadway small tools.....	1,704	Cr.— 26,056
Public improvements—Construction.....	16,912	Cr.— 2,783
Shop machinery.....	208,828	118,079
Power-plant machinery.....	91,993	60,974
Total expenditures for road.....	8,128,625	4,586,735
Steam locomotives.....	1,519,288	Cr.— 808,971
Other locomotives.....	2,149,473	2,040,353
Freight-train cars.....	6,752,253	4,652,276
Passenger-train cars.....	190,966	108,746
Work equipment.....	128,352	40,346
Miscellaneous equipment.....	71,048	45,824
Total expenditures for equipment.....	10,811,380	6,078,574
General officers and clerks.....		Cr.— 8
Interest during construction.....		Cr.— 67,166
Other expenditures—General.....	510	Cr.— 14,220
Total general expenditures.....	510	Cr.— 81,394
Grand total, including improvements on leased property.....	\$18,940,515	\$10,583,915



# PAYMENTS TO EMPLOYEES INVESTORS AND GOVERNMENT



ENTRANCE TO GENERAL OFFICES, ST. PAUL

The upper set of lines shows the payments to employees, investors and the government, and indicates the increase in payroll and taxes since the low of 1933-1935, while payments to investors were less in 1941 than in those years.

The lower set of graphs are index numbers using 1928-1929 as 100. The lines indicate the percentage relationship to the average of 1928-1929. For example, in 1933 the top line, taxes, shows 68, meaning that the 1933 taxes were 68% of the average for 1928-1929. The years 1928-1929 were used as a base because the total revenues for 1941 were almost the same as the average of 1928-1929.

The lower lines indicate the decline in payroll from the 1928-1929 level to the low point in 1933 and the rise from that point to 94% of 1928-1929 payroll paid out in 1941. If payments for unemployment and retirement benefits were added, the 1941 payments to employees for wages and benefits were the same as for 1928-1929. Tax payments had increased to 173% in 1941, while payments to investors had fallen to 61% of the 1928-1929 base. From 1933 to 1941 payrolls have increased 87%, and taxes 153% but payments to investors have actually decreased.

YEAR	PAYMENTS TO EMPLOYEES (OPERATING EXPENSES ONLY)			PAYMENTS TO INVESTORS (INTEREST AND DIVIDENDS)			PAYMENTS TO GOVERNMENT (RAILWAY TAX ACCRUALS)			YEAR	PAYMENTS TO EMPLOYEES (OPERATING EXPENSES ONLY)			PAYMENTS TO INVESTORS (INTEREST AND DIVIDENDS)			PAYMENTS TO GOVERNMENT (RAILWAY TAX ACCRUALS)		
	AMOUNT	INDEX NUMBERS (1928-1929=100)		AMOUNT	INDEX NUMBERS (1928-1929=100)		AMOUNT	INDEX NUMBERS (1928-1929=100)			AMOUNT	INDEX NUMBERS (1928-1929=100)		AMOUNT	INDEX NUMBERS (1928-1929=100)		AMOUNT	INDEX NUMBERS (1928-1929=100)	
1941	\$45,605,443	94		\$18,888,821	61		\$16,867,023	173		1934	\$28,276,815	58		\$19,119,773	62		\$ 6,181,111	63	
1940	37,776,867	78		15,436,648	50		12,273,206	126		1933	24,354,205	50		19,076,469	62		6,660,944	68	
1939	35,411,980	73		14,192,231	46		10,121,469	104		1932	26,300,862	54		21,745,038	70		6,697,424	69	
1938	32,300,558	67		14,242,529	46		8,364,234	86		1931	33,394,983	69		28,853,819	94		7,179,028	74	
1937	35,939,880	74		20,587,636	67		8,425,163	86		1930	43,887,764	90		31,127,899	101		8,712,598	89	
1936	33,518,881	69		17,337,999	56		7,842,526	80		1929	49,133,907	101		30,712,744	100		9,201,154	94	
1935	29,208,471	60		18,897,565	61		6,216,821	64		1928	47,893,732	99		30,985,227	100		10,297,997	106	



# GREAT NORTHERN RAILWAY COMPANY

## INVESTMENTS IN SECURITIES (BOOK VALUE—COST TO GREAT NORTHERN RAILWAY COMPANY) DECEMBER 31, 1941

TITLE OF SECURITY	STOCKS				BONDS	NOTES, ADVANCES, AND MISCEL- LANEOUS	TOTAL BOOK VALUE	DIVIDENDS OR INTEREST RECEIVED
	EXTENT OF STOCK CONTROL (%)	*PAR VALUE	BOOK VALUE					
			PLEGDED	UNPLEGDED				
INVESTMENTS IN AFFILIATED COMPANIES								
Brandon, Devils Lake and Southern Ry. Co.....	100	\$ 650,500	\$ 650,000	\$ 500			\$ 650,500	
Chicago, Burlington & Quincy R. R. Co.	48.59	83,017,900	109,114,810	130,646			109,245,456	\$ 1,660,358
Cowlitz, Chehalis & Cascade Ry.....	16.46	69,971		134,430		\$ 2,500	136,930	387
Dakota and Great Northern Townsite Co.....	100	50,000		25,000		1,360	26,360	
Duluth and Superior Bridge Co. (The).	100	200,000		200,000	\$ 545,101		745,101	58,220
Gales Creek & Wilson River R. R. Co.						411,108	411,108	
Glacier Park Hotel Co.....	100	1,500,000		1,500,000		3,559,649	5,059,649	
Great Northern Equipment Co.....	100	1,000		1,000			1,000	
International Navigation and Trading Co., Ltd. (The).....	100	100,000		1			1	
Lake Superior Terminal and Transfer Ry. Co. (The).....	33.33	169,800	167,800	2,000		15,000	184,800	
Midland Ry. Co. of Manitoba (The) ..	50	2,400,000		2,400,000		41,518	2,441,518	
Minnesota Transfer Ry. Co. (The)....	11.11	91,300	91,300			12,222	103,522	
Montana Western Ry. Co. (The).....					165,000		165,000	
Nelson and Fort Sheppard Ry. Co. (The)	100	2,846,800	2,111,617	7,403			2,119,020	
Oregon, California & Eastern Ry. Co..	50	300,000		319,801		1,014,951	1,334,752	
Railroad Credit Corporation (The)....						153,306	153,306	2,196
Railway Express Agency, Inc. ....	1.5	*		1,500		267,567	269,067	12,478
Ruth Realty Co. ....						110,315	110,315	
St. Paul Union Depot Co. (The).....	12.5	103,600	103,600				103,600	4,144
Spokane, Coeur D'Alene & Palouse Ry. Co.....	100	20,000		20,000		1,399,482	1,419,482	
Spokane, Portland and Seattle Ry. Co.	50	20,000,000		20,000,000	25,798,500	905,000	46,703,500	
Vancouver, Victoria and Eastern Rail- way and Navigation Co. ....	100	23,500,000	23,545,000	35,000			23,580,000	
Washington & Great Northern Town- site Co. ....	100	50,000		15,939		1,459,861	1,475,800	
Western Fruit Express Co. ....	100	6,800,000		6,800,000			6,800,000	442,000
Total affiliated companies.....		*\$141,870,871	\$135,784,127	\$31,593,220	\$26,508,601	\$9,353,839	\$ 203,239,787	\$ 2,179,783
OTHER INVESTMENTS								
Crow's Nest Pass Coal Co., Ltd. (The).	7.9	\$ 491,700		\$ 810,210			\$ 810,210	\$ 14,751
Northland Greyhound Lines, Inc. ....	44.6	*		1,234,554			1,234,554	167,152
St. Paul Foundry Co.....	39.2	233,100		233,100			233,100	
Wisconsin Central Ry. Co.—Terminal Bonds.....					\$ 247,500		247,500	9,625
Various outstanding contracts.....						\$ 254,084	254,084	8,203
Miscellaneous.....		57,759		56,790	1,500	181,705	239,995	Dr.Adj.—4,629
Total other investments.....		*\$ 782,559		\$ 2,334,654	\$ 249,000	\$ 435,789	\$ 3,019,443	\$ 195,102
Grand total.....		*\$142,653,430	\$135,784,127	\$33,927,874	\$26,757,601	\$ 9,789,628	\$206,259,230	\$ 2,374,885

\*Nothing is included in this column for certain no-par value stocks.



# ANNUAL REPORT FOR 1941

## OPERATING REVENUES 1941 AND 1940

ACCOUNT	1941	1940	INCREASE		DECREASE	
			AMOUNT	PERCENT	AMOUNT	PERCENT
Freight.....	\$110,505,561	\$ 89,164,630	\$21,340,931	23.9		
Passenger.....	4,866,328	4,225,019	641,309	15.2		
Baggage.....	17,077	14,135	2,942	20.8		
Parlor and chair car.....	18,199	16,517	1,682	10.2		
Mail.....	3,298,849	2,862,642	436,207	15.2		
Express.....	1,105,241	1,039,827	65,414	6.3		
Other passenger-train.....	22,307	39,424			\$ 17,117	43.4
Milk.....	167,015	142,266	24,749	17.4		
Switching.....	905,967	776,226	129,741	16.7		
Total rail-line transportation revenue.....	120,906,544	98,280,686	22,625,858	23.0		
Dining and buffet.....	431,683	352,927	78,756	22.3		
Hotel and restaurant.....	40,634	40,027	607	1.5		
Station, train and boat privileges.....	13,166	10,515	2,651	25.2		
Parcel room.....	5,915	5,820	95	1.6		
Storage—Freight.....	20,536	16,810	3,726	22.2		
Storage—Baggage.....	5,022	3,501	1,521	43.4		
Demurrage.....	131,123	84,851	46,272	54.5		
Telegraph and telephone.....	121,205	111,421	9,784	8.8		
Rents of buildings and other property.....	226,292	245,395			19,103	7.8
Miscellaneous.....	3,272,036	2,589,231	682,805	26.4		
Total incidental operating revenues.....	4,267,612	3,460,498	807,114	23.3		
Joint facility—Cr. ....	124,586	157,487			32,901	20.9
Joint facility—Dr. ....	253,859	155,525	98,334	63.2		
Total joint facility operating revenue.....	Dr.— 129,273	Cr.— 1,962			131,235	—
Total railway operating revenues.....	\$125,044,883	\$101,743,146	\$23,301,737	22.9		

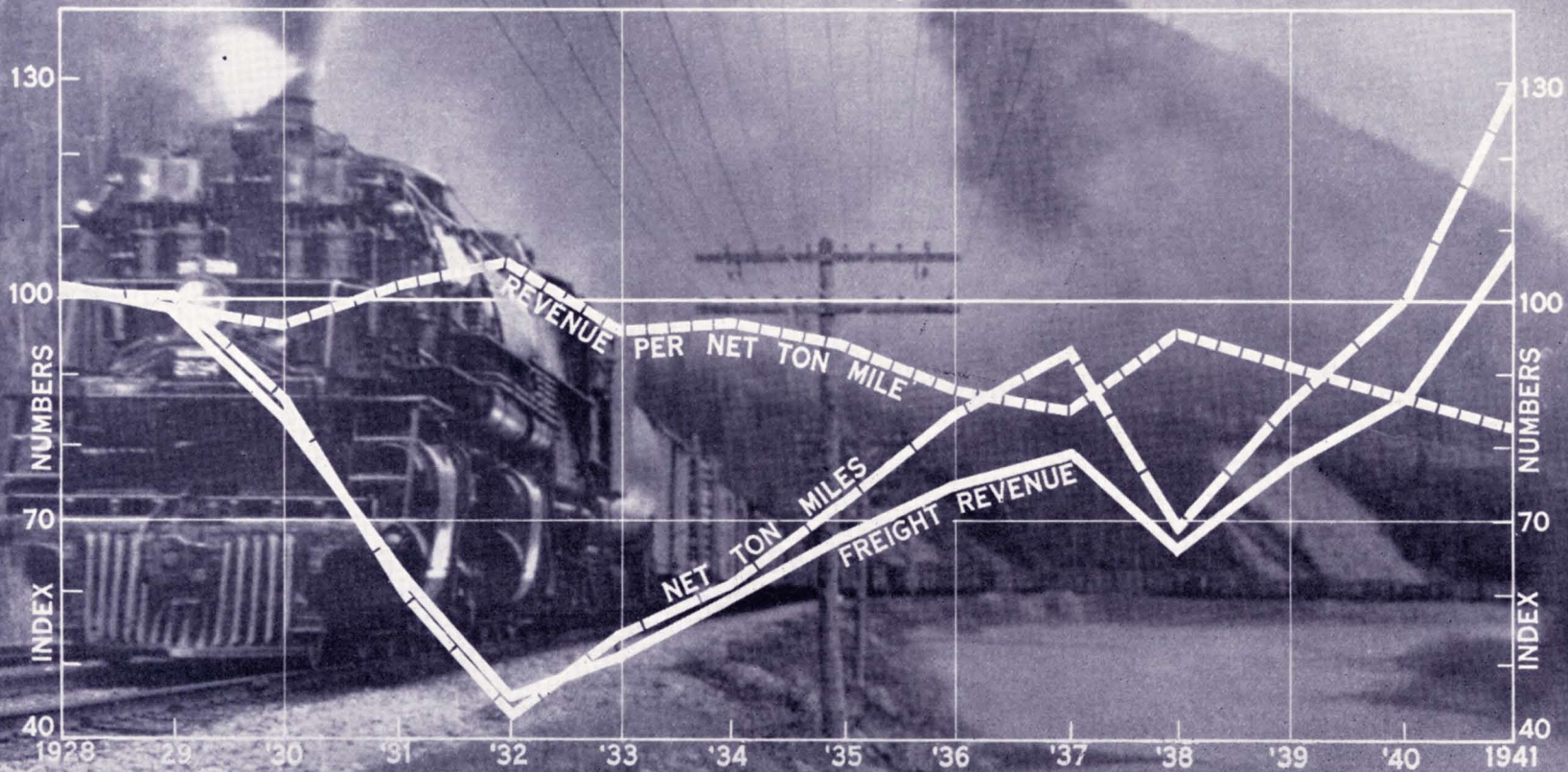
## CONDITIONAL SALE CONTRACTS OUTSTANDING DECEMBER 31, 1941 AND 1940

EQUIPMENT	RATE OF INTEREST ON DEFERRED PAYMENTS	MONTHLY PAYMENTS TO	PURCHASE PRICE OF EQUIPMENT	PRINCIPAL OUTSTANDING DECEMBER 31		
				1941	1940	INCREASE—I DECREASE—D
10—1000 H. P. and 2—600 H. P. Diesel switching locomotives.....	2%	June 1946	\$ 978,623	\$ 517,966	\$ 663,057	D—\$ 145,091
12—1000 H. P. Diesel switching and 2—1000 H. P. Diesel combination road and switching locomotives.....	2%	Sept. 1945	1,208,848	740,903	942,967	D— 202,064
1000—50 ton box cars.....	2½%	June 1946	2,912,000	2,123,514	2,510,711	D— 387,197
1500—75 ton all steel ore cars.....	2%	June 1946	4,153,560	2,598,429	3,439,349	D— 840,920
2000—50 ton box cars.....	2%	April 1949	5,690,775	4,885,217	5,510,716	D— 625,499
2000—50 ton box cars.....	2%	Feb. 1950	5,931,145	5,391,974		I— 5,391,974
2—2700 H. P. Diesel road locomotives.....	2%	July 1946	480,090	390,790		I— 390,790
2—1000 H. P. Diesel switching locomotives....	2%	Nov. 1946	159,481	154,417		I— 154,417
1—4050 H. P. and 1—2700 H. P. Diesel road locomotives, 8—1000 H. P. and 3—600 H. P. Diesel switching locomotives, and 1—1000 H. P. Diesel combination road and switching locomotive	2%	Feb. 1947	1,507,795	1,507,795		I— 1,507,795
Total.....			\$23,022,317	\$18,311,005	\$13,066,800	I—\$5,244,205



# REVENUE FREIGHT TRAFFIC

Index Numbers 1928 ~ 1929 = 100



FREIGHT TRAIN ALONG FLATHEAD RIVER, MONT.

The above chart shows a comparison of index numbers using 1928-1929 as a base because the total revenues for 1941 were almost the same as for the average of 1928-1929. See description of index numbers under chart on page 27. The middle line indicates the decline in the volume of traffic, net ton miles, to the low of 43% of 1928-1929 in 1932 with subsequent increase to 130% in 1941. During the same period the freight revenue (the lower line) increased at a slower rate, being only 108% of 1928-1929 level in 1941. As a result the revenue per net ton mile, the upper line, shows a fairly constant decrease, and in 1941 was only 83% of 1928-1929. This means that 21% more transportation had to be produced in 1941 to realize the same freight revenue as in 1928-1929.

## REVENUE FREIGHT TRAFFIC

FOR TWENTY-ONE YEARS ENDED DECEMBER 31, 1941

(EXCLUDES MOTOR VEHICLE OPERATIONS—FREIGHT REVENUE FROM THIS TRAFFIC IN 1941 AMOUNTED TO \$163,177)

YEAR	AVERAGE MILES OF ROAD OPERATED	REVENUE TONS CARRIED	REVENUE TONS CARRIED ONE MILE (NET TON MILES)	FREIGHT REVENUE	AVERAGE REVENUE PER NET TON MILE (CENTS)	AVERAGE HAUL REVENUE FREIGHT (MILES)	AVERAGE TRAIN LOAD (REVENUE NET TONS)	INDEX NUMBERS (1928-29 = 100)		
								NET TON MILES	FREIGHT REVENUE	REVENUE PER NET TON MILE
1941	8,071.53	50,381,028	13,212,936,708	\$110,342,384	.835	262.26	1,041.11	130	108	83
1940	8,068.72	40,047,611	10,113,942,319	89,010,078	.880	252.55	967.33	100	87	87
1939	8,071.68	32,821,757	8,701,383,343	79,853,655	.918	265.11	919.31	86	78	91
1938	8,071.54	23,264,183	7,017,295,740	68,418,930	.975	301.64	801.27	69	67	96
1937	8,087.49	41,513,174	9,477,756,018	81,451,161	.859	228.31	935.20	93	79	85
1936	8,188.15	34,203,355	8,664,572,456	77,046,160	.889	253.33	873.90	85	75	88
1935	8,278.28	29,394,382	7,372,079,484	70,132,152	.951	250.80	801.18	73	68	94
1934	8,344.39	21,690,396	6,137,693,978	60,347,883	.983	282.97	708.99	61	59	97
1933	8,445.12	17,781,455	5,431,602,934	52,672,751	.970	305.46	722.98	54	51	96
1932	8,408.70	11,744,694	4,324,700,394	45,958,761	1.063	368.23	581.73	43	45	105
1931	8,357.32	20,153,330	6,151,063,399	63,344,056	1.030	305.21	770.42	61	62	102
1930	8,366.63	32,037,312	8,720,583,904	85,797,268	.984	272.20	909.69	86	84	97
1929	8,387.88	39,661,221	10,150,709,921	101,178,226	.997	255.94	961.85	100	99	99
1928	8,276.64	35,593,173	10,127,253,509	103,980,301	1.027	284.53	933.94	100	101	101
1927	8,164.14	33,843,008	8,958,349,961	94,405,030	1.054	264.70	890.77	88	92	104
1926	8,188.21	35,117,929	8,902,970,446	93,346,740	1.048	253.52	873.16	88	91	104
1925	8,242.09	33,494,620	8,517,913,981	90,098,763	1.058	254.31	830.24	84	88	105
1924	8,251.44	31,669,750	8,093,136,444	86,144,671	1.064	255.55	770.06	80	84	105
1923	8,254.21	36,385,396	8,754,272,702	93,672,147	1.070	240.60	712.20	86	91	106
1922	8,260.71	27,450,587	6,882,464,797	78,065,563	1.134	250.72	655.75	68	76	112
1921	8,163.44	19,533,134	5,740,921,478	74,700,241	1.301	293.91	607.02	57	73	129



# ANNUAL REPORT FOR 1941

## REVENUE PASSENGER TRAFFIC

FOR TWENTY-ONE YEARS ENDED DECEMBER 31, 1941  
(EXCLUDES MOTOR VEHICLE OPERATIONS)

YEAR	AVERAGE MILES OF ROAD OPERATED	PASSENGERS CARRIED	PASSENGERS CARRIED ONE MILE	PASSENGER REVENUE	PASSENGER SERVICE TRAIN REVENUE	AVERAGE REVENUE PER PASSENGER MILE (CENTS)	AVERAGE JOURNEY (MILES)	AVERAGE PASSENGERS PER TRAIN	AVERAGE PASSENGERS PER SENDER CARRYING CAR	INDEX NUMBERS (1928-29 = 100)		
										PAS-SENGERS CARRIED ONE MILE	PAS-SENGER REV-ENUE	REVENUE PER PAS-SENGER MILE
1941	8,071.53	1,140,964	304,047,093	\$4,866,276	\$9,494,943	1.601	266.48	39.67	11.10	83	43	52
1940	8,068.72	1,015,415	253,846,663	4,224,973	8,339,758	1.664	249.99	32.85	9.70	69	37	54
1939	8,071.68	1,083,607	258,427,249	4,350,571	8,393,208	1.683	238.49	33.71	10.04	70	38	54
1938	8,071.54	1,146,447	271,001,010	4,544,244	8,334,916	1.677	236.38	35.00	10.25	74	40	54
1937	8,087.49	1,407,668	311,557,322	5,078,965	9,191,296	1.630	221.33	37.33	10.83	85	45	53
1936	8,188.15	1,457,725	301,706,187	4,973,523	8,944,248	1.648	206.97	37.08	11.10	82	44	53
1935	8,278.28	1,301,366	260,145,967	4,385,931	8,208,410	1.686	199.90	34.39	9.53	71	38	54
1934	8,344.39	1,244,819	246,897,409	4,202,624	7,953,108	1.702	198.34	31.87	9.18	67	37	55
1933	8,445.12	876,841	188,831,804	3,759,177	7,310,687	1.991	215.35	25.09	7.85	51	33	64
1932	8,408.70	845,213	164,220,516	3,941,659	7,928,036	2.400	194.29	21.18	6.81	45	35	77
1931	8,357.32	1,070,044	215,807,372	6,042,610	10,948,882	2.800	201.68	23.40	7.50	59	53	90
1930	8,366.63	1,694,437	291,984,003	9,000,087	14,927,843	3.082	172.32	26.44	8.01	79	79	100
1929	8,387.88	2,276,069	367,978,032	11,298,352	19,189,656	3.070	161.67	33.26	9.82	100	99	99
1928	8,276.64	2,512,026	368,238,758	11,505,352	17,693,260	3.124	146.59	34.01	10.34	100	101	101
1927	8,164.14	3,108,427	400,566,250	12,716,616	18,619,852	3.175	128.86	36.63	11.10	109	112	103
1926	8,188.21	3,081,457	409,510,459	13,041,085	18,981,137	3.185	132.90	36.77	11.34	111	114	103
1925	8,242.09	3,642,749	441,498,635	13,955,742	19,900,346	3.161	121.20	38.26	11.46	120	122	102
1924	8,251.44	3,940,656	422,372,425	13,683,383	20,408,989	3.240	107.18	36.17	10.80	115	120	105
1923	8,254.21	4,975,800	460,207,562	15,305,242	22,427,799	3.326	92.49	39.17	11.72	125	134	107
1922	8,260.71	5,509,459	450,052,946	15,112,453	21,943,937	3.358	81.69	39.51	11.55	122	133	108
1921	8,163.44	6,194,676	478,267,466	16,460,280	23,220,492	3.442	77.21	40.60	11.97	130	144	111

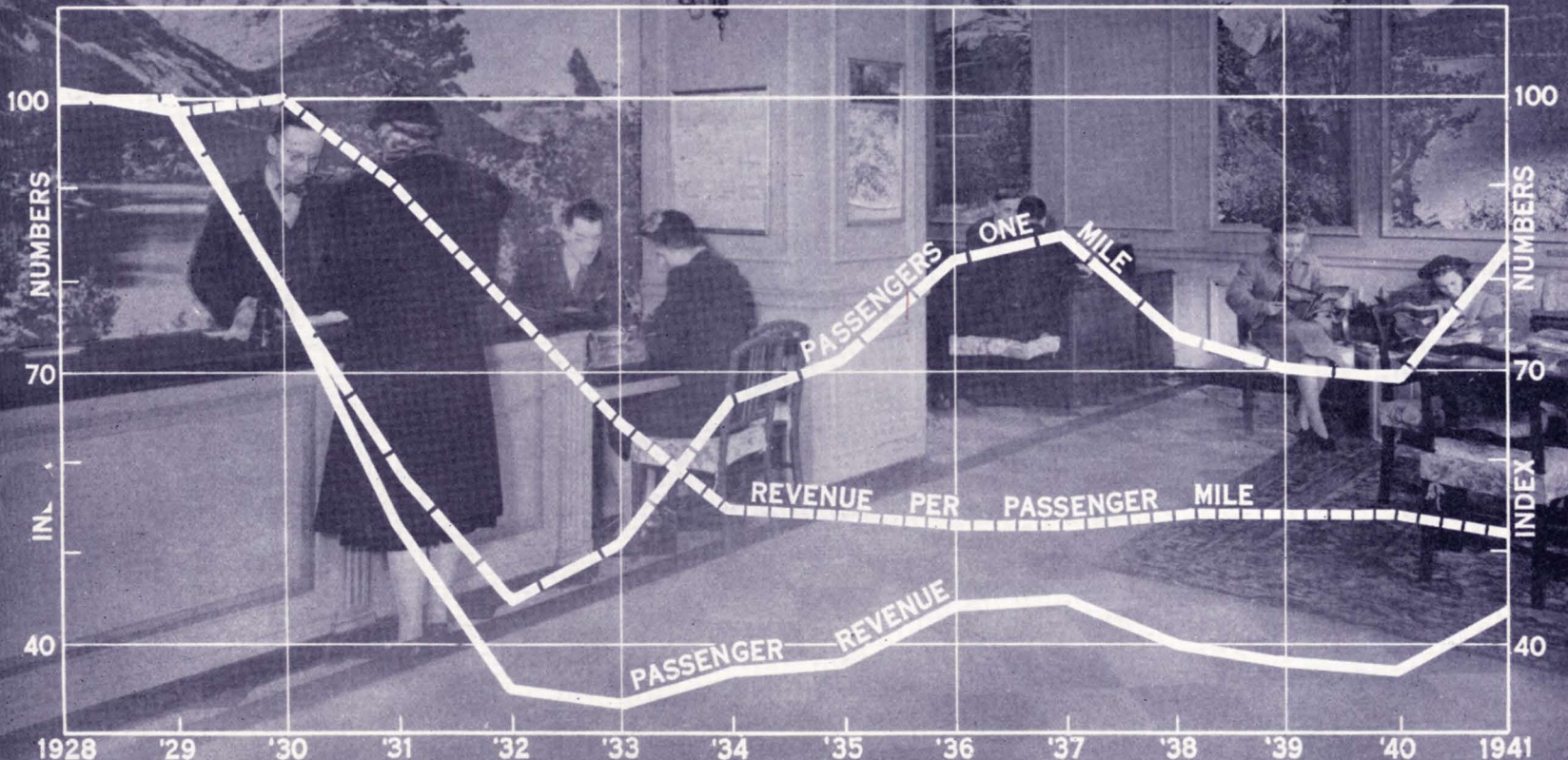
The chart below shows a comparison of index numbers using 1928-1929 as a base because the total revenues for 1941 were almost the same as for the average of 1928-1929. See description of index numbers under chart on page 27.

The volume of passenger traffic (passengers one mile) the upper line, following the drop to 45% of the 1928-1929 level in 1932, has increased and in 1941 reached 83%. The lower line shows the drop in passenger revenue which was only 43% of the 1928-1929 base in 1941. As a result the revenue per passenger mile, the middle line, has shown a fairly steady decline to the low of 52% of 1928-1929 in 1941. In other words, 93% more passenger miles had to be furnished the public in 1941 to realize the same passenger revenue as in 1928-1929.

MINNEAPOLIS CITY TICKET OFFICE

## REVENUE PASSENGER TRAFFIC

Index Numbers 1928~1929=100





# GREAT NORTHERN RAILWAY COMPANY

## OPERATING EXPENSES 1941 AND 1940

ACCOUNT	1941	1940	INCREASE	DECREASE
<b>MAINTENANCE OF WAY AND STRUCTURES</b>				
Superintendence.....	\$ 1,031,043	\$ 953,257	\$ 77,786	
Roadway maintenance.....	1,595,435	944,678	650,757	
Tunnels and subways.....	17,479	26,454		\$ 8,975
Bridges, trestles, and culverts.....	939,101	668,041	271,060	
Ties.....	2,004,126	1,877,226	126,900	
Rails.....	523,892	630,989		107,097
Other track material.....	876,776	822,091	54,685	
Ballast.....	174,369	115,439	58,930	
Track laying and surfacing.....	4,742,757	3,201,005	1,541,752	
Fences, snow sheds, and signs.....	238,229	154,305	83,924	
Station and office buildings.....	671,461	506,496	164,965	
Roadway buildings.....	150,572	87,395	63,177	
Water stations.....	282,209	412,800		130,591
Fuel stations.....	46,225	139,182		92,957
Shops and engine houses.....	586,745	467,731	119,014	
Wharves and docks.....	23,661	19,031	4,630	
Coal and ore wharves.....	222,851	134,628	88,223	
Coal and ore wharves—Depreciation.....	123,473	121,565	1,908	
Telegraph and telephone lines.....	447,164	343,884	103,280	
Signals and interlockers.....	581,020	478,736	102,284	
Power plants.....	5,398	3,954	1,444	
Power-transmission systems.....	46,911	46,974		63
Miscellaneous structures.....	4,285	4,831		546
Roadway machines.....	290,981	284,889	6,092	
Small tools and supplies.....	283,888	194,950	88,938	
Removing snow, ice, and sand.....	228,937	242,098		13,161
Public improvements—Maintenance.....	173,376	104,271	69,105	
Injuries to persons.....	64,647	70,213		5,566
Insurance.....	45,699	44,629	1,070	
Stationery and printing.....	19,294	15,166	4,128	
Other expenses.....	17,315	22,123		4,808
Other expenses—Amortization of defense projects..	43,400		43,400	
Right-of-way expenses.....	5,468	3,159	2,309	
Maintaining joint tracks, yards, and other facilities—Dr.....	476,604	417,512	59,092	
Maintaining joint tracks, yards, and other facilities—Cr.....	356,244	328,913	27,331	
Total maintenance of way and structures.....	16,628,547	13,230,789	3,397,758	
<b>MAINTENANCE OF EQUIPMENT</b>				
Superintendence.....	484,916	454,179	30,737	
Shop machinery.....	314,022	307,650	6,372	
Power-plant machinery.....	74,094	88,555		14,461
Steam locomotives—Repairs.....	6,157,808	5,397,804	760,004	
Other locomotives—Repairs.....	303,905	198,463	105,442	
Freight-train cars—Repairs.....	5,403,822	5,194,349	209,473	
Passenger-train cars—Repairs.....	1,397,305	1,251,068	146,237	
Work equipment—Repairs.....	376,416	309,623	66,793	
Miscellaneous equipment—Repairs.....	49,437	41,962	7,475	
Equipment—Retirements.....	24,108	12,855	11,253	
Equipment—Depreciation.....	3,855,919	4,041,710		185,791
Injuries to persons.....	45,182	43,846	1,336	
Insurance.....	52,347	46,116	6,231	
Stationery and printing.....	12,326	10,223	2,103	
Other expenses.....	4,632	2,449	2,183	
Other expenses—Amortization of defense projects..	2,647,976		2,647,976	
Maintaining joint equipment—Dr.....	117,975	87,173	30,802	
Maintaining joint equipment—Cr.....	85,640	51,527	34,113	
Total maintenance of equipment.....	21,236,550	17,436,498	3,800,052	
<b>TRAFFIC</b>				
Superintendence.....	560,122	535,750	24,372	
Outside agencies.....	1,253,705	1,191,008	62,697	
Advertising.....	432,168	388,330	43,838	
Traffic associations.....	38,896	36,099	2,797	
Industrial and immigration bureaus.....	79,072	77,713	1,359	
Insurance.....	1,211	1,292		81
Stationery and printing.....	126,214	128,872		2,658
Other expenses.....	615	3	612	
Total traffic.....	\$ 2,492,003	\$ 2,359,067	\$ 132,936	



# ANNUAL REPORT FOR 1941

## OPERATING EXPENSES 1941 AND 1940

ACCOUNT	1941	1940	INCREASE	DECREASE
<b>TRANSPORTATION—RAIL LINE</b>				
Superintendence.....	\$ 807,381	\$ 745,503	\$ 61,878	
Dispatching trains.....	439,253	397,059	42,194	
Station employees.....	4,833,528	4,339,488	494,040	
Weighing, inspection and demurrage bureaus.....	70,504	69,536	968	
Coal and ore wharves.....	519,015	361,782	157,233	
Station supplies and expenses.....	368,325	320,984	47,341	
Yardmasters and yard clerks.....	924,335	774,349	149,986	
Yard conductors and brakemen.....	2,471,746	1,964,040	507,706	
Yard switch and signal tenders.....	93,800	81,615	12,185	
Yard enginemen.....	1,142,554	926,670	215,884	
Yard motormen.....	470,395	378,264	92,131	
Yard switching fuel.....	1,016,168	882,217	133,951	
Water for yard locomotives.....	36,848	34,791	2,057	
Lubricants for yard locomotives.....	38,817	31,421	7,396	
Other supplies for yard locomotives.....	27,825	23,782	4,043	
Engine-house expenses—Yard.....	566,627	524,820	41,807	
Yard supplies and expenses.....	40,626	33,384	7,242	
Train enginemen.....	3,626,664	3,119,954	506,710	
Train motormen.....	315,283	237,465	77,818	
Train fuel.....	5,941,351	5,122,155	819,196	
Train power produced.....	12,437	11,675	762	
Train power purchased.....	186,659	157,407	29,252	
Water for train locomotives.....	420,181	364,893	55,288	
Lubricants for train locomotives.....	218,372	157,201	61,171	
Other supplies for train locomotives.....	52,727	39,543	13,184	
Engine-house expenses—Train.....	1,248,701	1,103,491	145,210	
Trainmen.....	4,973,403	4,201,080	772,323	
Train supplies and expenses.....	2,030,278	1,787,305	242,973	
Signal and interlocker operation.....	310,782	293,649	17,133	
Crossing protection.....	58,826	48,126	10,700	
Drawbridge operation.....	11,745	11,491	254	
Telegraph and telephone operation.....	344,562	308,258	36,304	
Stationery and printing.....	133,141	104,007	29,134	
Other expenses.....	113,820	121,131		\$ 7,311
Insurance.....	38,138	32,003	6,135	
Clearing wrecks.....	63,320	56,818	6,502	
Damage to property.....	42,492	29,723	12,769	
Damage to live stock on right of way.....	42,118	34,675	7,443	
Loss and damage—Freight.....	332,118	300,246	31,872	
Loss and damage—Baggage.....	850	479	371	
Injuries to persons.....	238,487	241,819		3,332
Operating joint yards and terminals—Dr.....	944,459	811,125	133,334	
Operating joint yards and terminals—Cr.....	688,167	618,377	69,790	
Operating joint tracks and facilities—Dr.....	204,541	217,693		13,152
Operating joint tracks and facilities—Cr.....	222,603	150,320	72,283	
Total transportation—rail line.....	34,862,432	30,034,420	4,828,012	
<b>MISCELLANEOUS OPERATIONS</b>				
Dining and buffet service.....	804,238	681,905	122,333	
Hotels and restaurants.....	47,681	27,745	19,936	
Other miscellaneous operations.....	149,801	127,341	22,460	
Total miscellaneous operations.....	1,001,720	836,991	164,729	
<b>GENERAL</b>				
Salaries and expenses of general officers.....	311,614	308,028	3,586	
Salaries and expenses of clerks and attendants.....	1,298,937	1,238,330	60,607	
General office supplies and expenses.....	87,128	83,059	4,069	
Law expenses.....	246,093	243,906	2,187	
Insurance.....	5,752	9,159		3,407
Pensions.....	29,339	36,213		6,874
Stationery and printing.....	98,994	74,241	24,753	
Valuation expenses.....	10,568	7,235	3,333	
Other expenses.....	212,039	146,666	65,373	
General joint facilities—Dr.....	26,720	24,991	1,729	
General joint facilities—Cr.....	9,970	10,096		126
Total general.....	2,317,214	2,161,732	155,482	
<b>TRANSPORTATION FOR INVEST- MENT—CR.....</b>				
	215,100	157,774	57,326	
Grand total railway operating expenses...	\$78,323,366	\$65,901,723	\$12,421,643	



# GREAT NORTHERN RAILWAY COMPANY

STATISTICS OF RAIL-LINE OPERATIONS—FREIGHT SERVICE  
(EXCLUDES MOTOR VEHICLE OPERATIONS—FREIGHT REVENUE FROM THIS TRAFFIC IN 1941 AMOUNTED TO \$163,177)  
1941 AND 1940

ITEM	1941	1940	INCREASE		DECREASE	
			AMOUNT	PER CENT	AMOUNT	PER CENT
FREIGHT TRAIN OPERATIONS (Including incidental passenger service)						
Average mileage of road operated.....	7,975.71	7,972.90	2.81	.04		
TRAIN MILES						
Ordinary (with locomotives).....	12,439,710	10,217,103	2,222,607	21.75		
Ordinary (without locomotives).....	179,685	163,117	16,568	10.16		
Total.....	12,619,395	10,380,220	2,239,175	21.57		
Light (with locomotives).....	60,511	55,871	4,640	8.30		
Grand total.....	12,679,906	10,436,091	2,243,815	21.50		
MOTIVE POWER MILES						
Locomotive Miles:						
Principal.....	12,501,782	10,274,353	2,227,429	21.68		
Helper.....	133,652	120,751	12,901	10.68		
Light.....	399,270	336,196	63,074	18.76		
Train switching.....	1,033,848	961,906	71,942	7.48		
Yard switching.....	4,656,653	3,848,048	808,605	21.01		
Total.....	18,725,205	15,541,254	3,183,951	20.49		
Rail motor-cars (self-propelled units).....	179,685	163,117	16,568	10.16		
Grand total.....	18,904,890	15,704,371	3,200,519	20.38		
CAR MILES						
Freight—loaded.....	448,515,899	356,388,996	92,126,903	25.85		
Freight—empty.....	280,190,351	235,881,884	44,308,467	18.78		
Total.....	728,706,250	592,270,880	136,435,370	23.04		
Passenger coaches.....	810,987	678,601	132,386	19.51		
Sleeping and parlor cars.....	109,012	45,710	63,302	138.49		
Mail, express, and baggage cars, etc.....	7,179,974	6,748,450	431,524	6.39		
Combination passenger cars.....	965,662	1,118,842			153,180	13.69
Business cars.....	16,903	26,693			9,790	36.68
Total.....	9,082,538	8,618,296	464,242	5.39		
Caboose.....	11,625,145	9,241,428	2,383,717	25.79		
Grand total.....	749,413,933	610,130,604	139,283,329	22.83		
GROSS TON MILES—ROAD SERVICE						
Locomotives and tenders.....	3,778,431,503	3,043,107,669	735,323,834	24.16		
Cars, contents and cabooses.....	31,896,807,246	25,406,896,009	6,489,911,237	25.54		
Total.....	35,675,238,749	28,450,003,678	7,225,235,071	25.40		
NET TON MILES—ROAD SERVICE						
Revenue.....	13,200,873,296	10,095,179,700	3,105,693,596	30.76		
Non-revenue.....	979,623,775	874,055,201	105,568,574	12.08		
Total.....	14,180,497,071	10,969,234,901	3,211,262,170	29.28		
TRAIN HOURS—ROAD SERVICE						
	805,889	670,037	135,852	20.28		
AVERAGES						
Train load—all freight (tons).....	1,123.71	1,056.74	66.97	6.34		
Freight-car load—all freight (tons).....	31.62	30.78	.84	2.73		
Cars per train—freight cars.....	57.74	57.06	.68	1.19		
Cars per train—passenger cars.....	.72	.83			.11	13.25
Cars per train—total (excluding cabooses).....	58.46	57.89	.57	.98		
Train speed—train miles per train hour.....	15.73	15.58	.15	.96		
REVENUE FREIGHT TRAFFIC— TOTAL IN FREIGHT AND PASSENGER TRAINS						
Tons of freight carried.....	50,381,028	40,047,611	10,333,417	25.80		
Net ton miles.....	13,212,936,708	10,113,942,319	3,098,994,389	30.64		
Freight revenue.....	\$ 110,342,384	\$ 89,010,078	\$ 21,332,306	23.97		
AVERAGES						
Miles per revenue ton.....	262.26	252.55	9.71	3.84		
Revenue per ton mile.....	\$ .00835	\$ .00880			\$ .00045	5.11
Revenue per ton.....	\$ 2.19	\$ 2.22			\$ .03	1.35
Traffic density—revenue ton miles per mile of road.....	1,656,647	1,268,540	388,107	30.59		



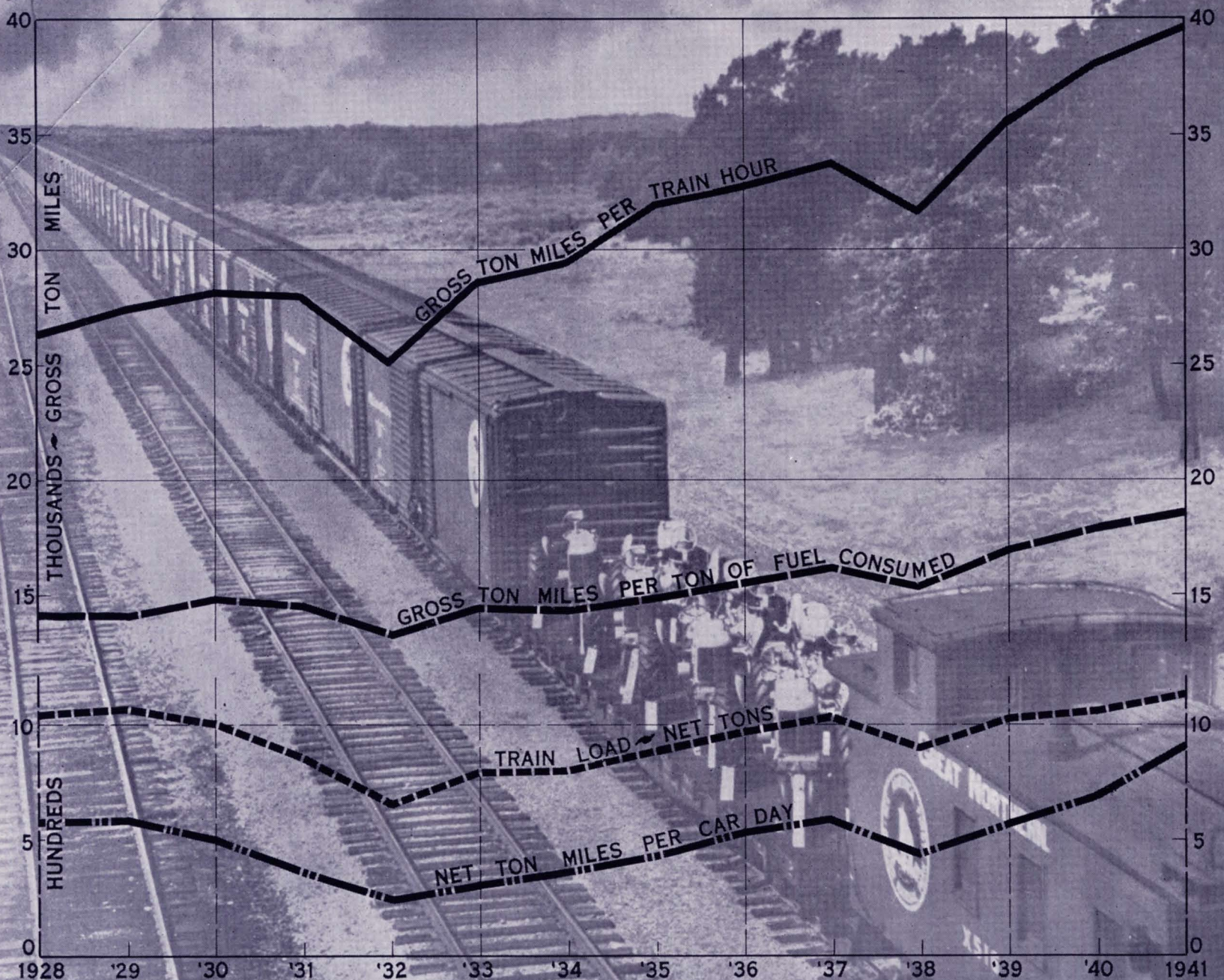
# ANNUAL REPORT FOR 1941

## STATISTICS OF RAIL-LINE OPERATIONS—PASSENGER SERVICE (EXCLUDES MOTOR VEHICLE OPERATIONS) 1941 AND 1940

ITEM	1941	1940	INCREASE		DECREASE	
			AMOUNT	PER CENT	AMOUNT	PER CENT
PASSENGER TRAIN OPERATIONS (Including incidental freight service)						
Average mileage of road operated.....	5,909.01	6,156.40			247.39	4.02
TRAIN MILES						
Ordinary (with locomotives).....	6,374,556	6,288,653	85,903	1.37		
Ordinary (without locomotives).....	1,290,750	1,439,720			148,970	10.35
Total.....	7,665,306	7,728,373			63,067	.82
MOTIVE POWER MILES						
Locomotive Miles:						
Principal.....	6,374,556	6,288,653	85,903	1.37		
Helper.....	9,010	7,865	1,145	14.56		
Light.....	177,056	154,523	22,533	14.58		
Train switching.....	7,086	7,950			864	10.87
Yard switching.....	240,742	236,299	4,443	1.88		
Total.....	6,808,450	6,695,290	113,160	1.69		
Rail motor-cars (self-propelled units).....	1,290,750	1,439,720			148,970	10.35
Grand total.....	8,099,200	8,135,010			35,810	.44
CAR MILES						
Passenger coaches.....	13,632,653	13,569,891	62,762	.46		
Sleeping and parlor cars.....	13,575,637	12,464,547	1,111,090	8.91		
Club, lounge, dining and observation cars...	3,951,125	3,691,070	260,055	7.05		
Mail, express, and baggage cars, etc.....	22,680,789	21,857,930	822,859	3.76		
Combination passenger cars.....	345,161	257,961	87,200	33.80		
Business cars.....	337,438	372,531			35,093	9.42
Total.....	54,522,803	52,213,930	2,308,873	4.42		
Freight—loaded.....	474,973	970,063			495,090	51.04
Freight—empty.....	3,918	54,304			50,386	92.79
Total.....	478,891	1,024,367			545,476	53.25
Caboose.....	36,794	15,263	21,531	141.07		
Grand total.....	55,038,488	53,253,560	1,784,928	3.35		
NET ROAD MILES—ROAD SERVICE						
Revenue.....	12,063,412	18,762,619			6,699,207	35.71
Non-revenue.....	436,218	1,018,147			581,929	57.16
Total.....	12,499,630	19,780,766			7,281,136	36.81
TRAIN HOURS—ROAD SERVICE						
	228,321	232,506			4,185	1.80
AVERAGES						
Cars per train—total.....	7.18	6.89	.29	4.21		
Train speed—train miles per train hour.....	33.57	33.24	.33	.99		
Train miles per mile of road.....	1,297.22	1,255.34	41.88	3.34		
Revenue passengers per passenger carrying car	11.10	9.70	1.40	14.43		
REVENUE PASSENGER TRAFFIC— TOTAL IN PASSENGER AND FREIGHT TRAINS						
Revenue passengers carried.....	1,140,964	1,015,415	125,549	12.36		
Revenue passenger miles.....	304,047,093	253,846,663	50,200,430	19.78		
Passenger revenue.....	\$ 4,866,276	\$ 4,224,973	\$ 641,303	15.18		
Passenger service train revenue.....	\$ 9,494,943	\$ 8,339,758	\$ 1,155,185	13.85		
AVERAGES						
Miles per revenue passenger.....	266.48	249.99	16.49	6.60		
Revenue per passenger mile.....	\$ .01601	\$ .01664			\$ .00063	3.79
Revenue per passenger.....	\$ 4.27	\$ 4.16	\$ .11	2.64		
Revenue passengers per train.....	39.67	32.85	6.82	20.76		
Revenue passenger miles per mile of road...	51,455	41,233	10,222	24.79		



# FREIGHT TRAIN PERFORMANCE



GREAT NORTHERN TRAINS LINK FARMS AND MARKETS

The top line indicates the gross ton miles produced for each hour of train service increased from approximately 27,000 in 1928-1929 to nearly 40,000 in 1941, an increase of 47%. The gross ton miles of freight trains per ton of fuel consumed shows the improving fuel performance, and was 30% better in 1941 than in 1928-1929. The third line shows that the train load in 1941 of 1,124 net tons was the highest during the period. The lowest line, the net ton miles per car day, is the ultimate factor of freight car utilization and is the product of the carload, the percent of loads to all cars including empties and the car miles per car day. The 899 net ton miles per car day in 1941 was an all time high, 56% above the 1928-1929 average.

YEAR	GROSS TON MILES PER TRAIN HOUR	GROSS TON MILES PER TON OF FUEL CONSUMED	TRAIN LOAD (NET TONS ALL FREIGHT)	NET TON MILES PER CAR DAY	YEAR	GROSS TON MILES PER TRAIN HOUR	GROSS TON MILES PER TON OF FUEL CONSUMED	TRAIN LOAD (NET TONS ALL FREIGHT)	NET TON MILES PER CAR DAY
1941	39,580	18,437	1,124	899	1934	29,294	14,281	793	353
1940	37,919	17,769	1,057	675	1933	28,525	14,451	791	303
1939	35,462	16,874	1,017	559	1932	24,991	13,285	656	248
1938	31,526	15,296	885	437	1931	27,940	14,546	855	353
1937	33,609	16,150	1,026	577	1930	28,021	14,862	1,003	499
1936	32,574	15,463	957	522	1929	27,410	14,073	1,065	580
1935	31,857	14,745	879	426	1928	26,281	14,232	1,046	576



## ANNUAL REPORT FOR 1941

FREIGHT COMMODITY STATISTICS  
1941 AND 1940

COMMODITY	1941				1940	
	NUMBER OF CARLOADS			NUMBER OF TONS (2,000 LBS.)	NUMBER OF CARLOADS	NUMBER OF TONS (2,000 LBS.)
	ORIGINATED	RECEIVED FROM CONNECTIONS	TOTAL			
PRODUCTS OF AGRICULTURE						
Wheat.....	56,219	1,783	58,002	2,624,944	49,812	2,228,356
Corn.....	6,400	884	7,284	311,568	6,752	282,674
Oats.....	6,494	181	6,675	219,287	4,788	169,169
Barley and rye.....	19,162	497	19,659	808,994	12,536	507,199
Flour and meal.....	13,588	1,218	14,806	399,170	14,772	395,746
Mill products.....	4,567	1,329	5,896	143,860	5,070	123,746
Apples, fresh.....	16,563	564	17,127	336,318	15,128	287,183
Other fresh fruits.....	3,080	6,754	9,834	166,728	8,732	145,199
Potatoes.....	25,248	1,761	27,009	489,872	26,229	477,573
Vegetables, fresh.....	946	2,400	3,346	57,427	3,135	40,314
Flaxseed.....	4,417	77	4,494	186,895	4,183	179,007
Sugar beets.....	7,894	302	8,196	372,620	8,288	375,493
Other products of agriculture.....	6,896	3,312	10,208	236,060	7,060	169,461
Total products of agriculture.....	171,474	21,062	192,536	6,353,743	166,485	5,381,117
ANIMALS AND PRODUCTS						
Cattle and calves.....	10,743	1,906	12,649	137,863	10,501	111,462
Sheep and goats.....	6,749	1,205	7,954	71,265	7,546	62,840
Hogs.....	3,695	231	3,926	35,343	4,429	35,124
Fresh meats.....	4,724	371	5,095	62,658	4,780	57,468
Poultry.....	1,169	241	1,410	17,689	1,366	17,330
Eggs.....	1,263	84	1,347	16,099	1,330	16,866
Butter.....	2,296	201	2,497	31,855	2,268	28,759
Other animals and products.....	3,370	1,268	4,638	102,258	3,758	79,000
Total animals and products.....	34,009	5,507	39,516	475,030	35,978	408,849
PRODUCTS OF MINES						
Anthracite coal.....		*1,056	1,056	28,977	1,132	31,148
Bituminous coal.....	2,056	*39,622	41,678	1,623,594	41,513	1,617,006
Lignite.....	9,495	3,774	13,269	434,211	12,246	393,466
Coke.....	4,013	884	4,897	156,899	4,612	145,797
Iron ore.....	382,609	34,793	417,402	28,973,238	318,868	22,289,195
Other ore and concentrates.....	3,199	4,959	8,158	410,088	7,177	365,330
Gravel, sand, and stone.....	5,315	2,360	7,675	401,210	7,618	418,970
Crude petroleum.....	6,563	615	7,178	246,958	7,137	265,569
Asphalt.....	1,730	2,649	4,379	160,439	3,736	137,167
Salt.....	301	1,373	1,674	50,640	1,360	40,552
Other products of mines.....	4,957	1,650	6,607	321,539	7,438	364,146
Total products of mines.....	420,238	93,735	513,973	32,807,793	412,837	26,068,346
PRODUCTS OF FORESTS						
Logs, posts, poles, ties and cordwood.....	38,988	4,329	43,317	1,721,515	29,564	1,165,208
Pulp wood.....	3,190	34	3,224	117,885	2,981	103,784
Lumber, shingles, etc.....	56,403	37,498	93,901	2,701,410	70,171	1,931,724
Other products of forests.....	1,032	320	1,352	29,313	1,964	39,056
Total products of forests.....	99,613	42,181	141,794	4,570,123	104,680	3,239,772
MANUFACTURES AND MISCELLANEOUS						
Petroleum products.....	35,473	23,678	59,151	1,600,723	55,814	1,517,372
Sugar, sirup and molasses.....	2,482	1,713	4,195	139,139	3,351	108,631
Metals—pig, bar, sheet and pipe.....	5,472	11,887	17,359	748,574	12,300	552,820
Machinery and boilers.....	641	1,620	2,261	51,711	1,193	24,163
Cement, brick, lime and plaster.....	11,817	6,641	18,458	697,164	16,859	610,532
Agricultural implements, vehicles, etc.....	1,128	3,701	4,829	71,725	3,590	53,376
Automobiles and auto trucks.....	1,159	13,123	14,282	112,859	10,966	69,079
Beverages.....	952	2,016	2,968	63,194	3,233	67,262
Newsprint paper and printing paper.....	2,957	5,400	8,357	239,979	6,119	175,109
Canned food products.....	2,810	4,528	7,338	217,402	4,957	134,542
Scrap iron and scrap steel.....	3,117	119	3,236	142,861	2,365	103,616
Paper bags, paperboard, etc.....	2,354	3,292	5,646	155,669	4,149	111,530
Other manufactures and miscellaneous.....	25,178	35,944	61,122	1,640,924	46,217	1,161,254
Total manufactures and miscellaneous....	95,540	113,662	209,202	5,881,924	171,113	4,689,286
Grand total carload traffic.....	820,874	276,147	1,097,021	50,088,613	891,093	39,787,370
Merchandise—All L. C. L. traffic.....				308,395		276,174
Grand total carload and L. C. L. traffic.....				50,397,008		40,063,544

\*Mostly coal originating on line at Duluth, Minn., or Superior, Wis., after movement from lower lake ports by boat, classified as "Received from connections" because of previous rail haul from mines to lower lake ports.



# GREAT NORTHERN RAILWAY COMPANY

## EQUIPMENT OWNED

(INCLUDES EQUIPMENT OWNED BY WESTERN FRUIT EXPRESS COMPANY AND VANCOUVER, VICTORIA AND EASTERN  
RAILWAY AND NAVIGATION COMPANY, WHOLLY OWNED SUBSIDIARIES)  
DECEMBER 31, 1941 AND 1940

CLASS	December 31, 1941	December 31, 1940
<b>LOCOMOTIVES</b>		
*Steam locomotives.....	813	888
Electric locomotives.....	15	15
Diesel locomotives.....	49	32
Total locomotives.....	877	935
<b>FREIGHT-TRAIN CARS</b>		
Box cars.....	24,316	24,262
Flat cars.....	3,178	2,869
Stock cars.....	1,888	1,888
*Coal cars.....	2,897	2,897
Ore cars.....	7,902	8,038
Refrigerator cars.....	7,012	7,050
*Caboose cars.....	422	404
Other freight-train cars.....	157	25
Total freight equipment.....	47,772	47,433
<b>PASSENGER-TRAIN CARS</b>		
Coaches.....	180	183
Combination passenger cars.....	33	35
Motor cars.....	34	35
Other combination cars.....	83	84
Dining cars.....	24	24
Baggage and express cars.....	337	340
Postal cars.....	14	14
Other passenger-train cars.....	21	14
Total passenger equipment.....	726	729
<b>COMPANY SERVICE EQUIPMENT</b>		
Officers' cars.....	14	14
Ballast cars.....	97	97
Derrick cars.....	34	34
Wrecking cars.....	132	158
*Other company service equipment.....	2,066	1,967
Total company service equipment.....	2,343	2,270
<b>HIGHWAY MOTOR VEHICLES</b>		
Revenue.....	29	29
Company service.....	147	136

The investment in the above equipment December 31, 1941, was:

Great Northern Railway Company.....	\$139,882,131
Western Fruit Express Company.....	15,109,047
Vancouver, Victoria and Eastern Railway and Navigation Company.....	3,336
<b>Total.....</b>	<b>\$154,994,514</b>

\*Does not include 2 steam locomotives, 1 caboose car and 1 snow dozer owned by The Midland Railway Company of Manitoba, which is owned by the Great Northern and Northern Pacific railway companies jointly.

## CONDITION OF EQUIPMENT DECEMBER 31, 1941 AND 1940

	December 31, 1941			December 31, 1940		
	LOCOMOTIVES	FREIGHT CARS	PASSENGER TRAIN CARS	LOCOMOTIVES	FREIGHT CARS	PASSENGER TRAIN CARS
Locomotives owned and cars on line.....	877	40,979	688	935	41,615	703
Units unserviceable.....	** 92	886	31	** 145	1,473	23
Percent unserviceable.....	10.5%	2.2%	4.5%	15.5%	3.5%	3.3%

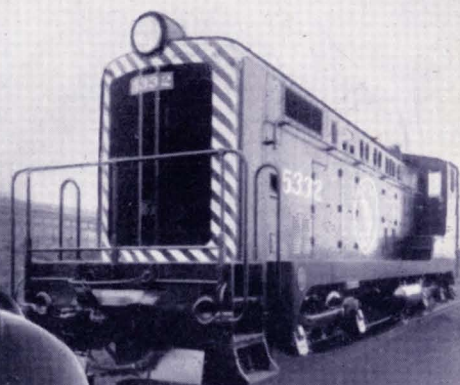
\*\* In shop or awaiting shop.



# NEW LOCOMOTIVES RECEIVED IN 1941



1000 H. P. DIESEL ROAD AND SWITCH



2 - 1000 H. P.  
DIESEL SWITCH



3 - 2700 H. P. DIESEL  
FREIGHT AND PASSENGER  
ROAD LOCOMOTIVES



3 - 600 H. P.  
DIESEL SWITCH



8 - 1000 H. P. DIESEL SWITCH  
30 RECEIVED IN LAST 3 YEARS



15 - HEAVY FREIGHT MALLET STEAM LOCOMOTIVES  
24 - REBUILT AND MODERNIZED AT COMPANY  
SHOPS IN 1940 AND 1941



4050 H. P. DIESEL FREIGHT ROAD LOCOMOTIVE



# GREAT NORTHERN RAILWAY COMPANY

## TRACTIVE POWER AND WEIGHT OF LOCOMOTIVES OWNED DECEMBER 31

KIND	DECEMBER 31	NUMBER	TRACTIVE POWER		WEIGHT EXCLUSIVE OF TENDER		AVERAGE WEIGHT ON DRIVERS PER LOCOMOTIVE (TONS)
			TOTAL (POUNDS)	AVERAGE PER LOCOMOTIVE (POUNDS)	TOTAL (TONS)	AVERAGE PER LOCOMOTIVE (TONS)	
STEAM LOCOMOTIVES	1941	813	48,899,362	60,147	117,578	144.62	117.01
	1940	888	51,369,620	57,849	125,194	140.98	113.97
	1939	904	51,425,041	56,886	126,435	139.86	113.08
	1938	942	52,109,072	55,317	128,997	136.94	110.93
	1937	964	52,657,141	54,624	131,457	136.37	109.99
	1936	1,001	53,653,168	53,600	134,275	134.14	108.25
	1935	1,025	54,404,826	53,078	136,128	132.81	107.56
	1934	1,026	54,440,026	53,060	136,239	132.79	107.52
	1933	1,049	55,007,134	52,438	137,904	131.46	106.54
	1932	1,049	55,004,934	52,436	137,904	131.46	106.54
ELECTRIC LOCOMOTIVES	1941	15	1,845,720	123,048	3,929	261.93	205.12
DIESEL LOCOMOTIVES	1941	49	3,127,512	63,827	6,255	127.65	127.65
TOTAL LOCOMOTIVES	1941	877	53,872,594	61,428	127,762	145.68	119.11

## AGGREGATE AND AVERAGE CAPACITY OF FREIGHT CARS OWNED AND LEASED (INCLUDES REFRIGERATOR CARS OWNED AND LEASED BY WESTERN FRUIT EXPRESS COMPANY, A WHOLLY OWNED SUBSIDIARY) DECEMBER 31, 1937, TO 1941

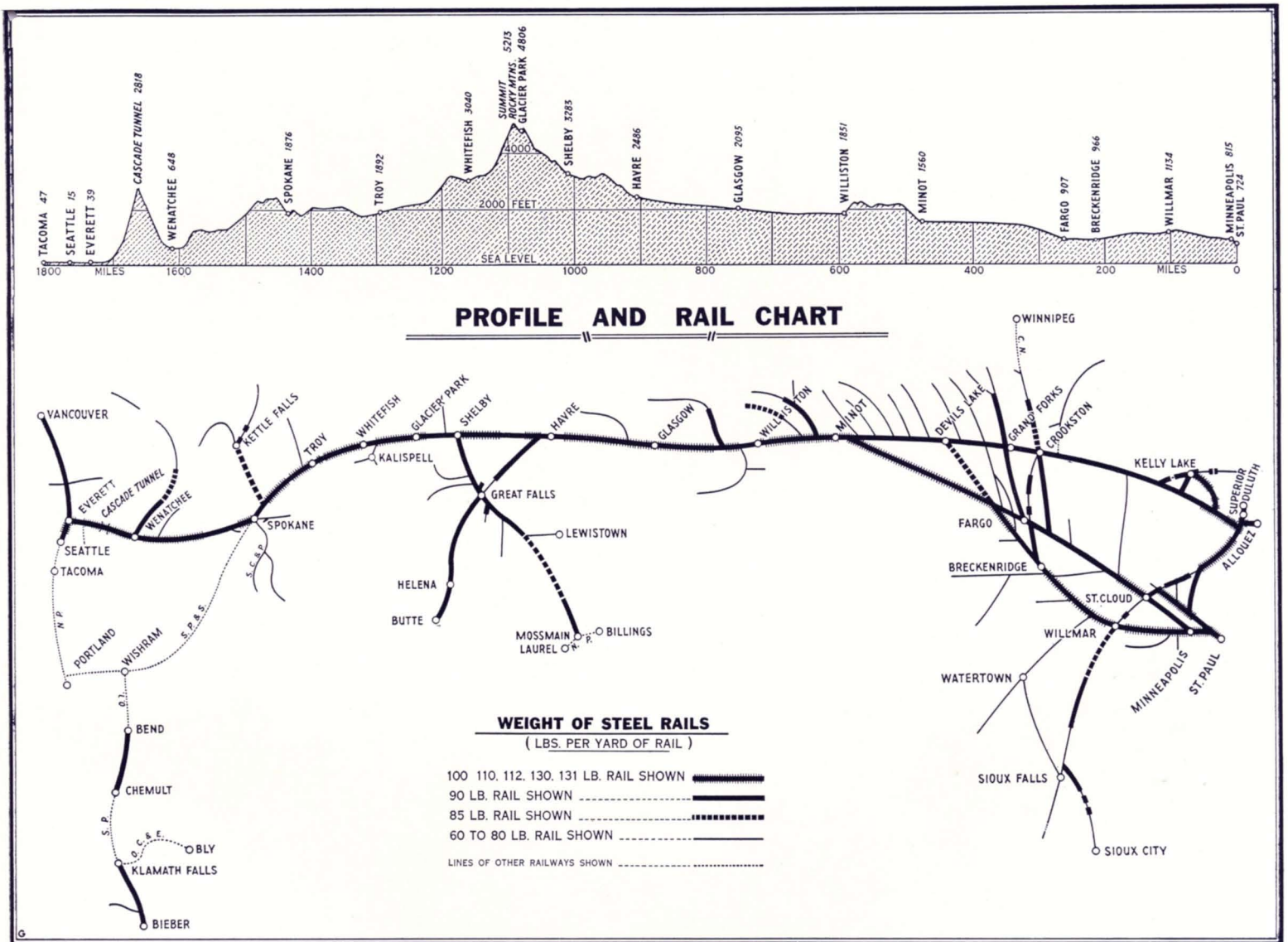
KIND	AGGREGATE CAPACITY IN TONS—DECEMBER 31					AVERAGE CAPACITY—TONS PER CAR—DECEMBER 31				
	1941	1940	1939	1938	1937	1941	1940	1939	1938	1937
Box cars.....	1,029,090	964,760	905,360	856,370	866,990	44.03	42.99	41.42	40.55	40.52
Auto cars.....	46,770	88,460	166,150	206,620	206,030	49.70	48.60	48.77	48.10	47.98
Flat cars.....	148,090	135,460	137,810	143,140	133,860	46.60	47.22	47.36	47.73	47.60
Stock cars.....	73,270	73,240	73,240	89,310	89,070	37.62	37.62	37.62	33.33	33.35
Coal cars.....	149,930	149,930	152,730	160,830	164,980	51.75	51.75	51.69	51.60	51.56
Refrigerator cars....	219,517	220,530	223,345	224,805	225,418	31.31	31.28	31.20	31.17	31.17
Ore cars.....	552,525	559,325	546,375	564,075	568,625	69.92	69.59	64.06	63.50	63.36
Other freight-train cars.....	6,530	1,250	1,250	2,880	14,190	41.59	50.00	50.00	49.66	49.79
Total.....	2,225,722	2,192,955	2,206,260	2,248,030	2,269,163	47.01	46.23	45.28	44.64	44.61

## MILEAGE OWNED AND OPERATED (INCLUDES MILEAGE OWNED BY PROPRIETARY COMPANIES WHOSE OPERATIONS ARE INCLUDED IN THIS REPORT) DECEMBER 31, 1941

STATE OR PROVINCE	MILEAGE OWNED—DECEMBER 31, 1941				MILEAGE OPERATED—DECEMBER 31, 1941			
	TOTAL MILES OF ROAD	SECOND AND OTHER MAIN TRACKS	YARDS, SIDINGS AND SPURS	TOTAL TRACK MILEAGE	TOTAL MILES OF ROAD	SECOND AND OTHER MAIN TRACKS	YARDS, SIDINGS AND SPURS	TOTAL TRACK MILEAGE
Wisconsin.....	38.35	19.74	167.12	225.21	44.30	25.40	167.37	237.07
Minnesota.....	2,068.80	175.01	754.68	2,998.49	2,085.40	237.76	789.10	3,112.26
North Dakota.....	1,910.36	53.15	436.85	2,400.36	1,910.36	53.15	436.69	2,400.20
South Dakota.....	358.97	.....	46.32	405.29	364.13	.....	46.32	410.45
Iowa.....	78.02	.....	35.68	113.70	78.02	.....	35.68	113.70
Montana.....	1,853.87	120.43	519.76	2,494.06	1,843.68	139.27	597.70	2,580.65
Idaho.....	107.11	.....	29.00	136.11	107.11	.....	29.00	136.11
Washington.....	947.13	66.20	464.16	1,477.49	1,141.67	203.99	549.57	1,895.23
Oregon.....	108.38	.....	60.30	168.68	179.21	9.40	124.87	313.48
California.....	99.24	.....	20.23	119.47	100.47	.....	21.83	122.30
Manitoba.....	5.66	.....	8.82	14.48	74.72	2.39	23.64	100.75
British Columbia.....	179.27	7.07	33.28	219.62	147.72	7.07	27.09	181.88
Total owned or operated.....	7,755.16	441.60	2,576.20	10,772.96	8,076.79	678.43	2,848.86	11,604.08
Miles owned but not operated included above.....	86.67	.....	18.28	104.95				
Proportion of jointly owned mileage belonging to other companies included above.....	32.54	1.12	77.08	110.74				



# ANNUAL REPORT FOR 1941



WEIGHT OF STEEL RAILS IN MAIN AND BRANCH LINES  
DECEMBER 31, 1941

WEIGHT (POUNDS PER YARD)	MAIN LINE (MILES)	BRANCHES (MILES)	SECOND, THIRD AND FOURTH TRACKS (MILES)	TOTAL MILES	
				DECEMBER 31, 1941	DECEMBER 31, 1940
131	15.19	.....	.53	15.72	11.72
130	54.33	.....	10.83	65.16	68.65
112	349.78	.04	33.45	383.27	244.43
110	961.04	20.26	73.21	1,054.51	1,059.15
100	168.96	10.70	31.06	210.72	223.00
90	2,131.79	498.32	281.91	2,912.02	2,945.00
85	142.70	299.10	4.87	446.67	441.63
80	50.76	232.55	.65	283.96	288.69
77½	49.04	534.66	3.96	587.66	574.76
75	3.22	362.15	1.13	366.50	376.81
60 to 70	.....	1,864.91	.....	1,864.91	1,947.68
Total.....	3,926.81	3,822.69	441.60	8,191.10	8,181.52



# GREAT NORTHERN RAILWAY COMPANY

## CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY GENERAL BALANCE SHEET DECEMBER 31, 1941 AND 1940

ASSET SIDE	December 31, 1941	December 31 1940	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property:				
Road.....	\$433,833,117	\$436,985,524	.....	\$3,152,407
Equipment.....	148,754,925	138,055,512	\$10,699,413	.....
General expenditures.....	33,243,098	33,281,228	.....	38,130
Total.....	615,831,140	608,322,264	7,508,876	.....
Improvements on leased property.....	105,741	154,434	.....	48,693
Deposits in lieu of mortgaged property sold.....	46,818	32,096	14,722	.....
Miscellaneous physical property.....	6,407,028	5,125,685	1,281,343	.....
Investments in affiliated companies:				
Stocks.....	26,555,644	26,585,644	.....	30,000
Notes.....	2,584,306	2,625,177	.....	40,871
Advances.....	8,212,766	9,098,895	.....	886,129
Total.....	37,352,716	38,309,716	.....	957,000
Other investments:				
Stocks.....	3,737,151	3,737,151	.....	.....
Bonds.....	225,900	225,900	.....	.....
Notes.....	117,696	121,139	.....	3,443
Advances.....	825	950	.....	125
Miscellaneous.....	60,113	88,762	.....	28,649
Total.....	4,141,685	4,173,902	.....	32,217
Total investments.....	663,885,128	656,118,097	7,767,031	.....
<b>CURRENT ASSETS</b>				
Cash.....	13,664,186	9,644,653	4,019,533	.....
Temporary cash investments.....	4,407,033	405,864	4,001,169	.....
Special deposits.....	9,965,124	1,006,003	8,959,121	.....
Loans and bills receivable.....	3,864	6,449	.....	2,585
Traffic and car-service balances—Dr. ....	81,710	.....	81,710	.....
Net balance receivable from agents and conductors.....	1,668,464	1,166,139	502,325	.....
Miscellaneous accounts receivable.....	4,360,958	3,176,553	1,184,405	.....
Material and supplies.....	12,012,537	8,979,470	3,033,067	.....
Interest and dividends receivable.....	11,469	11,885	.....	416
Rents receivable.....	22,436	22,581	.....	145
Other current assets.....	183,867	76,919	106,948	.....
Total current assets.....	46,381,648	24,496,516	21,885,132	.....
<b>DEFERRED ASSETS</b>				
Working fund advances.....	36,689	36,984	.....	295
Other deferred assets.....	578,188	128,054	450,134	.....
Total deferred assets.....	614,877	165,038	449,839	.....
<b>UNADJUSTED DEBITS</b>				
Rents and insurance premiums paid in advance.....	65,311	67,037	.....	1,726
Discount on funded debt.....	3,694,566	3,845,637	.....	151,071
Other unadjusted debits.....	2,315,666	1,849,697	465,969	.....
Total unadjusted debits.....	6,075,543	5,762,371	313,172	.....
Grand total.....	\$716,957,196	\$686,542,022	\$30,415,174	.....



# ANNUAL REPORT FOR 1941

## CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY GENERAL BALANCE SHEET DECEMBER 31, 1941 AND 1940

LIABILITY SIDE	December 31, 1941	December 31, 1940	INCREASE	DECREASE
<b>STOCK</b>				
Capital stock.....	\$170,839,100	\$170,839,100		
<b>GOVERNMENTAL GRANTS</b>				
Grants in aid of construction.....	1,231,857	889,167	\$ 342,690	
<b>LONG-TERM DEBT</b>				
Funded debt unmatured.....	274,896,000	266,969,000	7,927,000	
Less—Held by or for the Company.....	38,647,000	38,372,000	275,000	
Total funded debt outstanding.....	236,249,000	228,597,000	7,652,000	
Total capital liabilities.....	408,319,957	400,325,267	7,994,690	
<b>CURRENT LIABILITIES</b>				
Traffic and car-service balances—Cr. ....		550,340		550,340
Audited accounts and wages payable.....	7,651,887	4,314,417	3,337,470	
Miscellaneous accounts payable.....	260,367	216,130	44,237	
Interest matured unpaid.....	973,535	967,716	5,819	
Unmatured interest accrued.....	2,368,652	2,315,080	53,572	
Accrued tax liability.....	8,169,533	5,406,684	2,762,849	
Other current liabilities.....	536,830	362,687	174,143	
Total current liabilities.....	19,960,804	14,133,054	5,827,750	
<b>DEFERRED LIABILITIES</b>				
Conditional sale contracts.....	15,309,377	6,237,000	9,072,377	
Other deferred liabilities.....	386,229	104,593	281,636	
Total deferred liabilities.....	15,695,606	6,341,593	9,354,013	
<b>UNADJUSTED CREDITS</b>				
Premium on funded debt.....	69,175	31,799	37,376	
Insurance and casualty reserves.....	1,392,996	1,392,996		
Accrued depreciation—Road.....	5,609		5,609	
Accrued depreciation—Equipment.....	84,800,004	80,443,144	4,356,860	
Other unadjusted credits.....	3,401,716	2,158,515	1,243,201	
Total unadjusted credits.....	89,669,500	84,026,454	5,643,046	
<b>CORPORATE SURPLUS</b>				
Additions to property through income and surplus.....	919,565	915,138	4,427	
Funded debt retired through income and surplus.....	44,044,177	44,044,177		
Sinking fund reserves.....	600	600		
Total appropriated surplus.....	44,964,342	44,959,915	4,427	
Profit and loss credit balance.....	138,346,987	136,755,739	1,591,248	
Total corporate surplus.....	183,311,329	181,715,654	1,595,675	
Grand total.....	\$716,957,196	\$686,542,022	\$30,415,174	



# GREAT NORTHERN RAILWAY COMPANY

## CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

### INCOME ACCOUNT 1941 AND 1940

ITEM	1941	1940	INCREASE	DECREASE
Average mileage of road operated.....	9,036	8,973	63	
OPERATING INCOME				
Railway operating revenues.....	\$117,521,355	\$97,631,242	\$19,890,113	
Railway operating expenses.....	83,047,925	71,853,873	11,194,052	
Net revenue from railway operations.....	34,473,430	25,777,369	8,696,061	
Railway tax accruals.....	11,900,410	8,697,632	3,202,778	
Railway operating income.....	22,573,020	17,079,737	5,493,283	
Equipment rents—net debit.....	1,312,963	1,952,935		\$639,972
Joint facility rent—net debit.....	2,125,052	2,044,024	81,028	
Net railway operating income.....	19,135,005	13,082,778	6,052,227	
OTHER INCOME				
Income from lease of road and equipment.....	133,819	121,510	12,309	
Miscellaneous rent income.....	525,918	545,041		19,123
Miscellaneous nonoperating physical property.....	124,932	94,988	29,944	
Dividend income.....	180,585	105,523	75,062	
Income from funded securities.....	157,042	153,914	3,128	
Income from unfunded securities and accounts.....	73,852	31,410	42,442	
Release of premiums on funded debt.....	15,530	11,847	3,683	
Miscellaneous income.....	11,444	6,298	5,146	
Total other income.....	1,223,122	1,070,531	152,591	
Total income.....	20,358,127	14,153,309	6,204,818	
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents.....	13,878	30,776		16,898
Miscellaneous tax accruals.....	79,780	65,170	14,610	
Separately operated properties—Loss.....	28,078		28,078	
Miscellaneous income charges.....	6,791	6,348	443	
Total miscellaneous deductions.....	128,527	102,294	26,233	
Income available for fixed charges.....	20,229,600	14,051,015	6,178,585	
FIXED CHARGES				
Rent for leased roads and equipment.....	89,478	81,143	8,335	
Interest on funded debt.....	9,334,465	9,320,917	13,548	
Interest on unfunded debt.....	235,443	104,034	131,409	
Amortization of discount on funded debt.....	151,072	152,057		985
Total fixed charges.....	9,810,458	9,658,151	152,307	
Net income.....	10,419,142	4,392,864	6,026,278	
Dividend appropriations of income.....	3,416,774	3,416,774		
Income balance transferred to Profit and Loss.....	\$ 7,002,368	\$ 976,090	\$ 6,026,278	



# ANNUAL REPORT FOR 1941

## CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY PROFIT AND LOSS ACCOUNT—DECEMBER 31, 1941

CREDITS			
Credit balance December 31, 1940.....			\$136,755,739
Credit balance transferred from income.....	\$7,002,368		
Credits from retired road and equipment.....	6,092		
Donations.....	4,427		
Miscellaneous credits.....	42,441	\$7,043,144	
DEBITS			
Surplus appropriated for investment in physical property.....	4,427		
Debits from retired road and equipment.....	5,173,683		
Miscellaneous debits.....	273,786	5,451,896	
Net credit for year 1941.....			1,591,248
Credit balance, December 31, 1941, carried to balance sheet.....			\$138,346,987

## SPOKANE, PORTLAND AND SEATTLE RAILWAY SYSTEM (SPOKANE, PORTLAND AND SEATTLE RAILWAY, OREGON TRUNK RAILWAY, OREGON ELECTRIC RAILWAY AND UNITED RAILWAYS COMPANIES) PROFIT AND LOSS ACCOUNT—DECEMBER 31, 1941

DEBITS			
Debit balance December 31, 1940.....			\$ 70,030,548
Debit balance transferred from income.....	\$ 423,653		
Surplus appropriated for investment in physical property.....	14,292		
Debits from retired road and equipment.....	387,944		
Miscellaneous debits.....	15,713	\$ 841,602	
CREDITS			
Credits from retired road and equipment.....	28		
Donations.....	14,292		
Miscellaneous credits.....	5,820	20,140	
Net debit for year 1941.....			821,462
Debit balance, December 31, 1941, carried to balance sheet.....			\$ 70,852,010



# G R E A T N O R T H E R N R A I L W A Y C O M P A N Y

## S P O K A N E, P O R T L A N D A N D S E A T T L E R A I L W A Y S Y S T E M (S P O K A N E, P O R T L A N D A N D S E A T T L E R A I L W A Y, O R E G O N T R U N K R A I L W A Y, O R E G O N E L E C T R I C R A I L W A Y A N D U N I T E D R A I L W A Y S C O M P A N I E S) (I N T E R C O M P A N Y T R A N S A C T I O N S E L I M I N A T E D)

### G E N E R A L B A L A N C E S H E E T D E C E M B E R 3 1, 1 9 4 1 A N D 1 9 4 0

ASSET SIDE	December 31, 1941	December 31, 1940	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property:				
Road.....	\$ 89,554,185	\$ 89,255,510	\$ 298,675	
Equipment.....	6,606,400	6,391,264	215,136	
General expenditures.....	5,429,855	5,439,869		\$ 10,014
Total.....	101,590,440	101,086,643	503,797	
Deposits in lieu of mortgaged property sold.....	122,501	170,044		47,543
Miscellaneous physical property.....	3,390,611	3,319,953	70,658	
Investments in affiliated companies:				
Stocks.....	50,102	50,102		
Notes.....	101,327	101,327		
Advances.....	3,244,962	1,566,378	1,678,584	
Total.....	3,396,391	1,717,807	1,678,584	
Other investments:				
Notes.....	17,231	18,997		1,766
Miscellaneous.....	34,772	44,839		10,067
Total.....	52,003	63,836		11,833
Total investments.....	108,551,946	106,358,283	2,193,663	
<b>CURRENT ASSETS</b>				
Cash.....	727,767	553,881	173,886	
Special deposits.....	25,131	13,170	11,961	
Loans and bills receivable.....	1,333	2,667		1,334
Net balance receivable from agents and conductors.....	335,719	112,220	223,499	
Miscellaneous accounts receivable.....	1,690,390	735,037	955,353	
Material and supplies.....	1,302,729	933,109	369,620	
Interest and dividends receivable.....	74	67	7	
Other current assets.....	15,208	19,162		3,954
Total current assets.....	4,098,351	2,369,313	1,729,038	
<b>DEFERRED ASSETS</b>				
Working fund advances.....	2,329	2,329		
Insurance and other funds.....	20,700	20,500	200	
Other deferred assets.....	345,364	358,208		12,844
Total deferred assets.....	368,393	381,037		12,644
<b>UNADJUSTED DEBITS</b>				
Rents and insurance premiums paid in advance.....	8,200	19,649		11,449
Discount on funded debt.....	8,521,858	8,966,476		444,618
Other unadjusted debits.....	1,008,358	666,568	341,790	
Total unadjusted debits.....	9,538,416	9,652,693		114,277
Grand total.....	\$122,557,106	\$118,761,326	\$3,795,780	



# ANNUAL REPORT FOR 1941

## SPOKANE, PORTLAND AND SEATTLE RAILWAY SYSTEM

(SPOKANE, PORTLAND AND SEATTLE RAILWAY, OREGON TRUNK RAILWAY,  
OREGON ELECTRIC RAILWAY AND UNITED RAILWAYS COMPANIES)  
(INTERCOMPANY TRANSACTIONS ELIMINATED)

### GENERAL BALANCE SHEET DECEMBER 31, 1941 AND 1940

LIABILITY SIDE	December 31, 1941	December 31, 1940	INCREASE	DECREASE
<b>STOCK</b>				
Capital stock.....	\$ 40,045,800	\$ 40,045,800		
<b>GOVERNMENTAL GRANTS</b>				
Grants in aid of construction.....	485,981	465,409	\$ 20,572	
<b>LONG-TERM DEBT</b>				
Funded debt unmatured.....	82,671,000	82,791,000		\$120,000
Less—Held by or for the Company.....	8,092,000	8,083,000	9,000	
Total funded debt outstanding.....	74,579,000	74,708,000		129,000
Nonnegotiable debt to affiliated companies.....	6,084,547	5,927,947	156,600	
Total long-term debt.....	80,663,547	80,635,947	27,600	
Total capital liabilities.....	121,195,328	121,147,156	48,172	
<b>CURRENT LIABILITIES</b>				
Traffic and car service balances—Cr. ....	832,453	338,359	494,094	
Audited accounts and wages payable.....	1,119,578	578,407	541,171	
Miscellaneous accounts payable.....	52,767	18,382	34,385	
Interest matured unpaid.....	11,775	13,170		1,395
Unmatured interest accrued.....	983,545	983,594		49
Accrued tax liability.....	414,352	390,144	24,208	
Other current liabilities.....	118,041	62,512	55,529	
Total current liabilities.....	3,532,511	2,384,568	1,147,943	
<b>DEFERRED LIABILITIES</b>				
Liability for provident funds.....	20,700	20,500	200	
Matured interest in default.....	59,798,838	56,850,438	2,948,400	
Other deferred liabilities.....	4,069,117	3,988,147	80,970	
Total deferred liabilities.....	63,888,655	60,859,085	3,029,570	
<b>UNADJUSTED CREDITS</b>				
Premium on funded debt.....	9,898	11,548		1,650
Accrued depreciation—Equipment.....	3,542,280	3,340,286	201,994	
Other unadjusted credits.....	1,078,330	896,775	181,555	
Total unadjusted credits.....	4,630,508	4,248,609	381,899	
<b>CORPORATE SURPLUS</b>				
Additions to property through income and surplus.....	162,114	152,456	9,658	
Total appropriated surplus.....	162,114	152,456	9,658	
Profit and loss debit balance.....	70,852,010	70,030,548	821,462	
Total corporate surplus—deficit.....	70,689,896	69,878,092	811,804	
Grand total.....	\$122,557,106	\$118,761,326	\$3,795,780	



# GREAT NORTHERN RAILWAY COMPANY

## SPOKANE, PORTLAND AND SEATTLE RAILWAY SYSTEM (SPOKANE, PORTLAND AND SEATTLE RAILWAY, OREGON TRUNK RAILWAY, OREGON ELECTRIC RAILWAY AND UNITED RAILWAYS COMPANIES) (INTERCOMPANY TRANSACTIONS ELIMINATED) INCOME ACCOUNT 1941 AND 1940

ITEM	1941	1940	INCREASE	DECREASE
*Average mileage of road operated.....	945	948		3
<b>OPERATING INCOME</b>				
Railway operating revenues.....	\$13,289,042	\$9,718,807	\$3,570,235	
Railway operating expenses.....	8,136,869	6,786,882	1,349,987	
Net revenue from railway operations.....	5,152,173	2,931,925	2,220,248	
Railway tax accruals.....	929,235	910,166	19,069	
Railway operating income.....	4,222,938	2,021,759	2,201,179	
Equipment rents—net debit.....	1,314,642	854,354	460,288	
Joint facility rent—net credit.....	121,863	114,671	7,192	
Net railway operating income.....	3,030,159	1,282,076	1,748,083	
<b>OTHER INCOME</b>				
Miscellaneous rent income.....	49,909	56,391		\$ 6,482
Miscellaneous nonoperating physical property.....	156,748	139,049	17,699	
Income from funded securities.....	832	759	73	
Income from unfunded securities and accounts.....	120		120	
Release of premiums on funded debt.....	1,650	1,650		
Total other income.....	209,259	197,849	11,410	
Total income.....	3,239,418	1,479,925	1,759,493	
<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>				
Miscellaneous rents.....	6,268	4,871	1,397	
Miscellaneous tax accruals.....	32,524	33,685		1,161
Miscellaneous income charges.....	542	471	71	
Total miscellaneous deductions.....	39,334	39,027	307	
Income available for fixed charges.....	3,200,084	1,440,898	1,759,186	
<b>FIXED CHARGES</b>				
Rent for leased roads and equipment.....	43,402	42,872	530	
Interest on funded debt.....	3,125,981	3,140,720		14,739
Interest on unfunded debt.....	9,735	987	8,748	
Amortization of discount on funded debt.....	444,619	444,619		
Total fixed charges.....	3,623,737	3,629,198		5,461
Net deficit transferred to Profit and Loss.....	\$ 423,653	\$2,188,300		\$1,764,647

The Spokane, Portland and Seattle Railway Company owns the entire issue of stock of Oregon Trunk Railway and of stock and bonds of United Railways Company, also 98 percent of the stock and 92 percent of the bonds of Oregon Electric Railway Company.

The above income account is a consolidated statement of the Spokane, Portland and Seattle Railway Company and the subsidiary companies shown, and, therefore, there have been eliminated from nonoperating income and from fixed charges contra items arising from ownership of intercompany bonds and other obligations in the following amounts:

	1941	1940
Interest on United Railways First Mortgage Bonds.....	\$ 22,500	\$ 22,500
Interest on Oregon Electric Railway Company First Mortgage Bonds.....	53,992	53,746
Interest on notes and advances.....	1,980,046	1,995,090
Interest received from subsidiary companies.....	Cr. 380,000	Cr. 249,833

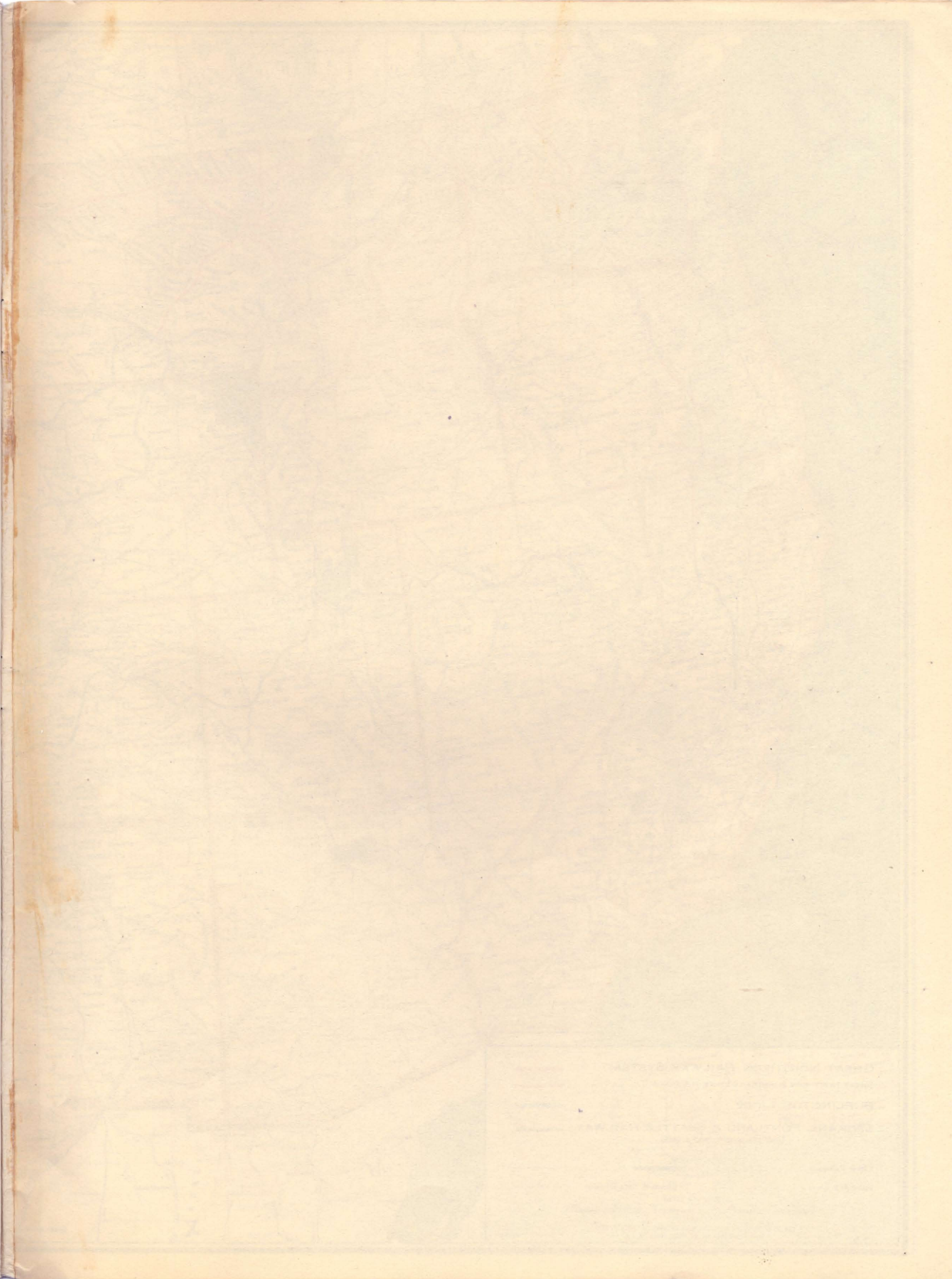
The Great Northern Railway Company owns one-half of the stocks and bonds issued by the Spokane, Portland and Seattle Railway Company. These securities, including advances, as of December 31, 1941, are carried in Great Northern investment account (page 28) as follows:

	Par Value	Book Value
Stock.....	\$20,000,000	\$20,000,000
Bonds.....	36,855,000	25,798,500
Advances.....	905,000	905,000
Total.....		\$46,703,500

\*Miles of road operated December 31, 1941:

Spokane, Portland and Seattle Railway Company.....	552.85 miles
Oregon Trunk Railway.....	151.93 miles
Oregon Electric Railway Company.....	202.90 miles
United Railways Company.....	50.15 miles
Total allowing for 18.35 miles duplicated.....	939.48 miles









**GREAT NORTHERN RAILWAY SYSTEM**.....

**BURLINGTON LINES**.....

**SPOKANE, PORTLAND & SEATTLE RAILWAY**.....

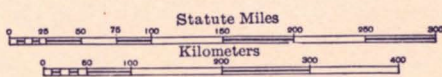
(AND ITS SUBSIDIARY LINES)

Main Connections.....

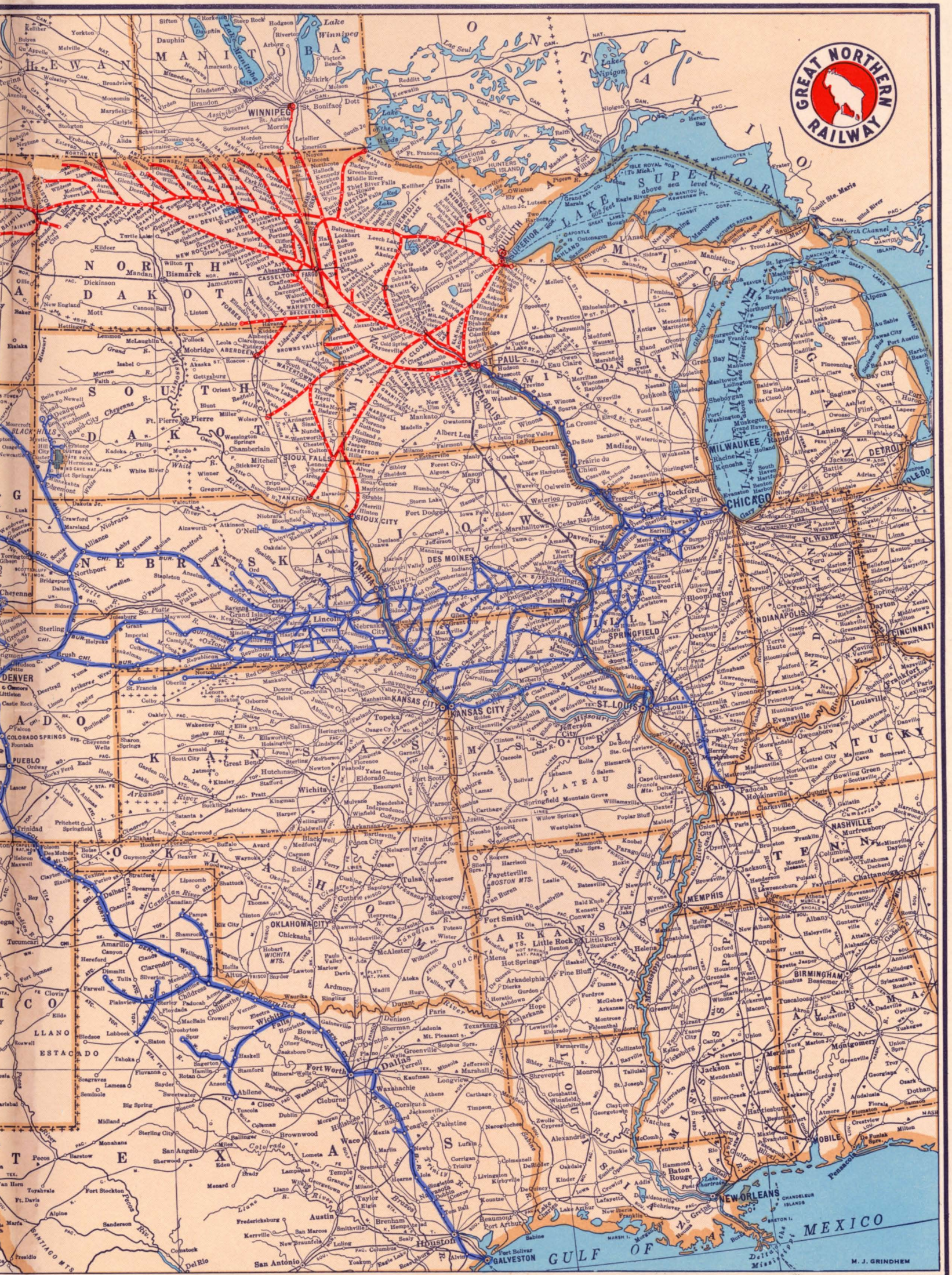
Steamship Lines.....

Other Railroads.....

Standard Time Division.....++++











SERVING



WISCONSIN  
MINNESOTA

IOWA

SOUTH DAKOTA

NORTH DAKOTA

MONTANA

IDAHO

WASHINGTON

OREGON

CALIFORNIA

MANITOBA

BRITISH COLUMBIA